

Economic Development Department

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Ref: C696/11

19 April 2011

Mr John Curran
Executive Director
Jersey Competition Regulatory Authority
2nd Floor Salisbury House
1-9 Union Street
St Helier
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JE2 3RF

Dear John

Request by the Minister for Economic Development for the JCRA to produce a report examining the Heating Oil Market in Jersey under the authority of Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001.

On 2 March 2011, the JCRA publicly announced the launch of two market studies to review the sale and supply of road fuel and heating oil respectively.

I have been informed by the JCRA that whereas most persons have provided the JCRA with information on a voluntary basis, some persons have not been willing to do so. In order to undertake a market study, the JCRA requires access to all relevant information. This request provides the JCRA with powers under the provisions of Article 26(2) of the Competition (Jersey) Law 2005 (the "**Law**").

The JCRA will complete this study under Article 6(4) of the Competition Regulatory Authority (Jersey) Law 2001 pursuant to the following terms.

The aims of the market investigation in relation to heating oil are twofold:

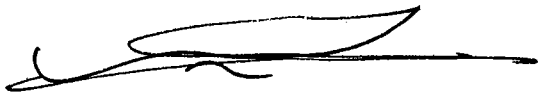
- (1) to compare the costs of heating oil in the UK with the costs of heating oil in Jersey and explain the differences to a satisfactory degree.
- (2) to assess whether there are indications that competition is not effective in Jersey, which will be reflected in comparatively high net margins.

Continued./

I understand that the JCRA will endeavour to complete this project by June 2011 and the results of the market studies will assist the JCRA in its duties under the Law. The JCRA has the discretion to decide whether to publically publish any findings, the level of detail of the same and in what form any such report or publication will be published, balancing issues of accountability, effectiveness and confidentiality.

The JCRA will meet the cost of the review from its own resources. In the event that specific consultancy assistance is required, support for this specific cost may be sought.

Yours sincerely



Senator Alan Maclean
Minister for Economic Development

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