



Office of the Sark Electricity Price Control Commissioner

## **Notice**

**3rd August, 2018**

I have found that current electricity prices on Sark are not fair and reasonable. I believe that a fair and reasonable price for electricity on Sark is 49 p/kWh, compared with the current tariff of 66 p/kWh. There are some important aspects of electricity supply that require further investigation and I appreciate that this will involve Sark Electricity Limited incurring some additional costs. I am therefore setting the maximum price that electricity may be sold on Sark from 6<sup>th</sup> August, 2018 to 5<sup>th</sup> August, 2019 at 52 p/kWh. I expect to set the price for August 2019 to 2020 at 49 p/kWh. I suggest customers read their meters as close to midnight on 5<sup>th</sup> August, 2018 as convenient, to enable appropriate billing.

I am taking this step because I believe that the current high price will encourage wealthier customers to self-supply and disconnect from the SEL system. This would impose higher prices onto the less wealthy. I have reason to believe that lower prices will encourage demand for electricity to recover towards the levels experienced at the start of this decade. I also believe that SEL's costs would be lowered were it to stop incurring certain expenses, start to replace diesel generation with supplies from solar PV and/or wind turbines, probably supported by some battery technology and change its sources of finance. I see no reason why these actions will not allow SEL to make a reasonable return on its assets.

Anthony White

Commissioner

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Notes – copies of earlier consultation papers and the Narec-DE engineering reports may be found on the web-site [www.epc.sark.gg](http://www.epc.sark.gg)