THE BARBADOS
LIGHT & POWER
COMPANY LIMITED

APPLICATION

PURSUANT TO SECTION 16
OF
THE UTILITIES REGULATION ACT
CAP. 282 OF THE LAWS OF BARBADOS

FOR A REVIEW OF ELECTRICITY RATES

VOLUME 1

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APPL

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THE BARBADOS
LIGHT & POWER
COMPANY LIMITED

P.O. BOX 142
GARRISON HILL, ST. MICHAEL, BARBADOS, W.I.

BARBADOS

THE FAIR TRADING COMMISSION

IN THE MATTER of the Utilities Regulation Act, Cap 282 of the Laws of Barbados;

IN THE MATTER of the Utilities Regulation (Procedural) Rules, 2003;

IN THE MATTER of the Application by The Barbados Light & Power Company Limited for a Review of Electricity Rates.

APPLICATION PURSUANT TO SECTION 16 OF THE UTILITIES REGULATION ACT CAP. 282 OF THE LAWS OF BARBADOS FOR A REVIEW OF ELECTRICITY RATES

I. INTRODUCTION

1. Pursuant to section 16 of the **Utilities Regulation Act, Cap 282** of the laws of Barbados ("the Act"), the Applicant hereby applies to the Fair Trading Commission ("the Commission") for a Review of Electricity Rates for the supply of electricity service ("the Application").

2. Rule 25 of the **Utilities Regulation (Procedural) Rules, 2003**, ("the Rules") provides for these proceedings to be commenced by the filing of an application.

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3. The Application sets out:

    (a) *a concise statement of facts together with an executive summary of the Application;*

    (b) the grounds for the Application;

    (c) the memoranda and other evidence in support of the Application; and

    (d) *the nature of the order being applied for.*

4. This Application is supported and accompanied by written and documentary evidence including Memoranda of Support, accompanying Schedules, and Affidavits.

II. CONCISE STATEMENT OF FACTS AND EXECUTIVE SUMMARY (Rules 26 and 58 of the Rules)

5. The Applicant is a vertically integrated electric utility company which was incorporated on May 6, 1955 and continued on December 30, 1986 under the **Companies Act,** Cap 308 of the laws of Barbados. Its registered office is situate at Garrison Hill, St. Michael.

6. The Applicant is a wholly owned subsidiary of the Light & Power Holdings Ltd. ("the holding Company"). The holding Company is a public company listed on the Barbados Stock Exchange and as at December 31, 2008 was approximately 60% locally owned by about 2,700 shareholders.

7. Electricity customers in Barbados have been served by the Applicant and its predecessor, the Barbados Electric Supply Corporation since 1911. Pursuant to the **Barbados Light and Power Company (Extension of Franchise) Act,** *Cap 278 of the laws of Barbados, which is attached as* **Appendix I,** the Applicant was given the right to supply energy for all public and private purposes for a period of forty-two years from August 1, 1986.

8. The Applicant's electricity system is comprised of 3 generating plants and 16 substations. The generating stations use a mix of technologies including steam,

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diesel and gas turbines to produce electricity. The Applicant currently has an installed capacity of 239,100 kilowatts and a peak demand of 164,000 kilowatts as of December 31, 2008. Power is transmitted from the generating stations at 69,000 volts and 24,000 volts to substations across the island.

9. The Applicant has installed a mix of base load and peaking plant to meet the demand of electricity consumers. The Applicant's low speed diesel generators, the first two of which were installed in 1982, achieve high efficiency, and operate reliably on heavy fuel oil which is the least expensive fuel oil on the market. These generators have achieved among the highest number of running hours for this type of plant around the world. The installation of two low speed diesel generators in 2005 has played a critical role in helping to moderate the effect of oil price increases. Savings in fuel costs are automatically passed to customers through the Fuel Clause Adjustment.

10. Over the years, the Applicant has also re-invested a significant portion of the earnings in new plant and equipment required to meet the increasing demand for electricity and to improve the efficiency of the Applicant's operations. The gains in efficiency and growth in sales have also allowed the Applicant to maintain the same basic rates for electricity.

11. In 1983 the Applicant served 72,962 customers but by December 31, 2008, it was serving 118,798 customers, an increase of 63%, through an island-wide distribution network. Electricity sales during the same period rose from 317.4 million kWh to 944.0 million kWh, an increase of just under 200%.

12. The Applicant was last given an increase in rates by the Public Utilities Board ("the PUB") in 1983 by the PUB decision dated the 12th of May, 1983. A copy of the 1983 PUB Order is attached as **Appendix II**.

