



# BILLET D'ÉTAT

VII  
2000

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WEDNESDAY, 15th March, 2000

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STATES ADVISORY AND FINANCE COMMITTEE

Budget of the States Electricity Board for the Year Ending 31st March, 2001.

# ***BILLET D'ÉTAT***

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**TO THE MEMBERS OF THE STATES OF  
THE ISLAND OF GUERNSEY**

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I have the honour to inform you that a Special Meeting of the States of Deliberation will be held at the **ROYAL COURT HOUSE**, on **WEDNESDAY**, the **15th March, 2000**, at 10 a.m.

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**STATES ADVISORY AND FINANCE COMMITTEE**

BUDGET OF THE STATES ELECTRICITY BOARD FOR THE YEAR ENDING 31st MARCH, 2001

The President,  
States of Guernsey,  
Royal Court House,  
St. Peter Port,  
Guernsey.

9th February, 2000.

Sir,

In accordance with the proviso to Rule 2 of the Budget Rules approved by the States on 27 September 1973, I enclose a copy of the Budget of the States Electricity Board for the financial year ending 31 March 2001 together with a copy of a letter dated 1 February 2000 from the President of the Board.

The Advisory and Finance Committee recommends the States to approve the Budget and I have the honour to request that you will be good enough to lay this matter before the States with appropriate propositions.

I am, Sir,  
Your obedient Servant,  
J. E. LANGLOIS,  
Vice-President,  
States Advisory and Finance Committee.



**Guernsey  
Electricity**

1900-2000

100 years

The President  
Advisory and Finance Committee  
Sir Charles Frossard House  
La Charroterie  
St Peter Port  
Guernsey

**STATES OF GUERNSEY  
ELECTRICITY BOARD**  
ELECTRICITY HOUSE  
P.O. BOX 4, NORTH SIDE  
VALE, GUERNSEY  
CHANNEL ISLANDS  
GY1 3AD

TELEPHONE: 01481 246931  
FACSIMILE: 01481 246942  
E-Mail: admin@electricity.gg

1 February 2000  
WMB.8011/SB

Dear Sir

**STATES OF GUERNSEY ELECTRICITY BOARD BUDGET 2000/2001**

I enclose a copy of the States of Guernsey Electricity Board's budget for the financial year ending 31 March 2000, together with a projection of the outturn for the current year.

The operating surplus projected for the financial year ending 31 March next is £3.388 million, with interest received estimated at £1.168 million, making a total anticipated surplus of £4.556 million.

During the current financial year, the price that we are having to pay for heavy fuel oil has increased by 84%, with the market price more than doubling over the same period. Despite this massive increase, we do not anticipate an increase in the cost of electricity to our customers to cover this expenditure. Instead, we will absorb the cost for this year, knowing that the cable link will be commissioned in October. As indicated in the September 1996 Billet d'Etat, this will reduce our dependence on fossil fuels and will therefore safeguard our ability to maintain price stability in times of high volatility in the fuel markets. But for the advent of the cable link the price of electricity to consumers would have had to rise.

The reduction in operating contribution in the next financial year is largely due to the high price of fuel oil. The first year's depreciation on the cable link also adds £1.44 million to our expenses.

Capital expenditure for the next two years is estimated to reach record levels, with a peak of £28.538 million in the year 2000/2001. This is largely due to the final payments on the cable link project, which will amount to £19.357 million in the next financial year. The States of Guernsey Electricity Board remains confident that the project will be completed within budget and that any borrowings will be kept to a minimum.

Yours faithfully

**WILLIAM M BELL**  
President  
Guernsey Electricity

## THE STATES OF GUERNSEY ELECTRICITY BOARD

REVENUE ACCOUNT	2000/01 Budget £	1999/00 Projection £	1999/00 Budget £	1998/99 Actual £
<b>INCOME</b>				
Sales of Electricity	22,382,000	22,047,000	21,784,000	21,774,517
Other Sales	3,666,000	3,344,000	3,153,000	3,058,028
Other Income	296,000	236,000	200,000	204,793
<b>TOTAL INCOME</b>	<b><u>26,344,000</u></b>	<b><u>25,627,000</u></b>	<b><u>25,137,000</u></b>	<b><u>25,037,338</u></b>
<b>EXPENSES</b>				
Cost of Imported Units	1,377,000	0	0	0
Fuel Oil	5,062,000	4,575,000	3,740,000	3,269,073
Other Generation Costs	3,293,000	3,511,000	3,530,000	3,334,946
Cable Link	177,000	515,000	478,000	192,869
Distribution	2,115,000	1,781,000	1,941,000	1,711,129
Other Sales Costs	3,427,000	3,086,000	2,908,000	2,795,435
Finance & Administration	2,879,000	2,699,000	2,678,000	2,453,802
Information Technology	841,000	831,000	831,000	765,674
Stock Provision	0	(86,000)	50,000	26,230
Depreciation	6,773,000	5,327,000	5,396,000	5,275,079
<b>TOTAL EXPENSES</b>	<b><u>25,944,000</u></b>	<b><u>22,239,000</u></b>	<b><u>21,552,000</u></b>	<b><u>19,824,237</u></b>
<b>OPERATING CONTRIBUTION</b>	<b>400,000</b>	<b>3,388,000</b>	<b>3,585,000</b>	<b>5,213,101</b>
Net Interest Earned	270,000	1,168,000	887,000	1,294,404
Recovery from liquidator	0	0	0	1,083,630
<b>SURPLUS FOR THE YEAR</b>	<b><u>670,000</u></b>	<b><u>4,556,000</u></b>	<b><u>4,472,000</u></b>	<b><u>7,591,135</u></b>

## THE STATES OF GUERNSEY ELECTRICITY BOARD

### Summary of Capital Expenditure

	<b>2000/2001 Budget</b>	<b>1999/2000 Expenditure</b>	<b>1999/2000 Budget</b>	<b>1998/1999 Actual</b>
<b>Cable Link</b>	19,357,000	11,887,000	8,429,000	4,708,386
<b>Land &amp; Buildings</b>	355,000	49,000	871,000	232,987
<b>Generation</b>	3,752,000	378,000	562,000	2,606,690
<b>Distribution</b>	4,623,000	2,955,000	3,608,000	1,193,779
<b>Vehicles, Plant &amp; Equipment</b>	451,000	500,000	631,000	412,799
<b>TOTAL EXPENDITURE</b>	<b>28,538,000</b>	<b>15,769,000</b>	<b>14,101,000</b>	<b>9,154,641</b>

### Summary of Manpower Requirements

	<b>2000/20001 Budget</b>	<b>1999/00</b>		<b>1998/99 Actual</b>
		<b>Projection</b>	<b>Budget</b>	
<b>FULL TIME</b>	256	258	259	251
<b>PART TIME</b>	16	16	16	15
<b>VACANT POSTS</b>	16	14	13	21
<b>TOTAL</b>	<b>288</b>	<b>288</b>	<b>288</b>	<b>287</b>

<b>Total Payroll Costs</b>	<b>£7,059,000</b>	<b>£6,791,000</b>	<b>£6,714,000</b>	<b>£6,415,811</b>
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The States are asked to decide:—

Whether, after consideration of the Report dated the 9th February, 2000, of the States Advisory and Finance Committee, they are of opinion:-

To approve -

- (1) the Budget of the States Electricity Board for the year ending on 31st March, 2001;
- (2) the Projection of the said Board for the year ending on the 31st March, 2000.

DE V. G. CAREY,  
Bailiff and President of the States.

The Royal Court House,  
Guernsey.  
The 25th February, 2000

