



Office of Utility Regulation

Publication of Statement of Opportunity by Guernsey Electricity Ltd

Consultation Document

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Office of Utility Regulation
Suites B1 & B2, Hirzel Court, St Peter Port, Guernsey, GY1 2NH
Tel: (0)1481 711120, Fax: (0)1481 711140, Web: www.regutil.gg

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1. Background

As part of the regulatory framework for the electricity sector, the Generation, Conveyance and Supply activities of Guernsey Electricity Ltd (GEL) have been licensed since 1st February 2002 (see document OUR 02/04). Under Licence Condition 33 of GEL's licence, it is required to prepare and publish a statement regarding the electrical network annually – this statement is referred to as the Statement of Opportunity.

This statement allows all interested parties to obtain an overview of the electrical system within the island of Guernsey. As such it is primarily a technical report on current system performance and the anticipated changes over the next five years, outlining future requirements for network augmentation and expected levels of generation and demand. The statement also suggests where any new generation or demand may best be situated on Guernsey.

The current document is therefore a single source of up to date, transparent information on the electricity network to all interested parties, ranging from potential new entrants to any business or person who needs to consider a connection to the electricity network (for example, housing developments or new industrial or commercial centres).

2. Current approach to Publication of Statement of Opportunity

On 1st May 2002, the first Statement of Opportunity was published by GEL and has been made freely available via the GEL website (www.electricity.gg). In addition hard copies can be requested from GEL at a cost of £20 a copy. This fee covers GEL's administrative costs in preparing a hard copy of the document.

3. Proposed approach to Publication of Statement of Opportunity

As a forward looking document, the statement of opportunity needs to be adjusted over time to reflect plans for new developments that may impact on the electricity network over the period covered. The evidence suggests the extent of updates is generally limited, while requests for the document are infrequent. In these circumstances there is some potential to reduce the regulatory burden on GEL through an alternative arrangement that still achieves the original intention for publication of such a document, namely the provision of reasonably up to date information in this area in a reasonable time frame.

The OUR therefore proposes that the Statement of Opportunity is made available to other parties on request only rather than requiring publication on a regular basis. In terms of the length of time required to meet such requests the OUR does not believe there is a need to stipulate a time period but that such requests should be met in a

reasonable time frame. It is proposed that the current method of charging to recover administrative costs incurred in providing the service should continue.

The Director General is seeking the views of interested parties on whether the proposed change to requiring GEL to meet reasonable demands for an updated Statement of Opportunity to be provided upon request – rather than the current automatic updating on an annual basis – will continue to meet their needs.

4. Comments

The OUR is seeking views on the proposed change to the publication of GEL's Statement of Opportunity set out in this Consultation Paper, from any interested parties. Responses to this Consultation should be submitted by **5pm on 22nd March 2006**, and should be sent to:

Office of Utility Regulation
Suites B1 & B2
Hirzel Court
St Peter Port
GY1 2NH

Or by email to **info@regutil.gg**

In accordance with the OUR's policy on consultation set out in Document OUR 05/28 – "Regulation in Guernsey; the OUR Approach and Consultation Procedures", non-confidential responses to the consultation are available on the OUR's website (www.regutil.gg) and for inspection at the OUR's Offices during normal working hours.

Responses are therefore sought on the proposals set out above by 22nd March 2006.

ENDS