13. Regrettably, the present basic electricity rates are now inadequate to allow the Applicant to continue to meet its operating and maintenance expenses which have increased over the years, attract new capital to replace plant that is due for retirement and have the opportunity to earn a fair and reasonable return. In addition to fuel oil, there are also several other inputs into the electricity business that have increased significantly during the past few years. These include metals such as aluminum and copper. Wages have also increased but

the Applicant has been able to moderate the impact by increases in productivity and without compromising service to customers.

14. The Applicant therefore finds it necessary to seek the approval of the Commission for a review and change of its existing rates to permit the Applicant to:

    (i) earn the revenue required to meet the Applicant's expenses involved in supplying a service which is safe, adequate and reasonable and to continue to deliver a secure and reliable supply of electricity to all customers in an environment where the cost of inputs to the Company's operations have risen substantially.

    (ii) attract new capital and satisfy lenders of the Applicant's ability to repay loans and to maintain the confidence of investors by providing them with a fair and reasonable return. The Applicant will also be enabled to buy the plant and equipment required for the delivery of service to customers.

    (iii) design rates such that the price of electricity to customers is closer to the cost of supplying the service, thereby providing correct price signals to all customers and encouraging energy efficiency.

    (iv) provide new rate options for commercial customers on a pilot basis.

    (v) provide, on a pilot basis for a period of three years, a renewable energy tariff rider for small customer-owned renewable energy sources which will feed energy into the electric grid.

15. By letter dated *September 5, 2008 pursuant to rule 57 of the Rules*, the Applicant filed a letter with the Commission communicating its intention to file an application for review of the current electricity rates.

16. The Applicant corresponded with the Commission in relation to the selection of the Test Year for the rate review application and, after providing its views on the factors to be taken into account to determine the Test Year, it requested that it

be allowed to use an audited 2008 Test Year to support its application. On November 3, 2008 the Commission acceded to the Applicant's request.

17. The Applicant has therefore selected 2008 as the Test Year for the measurement of revenues and expenses incurred in conducting operations over a twelve month period. The Applicant has used the audited financial results for the year ending December 31, 2008, the Test Year, and has adjusted these where appropriate, for known and measurable changes.

18. The Applicant also requested that the issue of depreciation be heard before the main Application. The Commission granted this request.

19. On November 10, 2008, the Applicant applied to the Commission for the approval of the depreciation rates, capital balances and remaining lives of its assets. On February 25, 2009, the Commission granted an order in the terms set out in Order No. 1 of 2009, which is attached as **Appendix III**. The depreciation rates, capital balances and remaining lives being used in the Application are in accordance with the terms of the Order made by the Commission.

20. The Applicant has included in the rate base only the plant which is currently providing or is capable of providing electricity service to its customers and which it has determined to be "used and useful". The Applicant's utility plant is stated at historic cost. The Applicant proposes a Rate Base of $544,198,726 which is computed on the Test Year.

21. For the 2008 Test Year, the existing return on Rate Base is calculated at 6.07%. This is an inadequate rate of return.

22. The Applicant requests that the Commission adopt a rate of return on Rate Base of 10.48%, which is the Applicant's Weighted Average Cost of Capital (WACC) stated on a regulatory basis, including the weighted combination of the Applicant's cost rates for debt and other sources of funds, and a fair rate of return on equity. This is based on the "Study of the Cost of Capital and Rate of Return Recommendation" dated May 20, 2008 which was prepared by Christensen Associated Energy Consulting, LLC (CAEC).

23. The Applicant proposes a capital structure of 35% Debt and 65% Equity as used in the calculation of the WACC and which it considers to be more representative than the existing capital structure.

24. The Applicant's Revenue Requirement has been developed with the intent to allow it to recover its prudently incurred costs for providing utility services and to provide it with an opportunity to earn an appropriate return on invested capital including a fair and reasonable return on equity.

25. The Revenue Requirement has been determined based on the following rate-making formula and its components:

    Rate Base
    x Allowed Rate of Return
    = Operating Income (required return)
    + Operating Expenses, Depreciation and Taxes
    = Revenue Requirement.

26. The requested Rate of Return of 10.48% will result in an overall Revenue Requirement of $502,238,415, an increase of $28,221,603.

27. The Applicant is continuing to expand and improve its generation, transmission, and distribution facilities to meet the growing demand for electricity. New underground transmission circuits and modern substations are being planned to ensure that the Applicant continues to provide a reliable service to customers throughout the island.

