



Vote Number 2011/44

Date of Vote: 30th September 2011

Billet d'État: XV of 2011
Article: 14
Department/Committee: Commerce and Employment Department
Subject: Review of Utility Regulation
Proposition: 1-3

1. *To direct the Director General of Utility Regulation, by Ordinance, to follow the six principles for economic regulation set out in paragraph 5.11 of this Report and to take them into account in performing his statutory duties.*
2. *To direct the Director General of Utility Regulation, by Ordinance, to prepare a Memorandum of Understanding setting out formally the approach, process, practice and procedure, objectives, deliverables and measurements of success for future regulation of each States-owned utility, as described in paragraphs 5.14 and 5.15 of this Report.*
3. *To direct the Treasury and Resources Department as shareholder, acting as their representative, to follow the six principles of corporate governance set out in paragraph 6.6 of this Report and to take them into account in performing the shareholder representative role and, in particular, to report to the States as soon as practicable and no later than the March 2012 meeting in respect of progress made on agreeing a dividend policy.*

CARRIED Pour: 36 Contre: 7 Abstained: 0 Not Present: 4

St. Peter Port South

Deputy Barry L. Brehaut **P**
Deputy Carla S. McNulty Bauer **P**
Deputy Jennifer M. Tasker **P**
Deputy Roger Domaille **P**
Deputy Allister H. Langlois **P**
Deputy Jan Kuttelwascher **P**

St. Peter Port North

Deputy John A. B. Gollop **P**
Deputy R. Rhoderick Matthews **P**
Deputy Carol A. Steere **N**
Deputy Martin J. Storey **P**
Deputy Jack Honeybill **P**
Deputy Leon R. Gallienne **P**
Deputy Michael W. Collins **P**

St. Sampson

Deputy Peter L. Gillson **P**
Deputy Samantha J. Maindonald **N**
Deputy Scott J. Ogier **N**
Deputy Ivan F. Rihoy **C**
Deputy Lyndon S. Trott **P**
Deputy T. Jane Stephens **P**

Vale

Deputy Matthew J. Fallaize **P**
Deputy Geoffrey H. Mahy **P**
Deputy Anthony Spruce **P**
Deputy Mary M. Lowe **C**
Deputy Graham Guille **C**
Deputy David B. Jones **N**
Deputy Andrew R. Le Lièvre **P**

Castel

Deputy Mark H. Dorey **P**
Deputy A. Hunter Adam **P**
Deputy Thomas M. Le Pelley **P**
Deputy Sean J. McManus **P**
Deputy Barry J. E. Paint **P**
Deputy Bernard M. Flouquet **P**
Deputy Michael G. G. Garrett **P**

West

Deputy Alvord H. Brouard **C**
Deputy David de G. De Lisle **C**
Deputy Marc S. Lainé **P**
Deputy Shane L. Langlois **P**
Deputy Peter R. Sirett **P**
Deputy Gloria P. Dudley-Owen **P**

South-East

Deputy Charles N. K. Parkinson **P**
Deputy Francis W. Quin **P**
Deputy Michael G. O'Hara **P**
Deputy Robert W. Sillars **P**
Deputy Janine M. Le Sauvage **C**
Deputy Michael P. J. Hadley **P**

Alderney

Alderney Representative Boyd N. Kelly **P**
Alderney Representative Paul Arditti **C**



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Subject: Review of Utility Regulation
Propositions: 5-14

5. *To direct that the “shareholder resource” concept be explored by the Policy Council’s External Relations Group in its ongoing dialogue with Jersey and the Policy Council bring a Report before the States by the end of September 2012.*
6. *That the review of the powers, duties, mandates, and effectiveness of the Scrutiny and Public Accounts Committees referred to in paragraph 7.11 should include consideration of the most appropriate method of scrutinising the regulatory regime (including the responsibilities of the shareholder) on a regular basis.*
7. *To direct the Director General of Utility Regulation to produce and publish a three-year strategic plan along with an annual business plan detailing the actions proposed to be taken by the OUR in the subsequent year.*
8. *That the Post Office (Bailiwick of Guernsey) Law 2001 be amended to allow for the introduction of a Universal Service Fund, if it becomes necessary in future in order to fund the Universal Service Obligation for Postal Services.*
9. *That*
 - a) *the 2001 Direction to the Director General to review and revise the award of exclusive rights from time to time, with a view to opening up the Bailiwick postal services market to competition, provided that any such opening up does not prejudice the continued provision of the universal postal service, should be rescinded.*
 - b) *That the States of Guernsey should determine any revisions to the exclusive rights having taken into account any advice and comments from the Director General of Utility Regulation.*
10. *That the legislation be amended to require all postal operators with specified de minimis exceptions to obtain a licence from the Office of Utility Regulation.*

11. To:

- a) *Issue a States Direction to the Director General of Utility Regulation that an exclusive licence be issued to Guernsey Electricity for supply activities subject to any exemptions granted by the Director General under Section 1 (2) of the Electricity (Guernsey) Law, 2001 for the period ending 31st January 2022.*
- b) *Issue a States' Direction to the Director General of Utility Regulation to issue to Guernsey Electricity an exclusive licence for conveyance activities, subject to any exemptions granted by the Director General under Section 1 (2) of the Electricity (Guernsey) Law, 2001 for the period ending 31st January 2022.*
- c) *Direct the Director General of Utility Regulation that the exclusive licences set out in Directions (a) and (b) above should be replaced with exclusive licences for retail and network activities respectively when new legislation is enacted amending the nomenclature.*
- d) *Direct the Commerce and Employment Department to monitor the development of the energy sector in the Channel Islands and bring forward a review of these arrangements by 31st January 2022 or sooner in the event of any material changes to the structure of the sector.*

12. That:

- a) *The Articles of Incorporation of both Guernsey Post and Guernsey Electricity are amended to require the written authority of the States Treasury and Resources Department before registering an appeal against a decision of the Director General of Utility Regulation.*
- b) *The time period for registering an Appeal against a decision by the Director General of Utility Regulation should be extended from 28 to 56 days (with power to the Courts to extend further in exceptional circumstances).*

13. That:

- a) *The Regulation of Utilities legislation be amended to alter the organisational structure of the OUR, thereby replacing the role of the Director General of Utility Regulation with an executive director and independent Board.*
- b) *Subject to the agreement of the Jersey Authorities, the Boards of the JCRA and OUR should comprise the same people, who in practice would operate as a single Board, while administering two separate sets of laws.*

- c) *Once the Board has been established that that part of Resolution XIV 1 (f), Billet d'État X, 2006 related to the establishment of an Audit and Remuneration Committee should be rescinded and the Audit and Remuneration Committee shall be abolished.*

14 *To direct the preparation or amendment of such legislation as may be necessary in order to give effect to their above decision.*

CARRIED Pour: 34 Contre: 9 Abstained: 0 Not Present: 4

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