

4.13 Deputy G.C.L. Baudains of the Minister for Treasury and Resources regarding the insurance of Jersey Electricity Company's undersea cables:

Will the Minister, as shareholder representative, advise whether the Jersey Electricity Company's undersea cables are insured?

Senator P.F.C. Ozouf (The Minister for Treasury and Resources):

The 2 existing subsea cables between Jersey and Guernsey and Jersey and France are both insured on commercial terms. The current policy, I am advised, covers damage by third parties, such as a cruise liner dragging an anchor through a cable and causing breakage. J.E.C. (Jersey Electricity Company) holds spare cable, I am advised in Holland, and have a maintenance contract with a third party with access to a repair barge so that any such repairs could be expedited.

4.13.1 Deputy G.C.L. Baudains:

We know that as a result of the failure of one of the cables electricity had to be supplemented from La Collette, which is more expensive and caused a rise in the cost of electricity, but why was insurance not able to mitigate that problem?

Senator P.F.C. Ozouf:

I think the Deputy is referring to the earlier power outages, when the first cable failed. I think the difficulty with that is, is that that cable has come to the end of its useful life. That is why the J.E.C. for a number of years have been planning the new third cable; the first cable effectively came to the end of its useful life, even though I have to say the J.E.C. did a great deal of work to try and see - because planning permission is required in France - whether that cable could have been replaced but it is just an old cable that unfortunately came to the end of its life.

4.13.2 Deputy G.C.L. Baudains:

I mentioned a moment ago that the necessary generation at La Collette to take up the slack had caused a rise in the cost of electricity. Could the Minister assure Members that once the new cable is operational the price for electricity will come back down again?

Senator P.F.C. Ozouf:

I was at the Labour Party leader's speech when he announced price freezes, to the consternation of anybody that agrees in a competitive market. I am not about to announce here. We have had debates previously about electricity prices. The J.E.C. are very sensitive to their role as a partly publicly-owned entity. They need to produce a return to their shareholders, which is not only the States of Jersey, and I understand - I have not got immediately to mind - their commitment on prices going forward. Guernsey have a much greater problem. Guernsey did not plan the safe ...

The Bailiff:

I think, Minister, you can probably confine yourself to Jersey.