28. A continued decline in earnings would negatively impact on the Applicant's ability to satisfy the concerns of lenders whom the Applicant will have to approach for new loans required for expansion of the system and to replace ageing plant. The Applicant must continue to invest to prevent degradation of system reliability.

29. The rates proposed by the Applicant are designed to lessen the impact on those with low levels of consumption. The Applicant believes that inadequate rates and inappropriate rate structures do not benefit anyone, customers or investors, and can result in significant cost to the economy through insufficient

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investment and resulting declines in the availability and reliability of electricity supply.

30. The design of the Applicant's proposed tariffs was guided by an Embedded Cost of Service Study, which was undertaken for the Applicant by CAEC. The Applicant proposes to revise and seek an increase in electricity rates for all existing tariffs, namely Domestic Service, General Service, Employee, Secondary Voltage Power, Large Power and Street Lighting. It also proposes to implement a new Time of Use Tariff, an Interruptible Service Rider and a Renewable Energy Rider, on a pilot basis. The Applicant also proposes to revise the Service Charges and Fuel Clause. The Applicant seeks to encourage energy saving and conservation amongst its customers. As such it proposes to maintain an inclining block rate structure in the Domestic Service category and to introduce this in the General Service and Employee categories.

31. A table of the present and the proposed tariff amendments is attached as **Appendix IV** and is incorporated herein and forms part of this Application.

32. The present base energy charge for all tariffs contains 2.64 cents/kWh of fuel cost. The report of the Commission entitled "Fuel Adjustment Charge Findings Report" dated January 19, 2007, contains a recommendation that *"the base energy charge of 2.64 cents should be removed from the energy charge and all the fuel charge should be incorporated in the fuel adjustment charge"*. The Applicant concurs with this recommendation and proposes that the full fuel cost be recovered through the Fuel Clause Adjustment.

33. The Applicant believes that a robust and reliable electric system is vital to the economic prosperity and future development of Barbados and remains committed to providing an excellent service to its customers. The continuation of a secure and reliable supply of electricity makes the Application unavoidable.

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III. <u>GROUNDS FOR THE APPLICATION</u> (Rule 26 of the Rules)

34. The Applicant is seeking a review and adjustments to the Existing Tariffs on the grounds that:

(a) The existing rates are now inadequate and do not provide sufficient revenue to enable the Applicant to meet the overall expenses of supplying a service which is safe, adequate and reasonable and provide a fair and reasonable return to investors so that it can continue to deliver a secure and reliable supply of electricity to its customers in an environment where the cost of inputs to the Applicant's operations and maintenance have risen substantially.

(b) The Applicant earnings on the existing rates are insufficient to enable it to attract new capital, satisfy lenders of its ability to repay loans and to *maintain the confidence of investors by providing them with a fair and* reasonable return so that the Applicant can buy the plant and equipment required for the delivery of service to customers.

(c) Given the economic, environmental and other circumstances, the Applicant must be enabled to design rates to bring the price of supplying electricity closer to cost of service and also enable it to send correct price signals to all customers with the aim of encouraging energy efficiency and conservation.

(d) This will enable the Applicant to introduce new rate options for commercial customers, on a pilot basis.

(e) This will allow the Applicant to provide, on a pilot basis for a period of three years, a renewable energy tariff rider for small customer-owned renewable energy sources which will feed energy into the electric grid.

IV. MEMORANDA OF SUPPORT AND OTHER EVIDENCE REFERRED TO IN RULE 58 OF THE RULES

35. The following Memoranda and Statements of Support consist of material intended to be introduced as evidence at the hearing of the Application and are set out and attached at Schedules A to O.

SCHEDULE	MEMORANDA
A	General Memorandum
B	Memorandum on Test Year
C	Memorandum on Rate Base
D	Memorandum on Income Statement
E	Memorandum on Self Insurance Fund
F	Memorandum on Rate of Return
G	Memorandum on Revenue Requirement
H	Memorandum on Sales Projections
I	Memorandum on Capital Expansion 2009 – 2013
J	Schedules with Present Tariffs
K	Memorandum on Proposed Tariffs
L	Memorandum on Five Year Financial Forecasts
M	Memorandum on Standards of Service
N	Statement of Earnings Coverage Test
O	Statement of Dividends

36. The Application is being supported by the evidence contained in the Affidavits of Peter W.B. Williams, Hutson R. Best, Mark St. C. King and Stephen T. Worme, members of the senior management of the Applicant and also by the Affidavits of Robert Camfield and Michael O'Sheasy whom the Applicant proposes to call as expert witnesses.

