

The New Price Control Order

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Sark Electricity Price Control Commissioner

Sark Town Hall Meeting
Thursday 2nd October 2025

Contents

- Specified Price Caps
- How The Maximum Unit Price Was Determined
- Why The Levies Were Not Allowed
- September Bills
- Adjustments
- Next Steps

Specified Price Caps

- A Maximum Unit Price of 52 p/kwh.
- Maximum Monthly Metering Charges
 - £3.43 for a single-phase meter.
 - £4.65 for a three-phase meter
- Maximum Monthly Standby Charge For "Own-Generators" of £5/kw

Determination Of The Maximum Unit Price (52 p/kwh)

- Formula:
- $P_{cap} \text{ (p/kwh)} = [AFCC - OR] / FC + [FFCC] + K$
- AFCC = Allowed Fixed Cost Component
- OR = Other Revenues
- FC = Forecast Consumption
- FFCC = Forecast Fuel Cost Component
- K = Correction Factor

Fixed Operating Costs

Cost Category	PCO Allowance 2025-26	SEL Projection 2025-26
Managing Director's Income	58,671	96,022
Other Director's Income	0	14,440
Other Staff Income	205,349	174,909
Operational Costs	39,114	43,273
Services	44,003	40,523
Administration	9,779	14,860
Provisions	5,828	3,983
TOTAL	362,744	388,010

Depreciation and Financing Costs

Price Component	PCO Allowance 2025-26	SEL Projection 2025-26
Depreciation Cost	83,477	57,379
Financing Cost	38,053	46,687

Regulatory Asset Values (RAV)

(As At 1st October 2025)

- Existing Assets RAV = £362,545
- Replacement Generator RAV = £25,909
- Existing Assets Fully Paid For By October 2030
- Replacement Generator Fully Paid For By October 2027

Removal Of The "Legal Levy" (40 p/kwh)

- To pre-fund a judicial review of Chief Pleas' decision to compulsory purchase SEL.
- 40p/kwh = £47,000 per month, up to £600k needed.

Reasons For Rejection:

- Not a cost that needs to be incurred to supply electricity.
- Risk that fund would be used to settle historic legal debts with Collas Crill, in the first instance.
- No Efficiency Incentive

Removal of "Consultation Levy" (20 p/kwh)

- To pre-fund the cost of professional services support to respond to consultations.
- Amounts to c£23,000 per month, up to £100k needed.

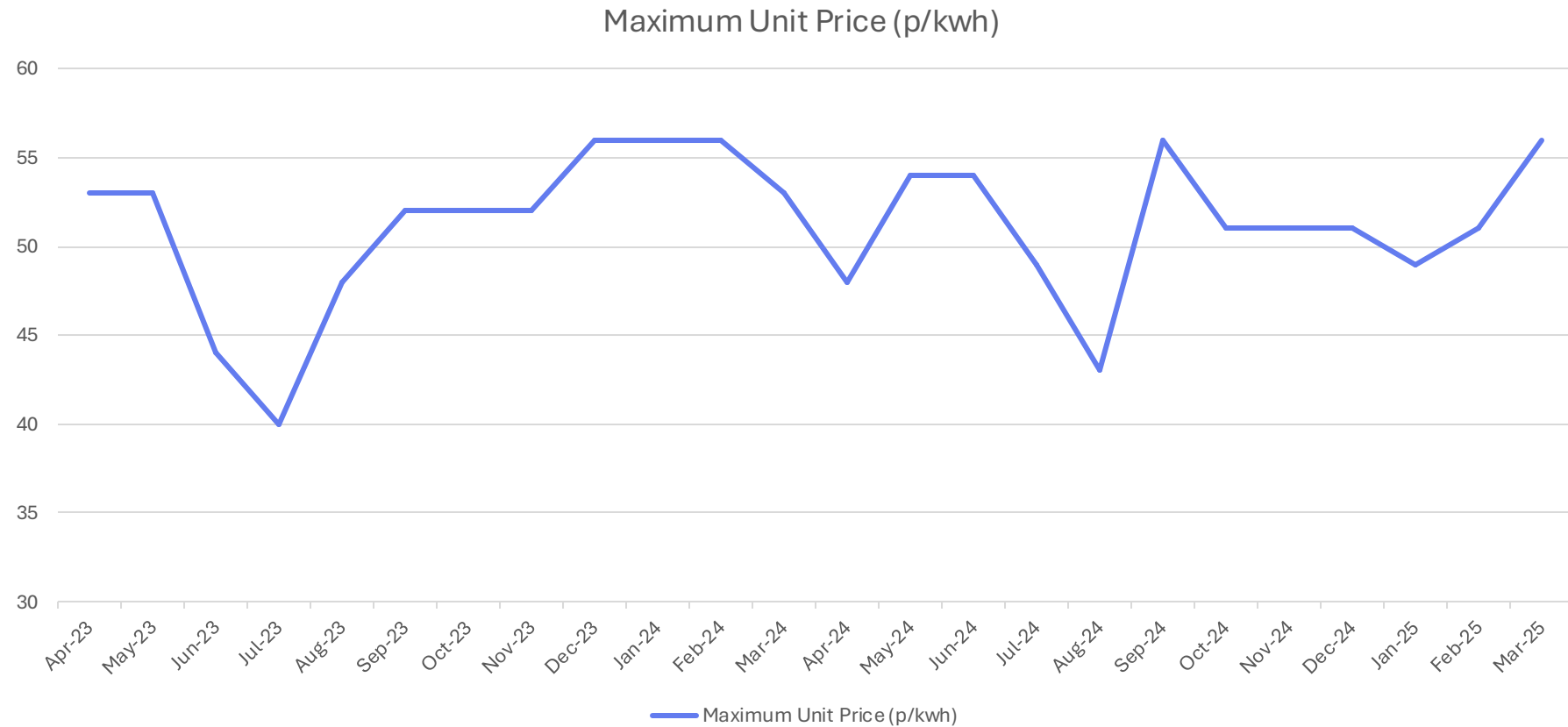
Reasons For Rejection:

- £20,000 per year already allowed for such professional services in the unit price cap.
- Risk that fund would be used to settle historic legal debts with Collas Crill, in the first instance.
- No Efficiency Incentive
- SEL did not make any written or verbal representations on the two September consultations.

Adjustments

- Monthly Adjustments For Outturn fuel costs, consumption and other revenues.
- Annual adjustment for inflation.
- Adjustment at any time for asset replacements.

Maximum Unit Price Trend



September Bills ?

- Due to statutory process, it was not possible to introduce a price control for September.
- Statutory Time Period For A Judicial Review.
- SEL did not make any representations for the two consultations in September.

Next Steps

- 2024 PCO Variation Appeal.
- Potential Appeal of this PCO.
- Possible Future Variations.
- Detailed Scrutiny of SEL's Monthly Returns.