



Consultation responses to Draft Determination of 1st October, 2019

As at 17:00 8th October, 2019

I thank all those who have responded to the Draft Determination and, where permission has been granted, I set out, below, the submissions I have received to date. I will publish further responses in due course.

Anthony White

Commissioner

Resident

“Thank you for your very well argued and detailed draft determination dated 1st October 2019.

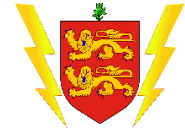
It is apparent that since Tim Gordon Brown’s death, the beneficiaries of the estate have put the interests of the family before the welfare of the people of Sark and large profits and interest have left Sark for Canada and the UK. With no Company taxation here, there has been no need to produce accounts which has facilitated this state of affairs.

Sark residents have been paying far more for electricity than is equitable, a situation that has been aggravated by David Gordon Brown’s employment of some of the most expensive lawyers available - whether in the UK or Guernsey - to fight the Sark’s Government’s attempts to control the situation. As tax payers and electricity users, we have suffered a double whammy.

It is high time that this situation was brought to a successful conclusion and the exploitation of the people of Sark by SEL was ended. Sark has a greater proportion of elderly residents, including my wife and myself, than is found in other communities and the high price of electricity has lead to great deal of stress and worry - particularly as happened last autumn when we were threatened with the loss of our electricity supply altogether.

The cost of electricity is a constant concern. We recently bought a high speed dishwasher but will leave it unused until the electricity situation is resolved. At home we turn off all lights and keep electricity use to a minimum. The bread maker has been put away and we watch how much water we put in the kettle.

The way ahead must be a green solution with a wind turbine and arrays of solar panels. The use of diesel should be kept to a minimum. However, without the cooperation of SEL it is difficult to see how progress can be made. It is apparent that David Gordon Brown has used every delaying tactic available to make it impossible for the Sark Government to conclude a purchase of the Company at a fair price. This has been his modus operandi for the last years. Delay, delay , delay and continue to make as much money as possible.



I consider that a 5% return plus inflation is more than reasonable and that every effort should now be made to reduce the cost of electricity to more normal levels.”

Resident

“I've read your Draft Determination with great interest and relief. Thank you very much for all the work you've put into this.

As you can imagine, the reaction of Sark residents to Mr. Gordon-Brown's proposed price rise has ranged from extreme anger to fear and dismay. One elderly widow lady told me, almost in tears, that she didn't know how she would be able to manage - several people have said similar. A working man on the Island told me that he thought he and his family would have to leave. He also said that several others were saying the same.

It's hard enough for many people to manage to pay 66p a unit and everyone I know uses electricity as sparingly as they possibly can. The tragedy is that the more expensive it gets the more people will cut their usage. It is a very sad thing if elderly people and families are being forced to cut down on heating and cooking, never mind television and using their washing machines.”

Resident

“For some time the finances if the Sark Electricity Company have been in a downward spiral. Demand falls, revenue falls so they increase prices. This leads to further falls in demand and more price rises and so on ad infinitum.

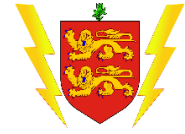
Is it possible to project these trends to predict when the business is completely unviable? Do we have to wait for this to happen or can the plug be pulled first? (Pardon the pun)”

Frequent holiday maker

“My family spend summer weeks on Sark (and have done for 40 years), which are very expensive thanks to air travel and commodities. An additional expense would be incurred by the ridiculous price hike about to take by Mr Brown and Sark Electricity. He has already bullied the islanders previously by threatening to shut down his supply altogether - which made the national press. As a keen supporter of the people of Sark and a member of La Societee Serquaise I urge you to take whatever action you can to stop this totally unacceptable and unnecessary action by Mr Brown”

Resident

“I would be happy to sell any wayleaves on my property to whoever may run the Power Station – but at present I do not have any.



My consumption of electricity has fallen as low as I think it can go. I have in the past 5 years replaced all my light bulbs with low energy ones and during the last 2 years I have replaced as many as possible with LED bulbs, which I continue to do. I am a single-person household, I do virtually no ironing, no electric cooking, and have a petrol driven mower and strimmer. I have a 19" TV, a small freezer in the unheated back porch (recently bought, triple A rated; I sold the large previous one) If I am away for more than 3 weeks, I turn off my refrigerator. I have Thermomax tubes on the roof for hot water 6 months of the year and a large woodstove for space heating so do not need the back-up radiators very often. I cannot see how I can cut my usage much more. I bought a breadmaker recently but today I have used the gas over for baking loaves. My consumption is on average 80 units a month. Everything is turned off, including internet, at night or when I go out.

I would find it more than acceptable to see a wind turbine on Sark, near me or not. I am astonished that Mr Gordon Brown has made no effort (other than a whitewash presentation by students of Southampton University about using hydro-electric power to create electricity from water falling from Les Laches to the Harbour some years ago).