37. These Memoranda and Affidavits were prepared by the above-named persons who will be available for questioning at the hearing.

38. The Applicant intends to call the following witnesses of fact and the following expert witnesses:

Witnesses of Fact

(a) Peter Williams – Managing Director of the Applicant
(b) Hutson Best – Chief Financial Officer of the Applicant
(c) Mark King – Chief Operating Officer of the Applicant
(d) Stephen Worme – Chief Marketing Officer of the Applicant.

Expert Witnesses

(a) Michael O'Sheasy – Vice President at Christensen Associates Energy Consulting LLC;
(b) Robert Camfield – Vice President at Christensen Associates Energy Consulting LLC.

39. The Applicant reserves the right to file further Affidavits and to call additional witnesses. The Applicant further reserves the right to amend this Application with the leave of the Commission.

40. The Applicant also reserves the right to claim confidentiality of documents produced in accordance with the **Fair Trading Commission Act** Cap 326B and Rule 13 of the Rules.

V. RATES (Section 17 of the Act)

Existing and Proposed Rates

41. The existing rates of the Applicant ("the Existing Tariffs"), were approved by the PUB and are shown and attached in Schedules J-1 to J-8.

42. The proposed new rates for existing tariff groups, additional rate options, the new service charges and the new fuel clause (collectively called "the Proposed Tariffs") are as set out in Schedules K-1 to K-11.

Rate Design

43. The Applicant's proposed rate design was guided by an Embedded Cost of Service Study for 2008 and load research carried out in 2007 and 2008 by CAEC using data collected from special meters that were installed by the Applicant at customers' premises for that purpose. A marginal cost analysis was also undertaken to assess the impact on the rate design.

Justification for the Review Of Rates

44. The Applicant believes that the Existing Tariffs should be reviewed and adjusted for the reasons outlined in this Application and also expanded in the various Memoranda and other documents filed with the Application.

VI. TEST YEAR (Rule 60 of the Rules)

45. The Test Year as approved by the Commission is 2008. Details are set out in the Memorandum on Test Year which is attached as Schedule B. Audited Financial Statements prepared by PricewaterhouseCoopers for the year ended December 31, 2008 are provided in **Appendix V**. The Applicant maintains its accounts in accordance with international standards and bases its accounts on the Federal Energy Regulatory Commission's (FERC) Uniform Systems of Accounts.

VII. RATE BASE (Rule 60 of the Rules)

46. The calculation of the Rate Base is set out in the Memorandum on Rate Base and the supporting schedules which is attached as Schedule C.

VIII. **RATE OF RETURN** (Rule 60 of the Rules)

47. The Applicant is requesting a rate of return on rate base of 10.48%. The *justification showing how the reasonable return was calculated is provided in* the Memorandum on Rate of Return which is attached as Schedule F and also in the Affidavit of Robert Camfield and the "Study of the Cost of Capital and Rate of Return Recommendation" ("the Study") dated May 20, 2008 which was prepared by CAEC. The return on equity, the cost of debt and the WACC for which the Applicant is seeking approval were determined on the basis of the Study.

IX. **REVENUE REQUIREMENT** (Rule 60 of the Rules)

48. The calculation of the Revenue Requirement is set out in the Memorandum on Revenue Requirement and the supporting schedule which is attached as Schedule G.

49. On Existing Tariffs the Test Year revenue is $474,0161,811 with Operating Expenses, Depreciation and Taxes of $440,973,147. This results in an Operating Income of $33,043,665, a 6.07% return on Rate Base.

50. The requested Rate of Return of 10.48% will require an Operating Income of $57,032,027 which when added to the Operating Expenses, Depreciation and Taxes of $445,206,388 will result in an overall revenue requirement of $502,238,415, an increase of $28,221,603 grossed up for taxes.

X. **SERVICE STANDARDS** (Section 17 of the Act, Rule 63 of the Rules)

51. Rule 63 (1) of the Rules provide that where a service provider makes an Application for a rate review, proposed service standards must be presented as part of that request. Until the Commission completes its review of the Service Standards which commenced in October, 2008 the Applicant proposes to retain the existing Service Standards which are set out in the Commission's "Decision on Standards of Service for The Barbados Light & Power Company Limited" dated February 28, 2006 and attached as Schedule M-1.

