

RFI 007

QUERIES ON CABRERA ELECTRICITY CHARGES

16 June 2021

Dear Junta Board

JC_0041_210616_RFI 007

We have a number of questions concerning the Cabrera electricity charges, metering arrangements and the separation of Junta and Developer electricity supplies and finances.

Appendix A shows our understanding of the Cabrera electricity network. We would like the Junta Board to provide better information and clarity to improve our understanding.

METERING ARRANGEMENTS

1. Please list all metered supplies in Cabrera that result in direct or indirect charges to the Junta together with the names of the account holders.
2. Please list all metered supplies that result in direct or indirect charges to the Junta together with the list of items supplied on each meter (eg. Streetlights, sewage plant 1, water pumps etc)
3. Is the Junta connected to a separate metered supply of its own? ie. Is the Junta an account holder for a dedicated metered supply? If so please list the meters and the items that they supply.
4. Are any Developers connected to a separate metered supply of their own. ie Are any of the Developers an account holder for a dedicated metered supply in Cabrera? If so, please detail the names of the Developers together with the details of each meter, and the items that they supply.
5. Who is the account holder for the dedicated digital meters on for Sewage Plant 1 and Sewage Plant 2?

BUILDERS SUPPLY

We know that there are at least 12 unfortunate Homeowners that have been let down by the Developers and therefore do not have connection to an Endesa supply. Historically, they have been connected to what is termed a 'builders supply' which is allegedly supplied by the Developers in Cabrera.

As such, the Developers have invoiced these Homeowners for electricity usually under the names of companies that were registered on the Junta and, oddly enough, sometimes under the names of companies that were not even registered on the Junta.

It has recently emerged that some Homeowners have not been invoiced since August 2019 for electricity and it also seems that they are now deemed to be 'no longer connected to builders supply'.

There are a number of questions which we would like to raise regarding the abrupt cessation of invoices to those on a 'Builders electricity Supply':

6. If Homeowners are not connected to Builders Supply and they do not have Endesa connections, where are they obtaining their electricity from?
7. Are any of these Homeowners being supplied directly from a Communal Junta Electricity supply feeding Cabrera? ie. Is the whole Cabrera community potentially covering the cost of the electricity to the 12 unfortunate Homeowners and have they been doing so since August 2019?
8. Have Homeowners on builders supply always been fed off a Communal Junta Supply paid for by all the Homeowners? Or, were they fed from a dedicated, metered supply provided by Endesa to Developers in Cabrera?
9. If Developers have, instead, made use of a Communal Junta Electricity Supply in Cabrera to provide builder's supplies, please could you detail how the Developers' electricity usage costs were recovered by the Junta Board from the Developers.
10. There are no Company Details shown on the invoices provided to those Homeowners on builders supply. There does not appear to be an invoice number which is quite unusual for most companies. There is just a nice logo showing the Cabrera Arch.

The Unicaja Turre Bank Account provided for payment is ES49 2103 5890 2600 3000 1491 but the specific Company details are not revealed. The invoices are issued from the email address 'cortijocabrera@hotmail.com' which a search of the internet reveals to be connected to RESTAURANTE LOS PASTORES. We can confirm that it is not the Junta bank account.

Please could you clarify the arrangements. What is the name of the company or individual that has issued these invoices?

11. We believe that it is illegal for Developers to sell electricity. However, the Spanish total on the invoice states: TOTAL IMPORTE FACTURA which translates to TOTAL INVOICE AMOUNT so it is quite clear that it is an invoice. In addition, IVA is added so there is no doubt that these invoices should be associated with an IVA registered company. Please could you explain the arrangements and why the company details are not included on the invoice.
12. The Developers have failed the Homeowners by not enabling an Endesa supply because of insufficient investment in infrastructure. The Developers have nevertheless seen fit to add a 'mark-up' of 20% on the builders electricity usage charges which means that they gain 20% of the value of all the electricity consumed by the compromised Homeowners. Let us say that each of the houses receives an electricity bill of £1000 per year on average. This component of mark-up has been worth roughly €200/yr x 14 years x 12 homes = €33,600 +

IVA of course). Was this mark-up pocketed by the Developers selling the electricity or were all the proceeds provided to the Junta?