His attitude to those who can sell cleaner electricity to him is exceedingly unhelpful – we need to stop burning fossil fuels as much on Sark as anywhere else.

We built our house ourselves in 1995 so there was no builder and we paid for the electricity connection ourselves. The house is insulated throughout and has large double-glazed windows to the south west as passive solar heating and no windows to the north-east.

5% per annum return seems quite fair to me, particularly as the people receiving this are directors but do not live on Sark but on the other side of the world. We do not know how many shareholders there are, only that they are all family members.

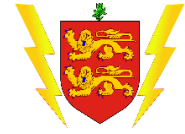
My additional views:

I was very shocked to hear Mr Gordon Brown stating in a television interview last week that 'some Sark residents are richer than my shareholders' – the implication being that he was justified in charging a high price. No mention now of service to his customers, as in his letter of 13 Feb 2019, "SEL is still a small family owned company that is doing its best to serve both its customers and the wider community it is a part of."

Andrew Gordon Brown writes in October 2015, "The price is important to us because Sark, its residents and its future hold a very special place in the heart of the Gordon-Brown family". This sentence seems a little sinister 4 years on.

I see also that the letter saying the price per unit was going to be 85p has now been taken of the company website.

I cannot see why consumers should be asked to pay for Mr Gordon Brown's legal advice as to how best to fight a legally appointed price commissioner. That is as ridiculous as asking Chief Pleas for a grant of £250,000 to fight a court case against Chief Pleas. (letter 4 October 2018).



This question of a fair price for electricity on Sark has been active since 2010 (and possibly some months before that). My feeling is that the Gordon Brown family are making as much money as possible from unfortunate Sark residents before the inevitable happens – alternative energy production and the back-up power station in the control of the Island of Sark.”

Resident

“Of course the price increase will have a huge negative effect on the people of Sark.

It seemed to me last time that Mr Brown held the only decent card ie to switch off supply.

The Island needs an alternative so we could switch over if necessary. I would go for the cable from Guernsey. It would mean a lot of debt but would be worth it in the long run.”

Resident

“Thank you for your detailed explanation, 1 October 2019, of how things stand regarding the price of electricity. I confess to not understanding why the court case earlier in the year collapsed, leaving SEL with a good deal of the taxpayers' money while leaving Mr GB free to impose his latest outrageous demand on us. However, I am pleased that you are progressing toward a satisfactory outcome soon. At the latest price there is every incentive for many of us to switch to generating our own power which would be both inefficient and absurd, quite apart from the environmental impact of dozens or hundreds of small diesel generators running.

Surprisingly, some Sark residents hold the view that SEL is entitled to charge whatever it likes, ignoring that it is a de facto monopoly of an essential service. I doubt if there is another unregulated electricity supplier anywhere in the Western world. Given SEL's recent behaviour, it is essential that it is placed under the Island's control as soon as possible for the benefit of the community not just for that of Mr GB and his extended family. Clearly the future lies in either connecting up to the French supply, perhaps via Guernsey, or developing solar/wind/tidal for ourselves. My friends living on an island off Vancouver (same latitude was Sark) are entirely and successfully off-grid, and the technology gets cheaper every year.

May I wish you every success in your endeavours on our behalf.”

Resident

“Please accept this as my contribution to the consultation on the current draft price determination.

As someone who owns a small business I know that electricity bills recently have become very onerous even though I do not run fridges and freezers. Some food shop owners here seem unconcerned because they will pass on the increase to their customers but that is a very short sighted approach.



Elderly people and young families will be unable to keep up with the price rises and cutting back could become detrimental to individual health and the health of the community as people will leave and new residents unlikely to arrive, thus making the price rise even more.

I would have expected by now any self-respecting energy provider to have invested in some renewable systems to feed into our power supply and I would be very happy to see a field of solar panels and some reasonably sized wind turbines.

Mr Gordon Brown's responses have seemed unreasonable and irrational already and I am very disappointed that we do not seem to have progressed any further with the Island purchasing the power station. If you make a price determination it will at least move the issue along and might assist Chief Pleas in its negotiations. In an interview on BBC Channel Islands News on October the second, Mr Gordon Brown claimed that his letter of October the first had been 'leaked' but it was already on his website. He calls the price he wants to charge 'ridiculous' (and I quote) but goes on to attempt to justify it.

His recourse to lawyers is his own and his shareholders choice, not ours, so we should not be expected to bear the costs. If they cannot make the company function in a reasonable manner the obvious choice is to sell up. I am facing that situation myself and do not find it reasonable that he values the equipment and infrastructure at prices as new. I cannot imagine any factory in the world being put on the market being able to claim similar values.