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XI. NATURE OF ORDER BEING APPLIED FOR (Rule 26 of the Rules)

52. The Applicant requests that:

(a) Mr. Michael O' Sheasy and Mr. Robert Camfield, both Vice Presidents at Christensen Associates Energy Consulting LLC in the United States of America be accepted as Expert Witnesses.

(b) There be a Procedural Conference pursuant to Rule 35, with all the relevant parties, prior to the hearing of the Application.

(c) There be an Issues Conference pursuant to Rule 34, with all the relevant parties prior to the hearing of the Application.

53. The Applicant seeks the approval of the Commission for the following Orders:

(a) The Rate Base as computed by the Applicant and calculated to be $544,198,726 be approved.

(b) The proposed capital structure of Debt of 35% and Equity of 65% used by the Applicant in the determination of its Rate of Return be approved.

(c) The Rate of Return on Rate Base of 10.48% be approved.

(d) The Revenue Requirement of $502,238,415 be approved.

(e) The Existing Tariffs be replaced by the Proposed Tariffs details of which are described at Schedules K-1 to K-11.

(f) The Proposed Tariffs come into effect from October 1, 2009.

(g) The existing Standards of Service be retained pending a decision by the Commission on its review of the Standards of Service.

(h) Such further Orders or other relief as may be warranted.

XII. PERSONS AFFECTED BY THE APPLICATION *(Rule 26 of the Rules)*

54. Pursuant to Rule 26 (4) of the Rules, the Applicant advises that it is impractical to set out all the names and addresses of each customer affected by the Application because they are too numerous. However, the persons affected can generally be described as the customers of the Applicant that fall within the tariff groups identified in Schedules J-1 to J-8. These customers are affected because the Applicant supplies service to them.

DATED THIS 6th DAY OF MAY, 2009

SIGNED BY: ....

PETER W. B. WILLIAMS
THE APPLICANT'S REPRESENTATIVE AND DULY AUTHORIZED OFFICER

APPLICANT'S ADDRESS: THE BARBADOS LIGHT & POWER COMPANY LIMITED
GARRISON HILL
ST. MICHAEL
BARBADOS
TELEPHONE NUMBER: (246) 430-4200
FACSIMILE NUMBER: (246) 429-6000

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BARBADOS

I assent
D. H. L. WARD
Governor-General
29th January, 1982.

1982 – 2

An Act to make provisions respecting the extension of a franchise granted to the Barbados Light and Power Company.

(8th February, 1982) Commencement.

ENACTED by the Parliament of Barbados as follows:

1. This Act may be cited as the *Barbados Light and Power Company (Extension of Franchise) Act, 1982.* Citation

2. The provisional order set out in the Schedule is confirmed. Confirmation of order Schedule

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SCHEDULE

(Section 2)

PROVISIONAL ORDER BY MINISTER RESPECTING EXTENSION OF FRANCHISE GRANTED TO BARBADOS LIGHT AND POWER COMPANY

1. This order may be cited as the *Electric Light and Power Provisional Order, 1982.*

2. Without affecting the rights conferred by the orders contained in the First and Second Schedules to the *Electric Light and Power Act,* the Barbados Light and Power Company may, subject to those orders and to this order, supply energy for all public and private purposes defined by that Act for a period of forty-two years from 1st August, 1986.

Cap. 278

3. The rights conferred by this order are not exclusive rights, but in all other respects, the rights granted by this order are subject to the conditions set out in the First and Second Schedules to the *Electric Light and Power Act.*

Cap. 278

II

O R D E R

IN THE MATTER OF THE PUBLIC UTILITIES ACT CAP 282 as amended
AND IN THE MATTER OF THE PROPOSED CHANGES IN RATES OF THE
BARBADOS LIGHT AND POWER COMPANY LIMITED
BEFORE THE PUBLIC UTILITIES BOARD

ORDER

UPON HEARING the evidence adduced on behalf of the Company and UPON HEARING Hon. J.S.B. Dear C.H.B, Q.C. with Mr. Oliver Browne Q.C. and Mr. A.H. Clarke for the Company; Senator A. Wendell A. McClean- in person; Mr. Miles A. Rothwell- in person; Mr. Frank W. Alleyne- represented by Mr. LeRoy Inniss, Attorney-at-Law in association with Mr. S. Husbands, Attorney-at-Law; Dr. Richard C. Haynes, M.P.- represented by Mr. C.A. Phillips, Q.C. in association with Mr. LeRoy Inniss, Attorney-at-Law.

