



Response To Tariff Change Announcement by SEL

On 26th October 2022 my Office formally determined that the standard rate of 65 p/kwh charged by Sark Electricity Limited (“SEL”) was neither fair nor reasonable. At that time, my predecessor believed that it was preferable for SEL to reconsider its tariffs, rather than proceeding immediately to a price control order (“PCO”).

Since my appointment as Electricity Price Control Commissioner (“the Commissioner”) on 13th December 2022, I have had several constructive discussions with Mr. Alan Witney-Price of SEL. Yesterday, SEL published its revised tariffs effective from 1st January 2023. I welcome the fact that SEL has reduced the standard rate from 65 p/kwh to 53 p/kwh. Whilst this is lower than the price of 59 p/kwh suggested in the October 2022 Determination, consideration must also be given to the fact that: (1) fuel prices have decreased since then, (2) the SEL revised tariffs also include a monthly connection fee of £10 per meter, and (2) the SEL revised tariffs also include changes to the pricing arrangements for consumers who have their own generation and remain connected to the grid.

Whilst the price reduction announced by SEL is very welcome at this challenging time, it remains my intention to make a price control order, following on from the October 2022 Determination. I intend to issue a public consultation on this by the 8th February 2023. I am doing this for three reasons. First, the tariff changes announced by SEL are material and need to be properly considered. Second, an on-going price control allows for the continuation of the previous mechanism to adjust a price cap monthly for changes in fuel prices and consumption. Finally, having a price control in place for a monopoly provider is well established good regulatory practice.

Shane Lynch

Commissioner