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3.2 Deputy K.C. Lewis of St. Saviour of the Chief Minister regarding gas tariffs following the sale of the parent company of Jersey Gas: [9488]

Further to the sale of the parent company of Jersey Gas will the Minister seek assurances from the company as to whether there will be any resultant increases in gas tariffs in the foreseeable future?

Senator I.J. Gorst (The Chief Minister):

I wonder if I could ask Senator Ozouf to answer this question as he is responsible for competition areas that this covers.

Senator P.F.C. Ozouf (Assistant Chief Minister - rapporteur):

Ministers remain committed to ensuring that markets work in the interests of consumers and that is why we commissioned the Oxera Review of the competition framework and have an action plan in place enforcing the fact that we are prepared to do whatever it takes to ensure that C.I.C.R.A. (Channel Islands Competition and Regulations Authorities) has the necessary resources and to make markets work. The fuel market is an important area and is a focus for Ministers and that is why we have asked the J.C.R.A. (Jersey Competition Regulatory Authority) to do a specific fuel market review including the gas market. The J.C.R.A. concluded that there appeared to be no reasonable grounds to suspect that the gas market is not acting in the interests of consumers at this time. Members have been advised for some time that we have been discussing with the J.C.R.A. what further work could be undertaken to explain the conclusions of this report. The J.C.R.A. are working on that explanation and particularly are going to reveal their full and more complete findings of that report later on this week. I can also advise the Deputy that having digested that information that I keep under review whether or not any further work will be required in relation to Jersey Gas. If there is evidence that emerges at any point that there is a return to a problem in relation to overpricing then I have no doubt that we will put resources in it but I cannot give a guarantee about the future gas prices as he asked me to do.

3.2.1 Deputy K.C. Lewis:

The Assistant Chief Minister will be aware last time there was a variance with Jersey Gas the unit price was reduced but the standing charge was increased. So even people who were on a limited budget who were trying to save money by turning the gas down, or even off, still had a yearly standing charge for merely being connected to Jersey Gas. I am delighted that the Assistant Chief Minister has a watching brief on this and I hope he undertakes to continue doing so. Does he not agree?

Senator P.F.C. Ozouf:

Well, I am glad that the Deputy agrees that it is certainly a watching brief. If I may just say that the J.C.R.A., I am advised, reviewed the tariff changes and opined on the fact that they were neutral. The issues of standing charges is something that all utility companies have had to deal with. Jersey Telecoms had to rebase their charges to reflect the cost of providing the network and then an appropriate unit cost. But, as I say, this is an important matter which I understand the Assembly and the public wants answers of and I hope that the report, which I think is going to be available later this week, will assist Members and giving them confidence in the conclusions of the J.C.R.A.

The Bailiff:

Very well, we will come on to question 3. Before we do so can I just inform Members that the gizmo on my desk here is not working for some reason this morning. So those who are in the habit of

flashing their lights and thinking that it will have shown up it will not have done so you will need to take special care to make sure you draw my attention to the fact you want to ask a question or to speak.