IT IS ORDERED that:

The Order of the Board dated 24th September 1982 shall cease to have effect in respect of all bills issued on or after the 15th day of May 1983.

That the following rates shall be deemed to have had effect in respect of all bills issued after the 15th day of November 1982.

Domestic Service

APPLICATION:

For service to residential customers for lighting, cooking, heating, refrigeration and incidental domestic power in individually metered dwelling houses and apartments occupied by a person or household and use only and entirely as their own personal fixed place of abode for long periods of time or altogbther.

CHARACTER OF SERVICE:

A.C., 50Hz. at specified nominal secondary voltage, 2 wire or 3 wire, depending upon customer's requirements up to a maximum monthly consumption of 2,000 kWh.

CONDITION OF SERVICE:

This rate cannot be applied to any dwelling house or apartment which is used for transient occupancy, or which is engaged in any hotel, guest house, restaurant, commercial, industrial or non-domestic activity.

MONTHLY RATE

Fixed Charge		$3.00 per month
Energy Charge: (Subject to Fuel Clause Adjustment)		
First	100kWh	@ 17.6 ¢/kWh
Next	900kWh	@ 19.6 ¢/kWh
All over	1,000kWh	@ 21.6 ¢/kWh
Minimum Bill		$3.00 per month

Discount: 10% for payment within 15 days of issue of bill, but not applicable to Fuel Clause Adjustment.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of the Public Utilities Board and to the currently effective "Information and Requirements Covering Installation of Electric Services and Meters." In any case of difference of interpretation between any provision of this schedule and the said "Information and Requirements covering Installation of Electric Services and Meters," the provision of this schedule shall be deemed to apply.

General Service

APPLICATION:

For lighting, combined lighting and power service to non-residential customers for which no other Rate Schedule is provided.

CHARACTER OF SERVICE:

A.C., 50Hz. single phase, 2 wire or 3 wire service up to a maximum demand of 5KVA and or a monthly consumption of 1,000kWh. Three phase service may be furnished but only under special arrangements.

CONDITION OF SERVICE:

Stand-by, seasonal or supplementary service not permitted hereunder.

MONTHLY RATE

Fixed Charge	\$5.00 per month
Energy Charge (Subject to Fuel Clause Adjustment)	
All kWh	@ 22.6 ¢/kWh
Minimum Bill	\$5.00 per month

RULES AND REGULATIONS:

Service under this schedule is subject to orders of the Public Utilities Board and to the currently effective "Information and Requirements Covering Installation of Electric Services and Meters". In any case of difference of interpretation between any provision of this schedule and said "Information and Requirements covering Installation of Electric Services and Meters" the provision of this schedule shall be deemed to apply.

Secondary Voltage Power

APPLICATION:

This rate is available to all customers, (except street lighting).

CHARACTER OF SERVICE:

A.C., 50Hz., single phase or three phase at Standard Low Tension supply.

CONDITION OF SERVICE:

No service may be transmitted to other premises without the express consent of the Company.

MONTHLY RATE

Demand Charge:

(a) For Company-owned transformer(s) KVA of Billing Demand — $4.00/

(b) For Customer-owned transformer(s) KVA of Billing Demand — $3.00/

Note: (b) is not available for new connections nor for expansion of existing customer transformer installations.

Energy Charge:

(Subject to Fuel Adjustment Clause)

All kWh — 20.6 ¢/kWh

Minimum Bill:

The Minimum monthly bill shall be the appropriate demand charge plus the charge for the first 50kWh/KVA of Billing Demand, which monthly bill shall not be less than the equivalent of a Billing Demand of 5KVA plus 1,000kWh of energy at the appropriate rate.

BILLING DEMAND:

(a) Customers connected under this rate shall be metered as to demand and the Billing Demand shall be the maximum measured demand of the current month or the maximum measured demand of any of the previous 11 months, whichever is the greater. The metered demand may be measured in either kW or KVA at the option of the Company depending upon the character of the service. If the demand is measured in kW then the maximum kW reading shall be divided by a correction factor of 0.85 for conversion to KVA for billing purposes.

(b) The Company shall reserve the right to assess the Billing Demand based on connected load for installations including lifts and cranes, X-Ray equipment and welders.

(c) For customers with a contracted demand, the billing demand shall be the higher of (a) or (b) or the contracted demand.

TERM OF SERVICE:

Not less than one year.

