



POLICY & FINANCE COMMITTEE.

The Government of Sark

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July 8th 2021.

The Policy & Finance Committee would like to update residents regarding recent correspondence from Mr Witney Price regarding the electricity supply in Sark.

Since May this year, Mr Witney-Price has made repeated statements, all of which are considered to contain credible threats, including that SEL will cease purchasing fuel, will cease trading, and will disconnect the supply to all residents. On Tuesday, 15th June Mr Witney Price contacted the office of the Lieutenant Governor stating that company funds would run out by Saturday, 19th June and the electricity supply to Sark would be cut off.

These actions led to the emergency Chief Pleas meeting of 21st June and the subsequent resolutions.

The Policy & Finance Committee wrote to Mr Witney-Price on the 22nd June requesting dates to commence negotiations. Mr Witney Price responded, in part, in the open letter of 25th June. Towards the conclusion of this letter, Mr Witney Price detailed conditions that he required to be met before he would agree to meet, these conditions require advice from the Law Officers before the Committee are able to reply. Committee representatives are meeting with Law Officers in Guernsey on the 9th July.

Within the open letter of 25th June and subsequent letters there are many factual inaccuracies:

Credible threats to the electricity supply noted by Dr White cannot be regarded as scaremongering, indeed it could be considered irresponsible if these were not passed on to relevant authorities and if the community were not forewarned.

Dr White has repeatedly requested documents and audited accounts from Mr Witney-Price, the most recent audited accounts for SEL and SEHL are from 2016.

The Control of Electricity Prices (Sark) Law 2016 allows Dr White to adjust the unit price according to the consumption and in accordance with revenue figures, these are not always received in a timely manner, resulting in delays to unit price adjustments.

Mr Witney-Price's claims that the "shortfall" in 2020 is being recovered over two years without SEL's consent are inaccurate. In the final variation of Jan 1st 2021 the Commissioner states

SEL has proposed that this is recovered over two years, given the impact of COVID on customers' finances.

All companies have the right to use lawyers, however regulated companies must show that if they wish to recover costs from customers then this cost must have been reasonably and economically

incurred. The absence of wayleaves and the consequential avoidable legal costs relating to La Tour are not considered to be recoverable by the Commissioner. Court documents show that Mr Moerman was

prepared to allow cabling to remain, but wanted it installed safely. At no point has Mr Moerman requested that any other dwellings on his property be disconnected and has repeatedly sought to reach an amicable solution to the situation.

The repeated claims of delays and lack of trust should be considered in the light of SEL's failure to adhere to the 2018 settlement agreement when it undertook to allow a valuation to take place with a view to a purchase by Chief Pleas, nor, by now seeking to challenge the Determination is it keeping to the 3 April Settlement Agreement.

The original owner of Sark Electricity, Mr Robson, entered into wayleave agreements with the majority of residents, indeed these agreements note the existence of "poles" from the overground distribution network.

These wayleaves were allowed to lapse under the previous owner, this and the condition of the generation and distribution equipment are matters which should have been identified prior to the purchase of SEL by Mr Witney Price.

In November 2020, the Policy & Finance Committee, at the request of Mr Witney-Price, hosted a meeting with landowners to discuss the subject of wayleaves. At this meeting the landowners requested detailed maps of where underground cables and equipment are located. This was promised by Mr Witney-Price to be available before Christmas 2020, but they are still awaiting this information.

There is a clear route of appeal within the Control of Electricity Prices (Sark) Law 2016 for SEL to contest the Price Control Order, it is regrettable that Mr Witney-Price has not followed this route. The Control of Electricity Prices (Sark) Law 2016 was very carefully considered and drafted by the Law Officers of the Bailiwick and met all the criteria set out by the Ministry of Justice and Privy Council throughout the process from drafting to implementation. The Policy & Finance Committee note that to date the Price Control Orders issued by the Price Control Commissioner since March 2020 have not been challenged and are not minded to re-visit this Law at this time.

While Mr Witney-Price continues to wage a campaign of misinformation with the media, members of Chief Pleas and the residents of Sark, the Policy & Finance Committee (with the support of the Law Officers and the States of Guernsey) are committed to resolving this situation through negotiation in an orderly and proper manner. Whilst the Committee are not able to respond immediately to every statement issued by Mr Witney-Price, the public will be kept informed of all significant developments.