

STATEMENT BY THE GSLP/LIBERAL OPPOSITION 86/2006
24 July 2006

The Opposition notes that the Electricity Authority is now agreeing to enter into contracts for the payment of arrears in instalments. However, the Opposition has received representations in respect of both the terms and the manner in which consumers are being asked to enter into these contracts.

The Opposition has been informed that the Electricity Authority do not allow someone who wants to enter into a repayment contract to take a copy of it away for advice first.

It is not unreasonable to expect someone who is about to enter into a contract to want to take a copy home to read before signing it. Indeed, the person may even want to take legal advice on the issue in order to properly understand the full implications of the contract which he is about to enter into.

The Opposition cannot understand how the Electricity Authority, which is an Agency of the Government, can behave in such an abrupt and high-handed manner.

This situation is totally unacceptable following as it does the distress and inconvenience which the arrears blitz has caused to so many people.

The other issue is that persons entering into a monthly repayments contract are charged interest on the amount outstanding and this is added on to the repayments. The contract says that if anyone defaults on the agreement or fails to keep their current bills up to date, "then the full outstanding debt plus interest at 8% on the outstanding balance at the end of each month from the inception date of this agreement shall become due and payable." The contract adds that "For the avoidance of doubt, interest shall continue to accrue on any outstanding balance at 8% until such time as the debt is fully repaid." The Electricity Authority can then disconnect the supply without further notice to the consumer.

The Opposition considers that the measures announced by the Electricity Authority, with the blessing of the Government, are draconian and extreme in the circumstances. It is logical to assume that those who have accumulated arrears have done so because they cannot afford to pay. The abrupt, insensitive and inconsiderate manner in which the change of policy has been implemented has only served to make matters worse.

ENDS