RULES AND REGULATIONS:

Service under this schedule is subject to orders of the Public Utilities Board and to the currently effective "Information and Requirements Covering Installation of Electric Services and Meters". In any case of difference of interpretation between any provision of this schedule and said "Information and Requirements Covering Installation of Electric Services and Meters" the provision of this schedule shall be deemed to apply.

Large Power

APPLICATION:

This rate is applicable to all customers, (except domestic and street-lighting) receiving supply at primary voltage.

CHARACTER OF SERVICE:

A.C., 50Hz., three phase, 24,900 or 11,000 volts primary

CONDITIONS OF SERVICE:

Available for loads with a billing demand of not less than 100KVA. No service may be transmitted to other premises without the express consent of the Company.

MONTHLY RATE

Demand Charge:	$3.00/KVA of Billing Demand

Energy Charge: (Subject to Fuel Clause Adjustment)

All kWh	19.6 ¢/kWh

Minimum Bill:

The demand charge but for not less than 100KVA of Billing Demand.

BILLING DEMAND:

(a) Customers connected under this rate shall be metered as to demand and the billing demand shall be the maximum measured demand of the current month or the maximum measured demand of any of the previous 11 month whichever is greater.

(b) For customers with a contracted demand, the billing demand shall be the higher of (a) or the contracted demand.

TERMS OF SERVICE:

Not less than one year.

RULES AND REUGLATIONS:

Service under this schedule is subject to orders of the Public Utilities Board and to the currently effective "Information and Requirements Covering Installation of Electric Services and Meters.". In any case of difference of interpretation between any provision of this schedule and the said "Information and Requirements Covering Installation of Electric Services and Meters" the provision of this schedule shall be deemed to apply.

Street Lighting and Miscellaneous Charges

STREET LIGHTING RATE:

The same increase of 7.5¢ per kWh shall apply to these rates and the Company is requested to submit to the Board for its approval a schedule showing the effect of this increase on each type of street lighting.

RECONNECTION CHARGE:

The Company is permitted to increase the reconnection charge from $6.00 to $15.00 for each reconnection.

EMPLOYEES RATES:

The existing rate of 3¢ per kWh shall be increased by 5¢ to 8¢ per kWh for all Employees of the Company who shall also pay the appropriate fuel charges under the fuel adjustment clause.

ALL OTHER RATES AND CONDITIONS OF SERVICE REMAIN UNCHANGED.

Dated this twelfth day of May 1983

..................Chairman
G.B. Brandford

......................Member
M.E. Murrell

......................Member
O.P. Symmonds (Miss)

......................Member
J.W.H. Sealy

......................Member
P.E. Serrao

....
D.A. Roach
Secretary.

III

FAIR TRADING COMMISSION

BARBADOS **No. 1 of 2009**

IN THE MATTER of the Utilities Regulation Act, Cap 282 of the Laws of Barbados;

IN THE MATTER of the Utilities Regulation (Procedural) Rules, 2003;

AND IN THE MATTER of the Application by the Barbados Light & Power Company Limited for approval of the Depreciation Policy;

APPLICANT
The Barbados Light & Power Company Limited

INTERVENORS
Barbados Association of Non-Governmental Organisations

Olson Robertson

BEFORE:

Sir Neville Nicholls	Chairman
Mr. Floyd Phillips	Commissioner
Mr. Michael Thompson	Commissioner
Mr. Delisle Weekes	Commissioner
Mr. Andrew Brathwaite	Commissioner

ORDER

In recognition of the issues that have been considered and determined at the Depreciation Hearing by the Commission.

UPON hearing Sir Henry de B Forde Q.C., Attorney-at-Law and Ms. Tanya Goddard, Attorney-at-Law in association with Mr. Ramon Alleyne, Attorney-at-Law, Mrs. Debbie Fraser, Attorney-at-Law and Ms. Nicola Berry, Attorney-at-Law of the firm of Clarke Gittens and Farmer for the Applicant;

AND UPON hearing The Barbados Association of Non Governmental Organisations and Mr. Olson Robertson;

AND UPON hearing the Submissions of the Applicant and the Intervenors.

IT IS HEREBY ORDERED AS FOLLOWS:

1. That the Application submitted pursuant to Section 16 of the Utilities Regulation Act, CAP 282 of the Laws of Barbados for approval of the Depreciation Policy of the Barbados Light & Power Company Limited is hereby approved.

2. That the Policy using the straight-line method, remaining life technique and historic cost valuation is hereby approved.

3. That the capital balances, remaining lives and depreciation rates arising from the policy and set out at Schedule 1 of this Decision are hereby approved.

