



Notice

Dear Residents of Sark,

I am writing to inform you that the Managing Director of SEL has notified my Office, the Governor of Guernsey and the Seigneur of Sark, that the company “will shortly cease trading” due to financial difficulties.

We are all aware of the very deep concern this prospect poses to the people of Sark who rely on SEL as the sole supplier of electricity on the island.

Mr Alan Witney-Price (formerly known as Alan Jackson) claims that the closure of the power company is due to the Price Control Order (PCO) of 2019, later modified by the “Variation”, not allowing SEL to cover the costs of operation and make a return. However, my recent analysis of SEL’s (unaudited) financial information suggests that, were it not for SEL’s discretionary expenditure on legal advice, SEL would have been profitable during 2020, according to UK accounting practice. A similar pattern is emerging in 2021, although I am still waiting for some information and comments from SEL which would provide further clarity.

Residents may remember that the PCO was designed to protect SEL’s profits from variations in electricity consumption and fluctuations in the price of fuel. However, as I explained in the Variation, I do not believe it would be fair to expect customers to protect the company from the consequences of, in my view, ill-judged actions of its management. These have led to the loss of sales to “own generators”, as well as to the 19 properties at La Tour. SEL has also, in my view, unnecessarily incurred substantial legal costs. I do not believe it would be reasonable to expect customers to bear the consequences of such unfortunate decisions.

Against the above background, and as I have indicated to SEL's management, I remain open to discussions with representatives of SEL and am prepared to consider any representations made on the company's behalf in connection with the views I have formed and decisions I have taken in the discharge of my duties under the Control of Electricity Prices (Sark) Law, 2016.

I have kept Chief Pleas up to date with SEL’s announced intentions and I understand that plans are in place, should SEL cease trading.

SEL has not provided my Office with the figures I require to adjust the maximum unit price of electricity, as required by the recent Variation. Given the current level of diesel fuel prices, I will leave the price for July at 53 p/kWh. I may adjust future prices when the information becomes available.

Anthony White
Commissioner
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18th June 2021