

**Strictly Private & Confidential
Addressee Only**

Government of Sark
Committee Office
La Chasse Marette
Sark
GY10 1SF

FAO: William Spooner, Senior Operations Officer

Our Ref: RB/fj/041020-0002

Doc: 3395885v1

Date: 16 September 2025

BY EMAIL ONLY
soo@sarkgov.co.uk

Dear Sirs

Our client: Sark Electricity Limited (SEL)

We refer to your letter dated 9 September 2025 addressed to our client and which has been posted and remains posted on your website (the **Letter**).

On 26 and 27 August 2025, our client announced that it was increasing its tariffs with effect from 1 September 2025 (the **Announcement**) which comprised a further levy pertaining to *inter alia*, anticipated legal costs.

Your Letter states:

“...if any such levy is included in any bill issued by SEL next month...it shall not be paid...”

You set out that you share the view of the EPCC that any such levy “*would be unlawful and therefore unenforceable*.” It is to be accentuated that you have published the Letter on your publicly available website.

Regrettably, your Letter portrays a fundamental misunderstanding of the Control of Electricity Prices (Sark) Law, 2016 (the **Law**).

As you rightly refer, the Pricing Commissioner has expressed a view that he considers the Announcement to include a further levy that is not fair and not reasonable.

We have written separately to the Commissioner expressing our client’s concerns over whether or not the Law has been complied with.

In any event, and come what may, we draw your attention to Section 15(4) of the Law:

*“A price control order may extend to prices under agreements in existence at the date on which the order is made, **but shall not** extend to, or affect, prices chargeable **before the date on which it has effect.**”* [Emphasis provided]

Therefore, your suggestion that a price control order may render the levy within the Announcement unlawful and therefore unenforceable is, respectfully, plainly wrong.

The purpose of this letter is to advise you that in the event you fail to pay your electricity charges in full as they fall due, our client will consider any and all options available to it including disconnection.

As to the Letter, you have stated in a publicly available document that the levy would be “*unlawful*”. That is entirely wrong, damages our client’s reputation and, our client suspects, was designed to incite other residents of Sark to abandon their obligations in paying their electricity bills as they fall due. Our client is not prepared to allow such a profligate Letter, extraordinarily written by the Government of Sark, to remain in the public domain.

By 4:00pm on 19 September 2025, please:

1. Remove the Letter from your website; and
2. Publish an appropriate retraction of the Letter as a necessary corollary of seeking to avoid any further damage being caused to our client.

If you fail to remove the Letter, it is very likely indeed that our client will seek immediate injunctive relief together with costs.

Our client’s position as to damages, including further damage that may be caused should the Letter not be immediately removed and an appropriate retraction be published remains entirely reserved as does its position in respect of relief that may be sought.

Yours faithfully

A handwritten signature in blue ink, consisting of a large, stylized loop followed by a horizontal line.

AFR Advocates



LAW OFFICERS OF THE CROWN

AFR Advocates
PO Box 688
Court Place
Rue du Manoir
St Peter Port
GY1 3XZ

19th September 2025

Your ref: RB

By email only

Dear Sirs

Your client: Sark Electricity Limited

I refer to your letter of 16th September addressed to the Government of Sark. The Law Officers are acting for Chief Pleas in this matter.

You have misunderstood the Treasurer's letter of 9th September ("the Letter"). The Letter does not state that levies imposed before a price control order is in effect would be unlawful by virtue of the Price Control Law, as you claim. Rather, Chief Pleas considers that would be the case as a matter of contract law.

Chief Pleas also considers that it would clearly and obviously be unreasonable for your client to impose and seek to enforce payment of such levies, including issuing threats, in circumstances where the Price Control Commissioner has expressed the view that the introduction of the levies is "very clearly, neither fair nor reasonable". As you will be aware, the Commissioner has now issued a Determination in which he confirms that view, and states his intention to make a price control order to take effect from midnight on 30th September at the latest. If (as might reasonably be expected) that order states that the levies may not be charged, it would be unlawful for your client to purport to charge them from the date on which the order has effect without the Commissioner's consent. This strengthens the Sark government's view of the clear and obvious unreasonableness of your client's position.

It follows that I am instructed that Chief Pleas' position remains as set out in the Letter, and that Chief Pleas will not be removing the Letter from its website or publishing any retraction. Any application for injunctive relief or similar will be vigorously opposed, and costs sought. In that regard I note that your client does not disclose what alleged basis in law it relies on to suggest that it may be entitled to (or even able to seek) injunctive relief in the circumstances.

1. No proceedings have been instituted before the court or are, I understand, to be before the court. Certainly, no properly particularised claim, founded in law, against our client has been articulated in correspondence. It is not for my client to second guess a potential case that your client has not instructed you to set out, but in the absence of proceedings, and in the absence of any exceptional circumstances, I cannot see that an application for an interim injunction can even get to the take off point.
2. Nor has your client instructed you to articulate why it considers, in the circumstances, that the high test for injunctive relief would be satisfied. No serious issue to be tried has been set out, and, to the extent your client intends to rely on the alleged damage to his reputation said to have been caused by the Letter, it has not set out why damages would not be an adequate remedy. Indeed, your client has compounded that alleged damage by publishing the Letter further.

Further:

3. Your client does not set out what undertakings, if any, it would propose to provide in the event that it is subsequently established that restraining my client's behaviour in the manner suggested was wrong.
4. Your client has claimed that it needs to charge the levies to fund legal action. Putting aside the propriety of such a course of action, that tends to suggest that your client may be impecunious. My client may well need to consider the question of security for costs in the event that your client does launch proceedings in the absence of appropriate undertakings.
5. I trust that any application would be made on notice, and, to avoid unnecessarily incurring costs and taking up court time, only once your client has properly articulated its case in correspondence by reference to legal principles applied to the facts. At present I have received only an unparticularised indication of the current likelihood with which your client says it will instruct you to seek injunctive relief.

As regards your client's threats regarding the disconnection from the electricity supply of government premises (comprising essential public services and key national infrastructure), I refer you to Chief Pleas' position as set out in the Letter. I am instructed that Chief Pleas will not be held to ransom by your client.

Finally, your client's website sets out "a pledge never knowingly to disconnect a vulnerable customer at any time of year", and refers to the factors of age ("such as younger people at home"), health, disability and severe financial insecurity for the purposes of determining which customers are vulnerable for this purpose. In light of the ongoing distress and concern

that your client's threats have created amongst the people of Sark, particularly those who are vulnerable, Chief Pleas would be grateful if you would confirm that your client has not abandoned that pledge.

In light of the public interest in this matter and the previous publication of related correspondence, I am instructed that my client will be publishing this letter.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Jon McLellan', with a horizontal line underneath the name.

Crown Advocate Jon McLellan
Director of Legal Services