I do hope that after the consultation period you will announce a price determination at around 53p per kilowatt hour as suggested and the whole issue can proceed to a more satisfactory conclusion than last year."

Resident

"I have lived very happily on Sark for 46 years, always working hard and paying my way. I am now very unhappy to be expected to pay 85 p a unit for electric. I believe Mr Gordon Brown expects Sark to pay his legal fees, once again, I also believe our taxes to the government will be increasing, to pay their legal fees, and also to pay you. I had hoped when you first came to Sark, that you would have an answer to our problems, and it seemed you did when the price was reduced.

I attended the presentation by Exeter University, and was hoping we would move forward with one of the renewable energy options, 3 wind turbines. Which seemed the Most affordable. I have said in the past, I wouldn't mind paying £1 per unit for electric, if it were to be invested in a new technology, or new generators which I believe to be More economical in their running.

There is also a concern that Sark Estate Management own the land that the power station stands on, what happens when the lease is up. ?

The Island should be progressing away from a situation where we can so easily be held to ransom.



On a personal note, I am 68 . I have a large garden and this year have been successful in growing a lot of produce, which I have frozen to see me through the winter. I run a BandB, and had hoped to be able to do less as the years pass, but this will not Be the case if prices go to 85p. It's not only the Electric, it's private medical insurance, The cost of importing goods from Guernsey, not that they are your concern. We need to increase the population of the island, by encouraging more families and young folk to come here. There are many single people living on the island who rely on the radio and TV for company, we might end up sitting in the dark, reading by candle light if Mr G.B has his way, where will he stop. (slight exaggeration). Please do something to make the trust faith and finances the Island has invested in you Come to fruition.”

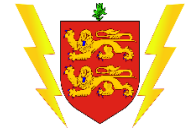
Resident

“In answer to your questions at the end of your 2019 determination:

1. Like many residents of Sark, our house is leasehold so we are not in a position to comment on wayleaves as that is up to the Tenant.
2. There is no doubt that if electricity was cheaper then we would consider having a freezer for example.
3. We have no issue of one or more wind turbines on Sark as you describe. The recent University of Exeter study into the use of renewables on Sark which we recently drew your attention to suggested three wind turbines on the Les Laches land, a relatively unpopulated and infrequently visited area of the island under island ownership which would seem to us to be a good idea.
4. The electricity connection was made to our house before we purchased it.
5. 5% return seems high in the present financial circumstances in the developed world; 3-4% would be more realistic.
6. One small item that we don't think is included in your calculations is the fixed charge made monthly (£2/month) on each bill rendered. This is relatively small in the scheme of things but it adds up over time.
7. The use of renewables has much to commend it on Sark. One idea would be to encourage householders and owners/users of premises to fit PV solar panels to their rooves at their own expense and for them to gain some economic advantage, with surplus electricity going back into the power system. Technically this needs careful design but is possible and avoids the electricity operator having to make the investment. It's the “OPM” (Other People's Money) principle.
8. It would be a good idea to make it mandatory for all premises to pay a fixed electricity cost coupled with a lower unit cost whether or not they are actually connected to the grid in order to discourage people going off grid. However, that could not be effected under the current ownership regime.”

Resident

“Thank you for giving me the opportunity to contribute to this consultation. I have read the draft determination and have attempted to keep abreast of all



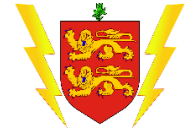
developments related to the price of electricity on Sark over many years. My electricity bills have always been paid on time and I am completely satisfied with the service that we receive from employees of S.E.L. I am though, very dissatisfied by the price I am forced to pay for this vital utility and am concerned that the provider will take the opportunity to push the price per kilowatt hour up still further unless his actions are curtailed.

My concerns are:

- It is suggested in your draft and indeed stated in Mr Gordon Brown's letter to customers of 1st October that the main reason for the increase is to pay for legal fees related to the legislation (Control of Electricity Prices, (Sark) Law 2019). Customers should not be paying for Mr Gordon Brown's inclination to thwart the law. This should be funded by shareholders.
- There seems to be a lack of inclination on the part of Mr Gordon Brown to engage realistically with either the Sark Government or The Commissioner. This suggests he has no intention of moving forward any time soon: quite the opposite. As long as this situation continues he holds all the trump cards and is able to hold the inhabitants of the island to ransom. No individual should have this much power.

