

Matthew Harrison

From: David Lee [REDACTED]
Sent: 29 March 2019 13:09
To: [REDACTED]
Subject: Comments on E1392G Draft Decision – Cost Pass-through for Uncontrollable Costs of Guernsey Electricity 2019

[REDACTED] [REDACTED]

To the Guernsey Competition and Regulatory Authority

Comments on E1392G Draft Decision – Cost Pass-through for Uncontrollable Costs of Guernsey Electricity 2019

On review of relevant news articles, I am very concerned at the two significant price hikes proposed by Guernsey Electricity.

Firstly, any business looking to raise funds for a capital project would seek funding from its shareholders or through debt. This is taught in a number of finance qualifications. Guernsey Electricity are instead seeking to force customers to pay for this project, which would not be possible if they had competition. It is also concerning that Guernsey Electricity made payments of “£1.044m”, “£749,000” and share buybacks of £4m (Figures quoted from the Guernsey Electricity article at: <https://www.electricity.gg/news/guernsey-electricity-boosts-public-coffers-by-%C2%A35m-and-invests-in-future/>), at a time where costs have been “spiralling” since 2012. Consideration should be given as to whether the States of Guernsey should be forced to repay this capital or provide the capital required for the new cable link with Jersey. I would not be comfortable paying increased charges if Guernsey Electricity plan on making more payments to their shareholders instead of passing benefits back to customers. Cicra should be in a position to block any future dividends or share buybacks.

I am also very concerned for those most vulnerable in our community. An immediate circa 10% increase to electricity prices (6.8% + 2.7%) is going to hit the community’s poorest the hardest. I would recommend, following these increases, that energy monitors be provided to those most in need free of charge by Guernsey Electricity, so that they may find ways to mitigate this additional burden.

With Kind Regards

David