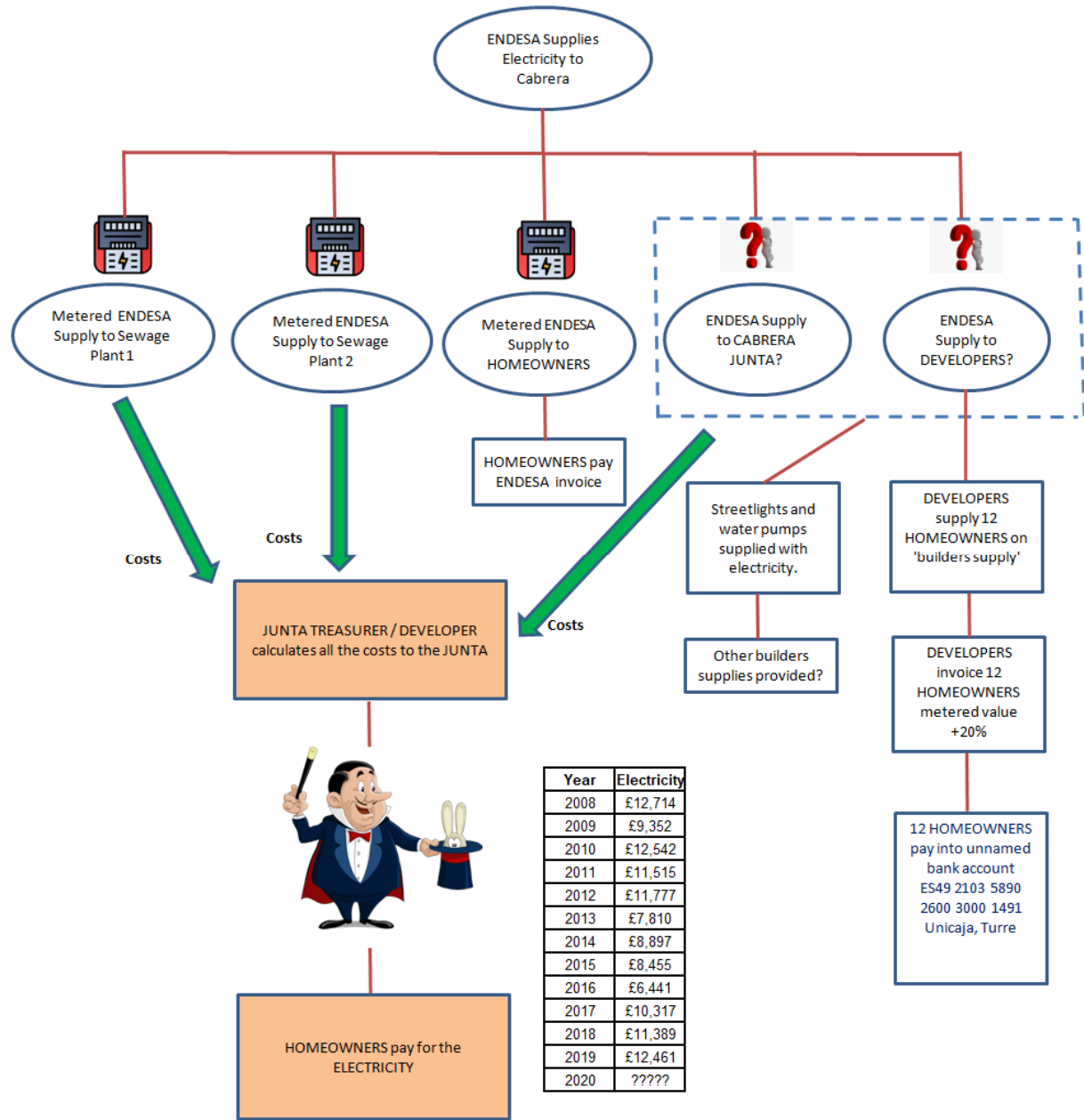
13. IVA of 21% has been charged on the Potencia amount, the electricity usage amount and the 20% mark-up amount but as no company details are shown it is unclear as to how the IVA has been handled. As a very rough calculation, the IVA that would have been due to the tax authorities would be $\text{€}1200/\text{yr} \times 0.21 \times 14 \text{ years} \times 12 \text{ houses} = \text{€}42,336$. Please could you confirm whether his IVA has been handled through the Developer accounts or the Junta accounts or whether, in fact, it has been transacted at all?
14. It is not known whether the tariff on the builders supply invoice matches the tariff on the bought-in electricity or whether the tariff itself was set by the Developer rather than Endesa. It is interesting to observe that the same usage charge rate of $\text{€} 0.161666$ per kWh has been used for years as 2016 invoices and 2019 invoices show the same rate. Please could you set out exactly how the builder's supply tariff was determined.
15. As the Junta is formed by a collective of registered Development companies, it is unclear as to why invoices for builders supply have been variously raised by Vaitier SL, Sierra Leisure SL, Standard Windows SL (not registered on the Junta) and the Unnamed Bank Account. It is unknown as to whether the Unnamed Bank Account is associated with any company that is registered for IVA but IVA has been collected. Please could you explain how this has been handled for the each of the companies and bank accounts mentioned above.
16. When considering all the invoicing that has taken place over the years, we roughly calculate that an amount of $\text{€}1200 \times 1.21 \times 14 \text{ years} \times 12 \text{ houses} = \text{€}243,936.00$ has been channelled through this financial mechanism. It is therefore vital that we understand precisely how this is handled and how the electricity charges to the Junta shown in Appendix A have been derived.

For a development that has largely stagnated since 2008, there is no consistency in the annual figures shown in Appendix A. The basis for these charges needs to be fully understood. Therefore, we ask you to provide detailed answers to all the above questions. In addition, we ask you to provide a full and clear breakdown as to how the Electricity costs for 2020 have been calculated in the FY20 accounts which were released in May 2021.

OPEN CABRERA

www.opencabrera.com

APPENDIX A



Year	Electricity
2008	£12,714
2009	£9,352
2010	£12,542
2011	£11,515
2012	£11,777
2013	£7,810
2014	£8,897
2015	£8,455
2016	£6,441
2017	£10,317
2018	£11,389
2019	£12,461
2020	?????