In answer to specific points at the end of your draft determination:

- It is difficult to see how, in our household, we could use much less electricity. Like most other families we have pared down as much as we can. We now have l.e.ds for virtually all lighting. We only use an electric fire for emergencies. We now use a kettle on the gas hob rather than an electric one. We dry clothes in the garden. We do not leave any appliances on standby. We try to use only one room at a time. We have relatively few electrical appliances. We do not have electric bikes. What else might we do? We could cease to use the computer but given that most places are endeavouring to improve broadband etc. and it is how we keep in contact with relatives around the world this does not seem reasonable in the 21st century. We could cease to use dishwasher and washing machine but things still have to be cleaned somehow and, as a minimum, more water would have to be pumped. What we, like every other person on earth never mind on Sark, cannot do without is a supply of water. As is the case for most other Sarkees our water is pumped, by electricity, from a bore hole. Much water is also filtered by electrically powered UV.
- If the price of electricity were to decrease we would consider an electric oven and, as we get older, we will need electric bikes, possibly electric cars.



Also, as we get older, we think that it is likely that we will be obliged to use more electricity, not less...and many older Sark residents, some not at all well off, already find themselves in this situation...with a price tag of 85p per unit.

- I would be happy to see relatively low (in height) wind turbines installed and welcome the fact that we have a special committee of Chief Pleas looking into renewables. This is the way forward but we have to find a route to get from where we are now to where we might be. Mr Gordon Brown's actions are obstructing this movement.
- I do not know if connection charges for our house were made by the house owner or builder as we purchased a lease, but given that in the case of our house the first owner worked for the power station and our house is on Aval du Creux tenement I think that it is likely that no payments were made at all. The issue of wayleaves needs to be regularised though.
- A 5% return seems to be fair to me. This seems to be normal for returns on utilities and, given the tax advantage of the situation in Sark, 5% is actually better than in other jurisdictions.

The only other point that I would like to make is that I would very much like to see the Control of Electricity Prices (Sark) Law 2016 tested, preferably by S.E.L submitting to a price control order but, as a last resort, in court. Yesterday Chief Pleas approved that drafting of legislation for licensing of commercial electrical generation should go forward. This is no help at all to the present impasse but it should be quite clear to any future providers that they will be subject to what I believe to be a robust law, the Control of Electricity Prices (Sark) Law 2016.

I hope that you will see fit to make a formal determination and, if necessary, a price control order. Yes, it would be nice if this did not have to happen but I suspect that the light at the end of the tunnel is, once again, an approaching train!"

Resident

"You have asked for feedback following the latest price increase from SEL, and, of course, I am deeply concerned about this. It is difficult to see any justification for such a hike and will inevitably lead to a drop in demand. Since he appears to justify it as maintaining his income at a time of falling demand, there is only one way it can go!

If it is possible to self-generate off grid for 35 – 45p per Kw, it is completely mad to be charged 80p plus by an long established supplier, which leads to the conclusion that they are either incompetent or greedy.

Surely the fact that D G-B will not allow sight of his accounts rings alarm bells and only serves to fuel the rumours of first class travel, etc.



In respect of wayleaves, I have an exposed cable running on top of a hedge on my land, feeding a neighbouring property which I reluctantly allowed some years ago. It's a great nuisance avoiding it with the hedge cutter and it has always struck me as being both dangerous and amateurish. Perhaps I should charge a rent!"

Resident

"I have read your Draft Determination report and I fully support a price control order being put in place. It appears that Sark residents have been paying far too high a price for our electricity for many years allowing the owner and shareholders to make large profits from us. Adding all their legal costs onto our bills is completely unacceptable. A 5% per annum return is reasonable in my opinion. I am very much in favour of renewable energy and I think solar panels and/or wind turbines must be an urgent priority for the near future. I would definitely feel less constrained in using electricity if it was "clean" energy, not fossil fuels and if the price was set at a fair rate."

Guernsey Electricity

"Many thanks for the opportunity to review. We have no comments to make."

Resident

"In response to you Draft Determination:

The issue of Wayleaves is important. I have a number of concerns around the equipment that is installed on my land.

I have some switchgear on my land. This equipment is I assume connected to the "high tension" side of the grid and the transformers produce the 240V supply I use.

This switchgear is fully accessible to passers by. There is no fence and no warning signs. I do worry about the liability for any accident/incident were this to occur on my land.

Given the companies assertion around their financial fragility what would the fate of this switchgear be if they declared bankruptcy? Would I, as the landholder be liable for the decommissioning costs of this kit? Given the Exeter report outlining the contaminants of the transformers these costs might be very high indeed.

I would be willing to sell a way-leave but there would have to be stipulations around ownership and methods to address my concerns outlined above

I believe the issue of wayleaves is somewhat complicated by laws around land ownership on the Island

I use as little electricity as possible and modify my life around the excessive price. I have homes in the UK and Sark. On Island I switch everything off at night, no equipment is left on "standby, even the internet router is switched off. If price was



lower my use would increase, I might consider the occasional use of a tumble dryer for example

I, as an interested party, would not object to a wind turbine, it would however be for Chief Pleas and the planning committee to decide if turbines are appropriate for the Island. My belief is that they would.

5% return on investment is far too high for a monopoly supplier of a utility”