

UPDATE

Tariff Revision to Take Effect 1st September 2025

Dear Customer

I have today been advised by the Electricity Price Commissioner that he is instigating a price review in light of the legal levy that has been applied to the unit price effective 1st September 2025.

It does of course fall under the purview of The EPC to consider whether or not the Price is Reasonable and we will co-operate fully with his enquiries.

Many of you will be aware that the EPC undertook a similar review in 2024. The legal costs of engaging with that process for SEL were £157,412.75.

Some of you may not be aware that there is a binding agreement between SEL and The EPC that states "*In assessing the economy and efficiency with which the regulated electricity provider generates and distributes their supply, the Commissioner acknowledges that the regulated electricity provider's **reasonable costs of responding to an investigation pursuant to section 3(1)(a) of the 2016 Law or any consultations under section 14 and 16 of the 2016 Law, are costs which the regulated electricity provider will fairly and reasonably be able to recover through the electricity price***".

In the 2024 variation, the EPC ignored this binding agreement and rejected our application for legal expenses to be recovered from the unit price; even under taxation rules. An appeal on this decision is currently before the Court and we fully expect to recover these costs incurred from the EPC as a component of that hearing. Along with the costs of pursuing that appeal. On previous occasions, for example when the EPC settled £125,000 of costs with SEL, out of court on a previous appeal, the EPC offset this settlement against tax payer funds then held by Chief Pleas. We anticipate that Chief Pleas will deal with the costs associated to the 2024 appeal in the same manner.

However, for the purposes of recovering legal fees as they arise from the 2025 review, of which we were only notified of today, these will be recovered from the unit price as we progress. This is simply due to the fact that the company is currently under threat of compulsory purchase by Chief Pleas and the company cannot say at what point such a transaction may complete.

Given that Chief Pleas has, once again in recent weeks, stated its clear intention to attend to this matter only through the Courts, we assume that this matter will take a significant time to move through the various levels of Court and, given Chief Pleas stance, we presume they will seek an appeal if the Court rules against them.

In the current circumstances, as with our legal levy against Chief Pleas, it is prudent for the company to accrue these expenses on an accelerated basis. Once again such funds will not be held by SEL but will be held by Collas Crill. Should the full funds not be utilised they will, once again, be returned to customers on a FIFO basis.

The EPC has stated that he believes that such legal expenses are capped within the price. This is not accepted by SEL and indeed no such element is captured within the binding agreement between the parties.

Ultimately SEL's costs of consultation are dependent upon the EPC's own approach to the consultation process itself and they are ultimately impacted by how far from regulatory principles the EPC may / or may not deviate.

Therefore, it is with genuine regret that I must inform you that an additional 20p per unit will be added to the price with effect from 1st September as an **2025 EPC Price Consultation Levy**. The new tariff is provided below in Appendix 1.

I was asked by the media yesterday whether these levies are some form of revenge against customers on Sark. This could not be further from the truth.

Chief Pleas has for years refused;

- to sit down with SEL and seek a resolution to the operational challenges we face;
- to provide formal wayleaves to enable new cabling to be laid across the Coupe;
- to help SEL solve the impasse of a formal wayleave in the North of the Island to connect 19 residents disconnected under Court directions back in 2022;
- to give permission for SEL to install solar generation;
- to give permission for SEL to install tidal generation;
- to give permission for SEL to install wind generation;
- to challenge determinations by The EPC that have repeatedly stopped us from investing in the grid. Instead Chief Pleas has approved these determinations.

Chief Pleas object to the fact that I challenge their failures to properly administer Sark and place its staff at risk of significant harm. The Judicial review that we are preparing will shine a light on these matters and the Court will decide if The Companies concerns over raw sewage, cancerous materials, Electrical safety at the Harbour and structural safety at the Coupe and the Old Harbour tunnel are indeed reasonable concerns or not.

Chief Pleas made it clear that they wanted me gone and as shareholder I therefore accepted an unsolicited offer against the company back in November 2024. It is Chief Pleas that then instigated a Compulsory Purchase 5 months after they were notified that the Company was sold and mere days before it was due to settle. Chief Pleas has instigated these legal issues and the Company is obligated to defend itself. Such costs come from the Companies operations and in this instance that requires the levies that are now in force.

SEL seeks only to resolve the difficulties and we would rather sit down in a room and negotiate a resolution rather than go through Court; such an offer still stands.

All parties, including residents, Chief Pleas, The MoJ and Government House were advised that I leave the Island on 28th August, tomorrow, and that when I do so the Company will hand matters of to our legal team to resolve. Advocates are expensive and the Company has done everything in its power to avoid their use. Sadly, Chief Pleas failures of Good Governance is once more on display and it is their failure to engage in any meaningful way that has led to this situation at significant cost to residents.

I encourage Islanders to talk with Conseillers and demand that Chief Pleas seek a mediated resolution to the matter rather than a legal bun fight that will take years to resolve and will cost residents millions.

Regards

Alan Witney-Price
As Managing Director of Sark Electricity Limited



Sark Electricity Ltd

The Power Station
Harbour Hill
Sark
Channel Islands
GY10 1SB

27th August 2025

Dear Customer

Please find below the Sark Electricity Tariff effective 1st September 2025.

Flat rate for expense per unit	All Units	35.3p
Fuel Cost Component	All Units	18.3p
Legal Levy – <i>Until Further Notice</i>	All Units	40p
2025 EPC Price Consultation Levy	All Units	20p
Monthly Meter Rental of 81p plus a minimum charge of 8 units per separate service.	Single Phase Meter	£3.43
Monthly Meter Rental of £1.83 plus a minimum charge of 8 units per separate service.	Three Phase Meter	£4.65
Buy back rate	All units	9.9p
Own Generators at Standby Charge per kW of installed capacity per month.		£5.00

The latest tariff can also be found online at www.sarkutility.com.

Regards

Alan

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