4. That the Applicant shall at all times seek the approval of the Commission if it requires a change in the depreciation rates used for regulatory reporting purposes.

5. That the Applicant is hereby required to submit reports on an annual basis showing the financial results reflecting the depreciation rates that have been determined in this Decision as part of its regulatory reporting.

SCHEDULE 1

The Barbados Light & Power Company Limited
Spreadsheet based on Pages 1 and 2 of Exhibit A - American Appraisal - Depreciation Study

AS OF DECEMBER 31, 2006
DEPRECIATION FACTORS AND RATES

			A	B	C	
ACCOUNT NO.	ACCOUNT NAME	ORIGINAL 'HISTORIC' COST	"CAPITAL BALANCES" (ACCUMULATED DEPRECIATION) at 2006/12/31	AVERAGE REMAINING LIFE	RATE	
		$	$	Years	%	
	GENERATION PLANT					
	GARRISON					
	GAS TURBINE GT02	21,320,842	13,579,806	8.5	4.51%	
	TOTAL GARRISON	21,320,842	13,579,806			
	SPRING GARDEN					
	STEAM PLANT - Building	2,163,517	2,163,517	4.50	2.78%	
	STEAM PLANT - Equipment	44,557,529	43,049,952	4.50	3.53%	
	FUEL TANK	1,349,749	1,009,350	28.50	1.41%	
	LOW SPEED DIESEL NO. 10 - 13 - Building	24,641,467	18,112,755	11.00	2.77%	
	LOW SPEED DIESEL NO. 10 - 13 - Equipment	127,639,773	93,648,613	11.00	2.69%	
	LOW SPEED DIESEL NO. 14 - 15 - Building	22,600,000	1,017,000	28.50	3.49%	
	LOW SPEED DIESEL NO. 14 - 15 - Equipment	122,864,064	8,853,681	28.50	3.36%	
	35 kVA EQUIPMENT	33,005	33,005	4.50	0.00%	
	TOTAL SPRING GARDEN	345,849,104	167,887,873			
	SEAWELL					
	GAS TURBINE - Building	2,243,207	832,008	20.50	3.31%	
	GAS TURBINE GT03	23,507,943	11,384,717	14.50	3.69%	
	GAS TURBINE GT04	23,071,223	8,052,636	17.50	3.83%	
	GAS TURBINE GT05	23,206,083	5,480,359	19.50	4.02%	
	GAS TURBINE GT06	19,467,112	4,131,251	20.50	3.94%	
	FUEL TANK	1,120,579	437,504	20.50	3.71%	
	TOTAL SEAWELL	92,616,147	30,318,475			
	TOTAL GENERATION PLANT	459,786,093	211,786,154			
	TRANSMISSION & DISTRIBUTION PLANT					
361.0	SUBSTATION BUILDINGS	11,648,875	3,335,347	28.50	2.86%	
362.0	SUBSTATION EQUIPMENT	68,729,528	27,925,325	19.65	3.28%	
364.0	POLES	66,691,618	32,911,483	12.39	5.70%	
365.0	OVERHEAD CONDUCTORS	34,235,204	14,718,119	17.05	3.93%	
367.0	UNDERGROUND CABLES	91,030,111	15,464,321	26.92	3.08%	
368.0	TRANSFORMERS	40,259,795	14,422,710	14.05	4.92%	
369.0	SERVICES	23,660,436	9,603,693	12.31	5.23%	
373.0	STREETLIGHTS	9,997,577	5,744,877	8.28	5.74%	
370.0	METERS	10,745,160	5,081,359	11.68	4.94%	
	TOTAL - TRANSMISSION AND DISTRIBUTION	356,998,304	129,207,234			
	GENERAL PLANT					
390.1	BUILDINGS - Haggatt Hall & Spring Garden	5,485,072	1,673,185	30.96	2.41%	
390.2	BUILDINGS - Other (Garrison)	12,810,789	3,321,232	28.33	2.81%	
392.1	TRANSPORT - Heavy	10,028,173	6,513,012	5.69	5.28%	
392.2	TRANSPORT - Light	2,728,088	1,508,122	3.79	7.56%	
391.1	FURNITURE & EQUIPMENT	6,819,325	3,140,153	7.48	7.21%	
391.2	COMPUTER EQUIPMENT	3,135,076	3,135,076	2.56	16.67%	Note 1
391.3	COMPUTER SOFTWARE	12,245,422	12,245,422	2.08	14.29%	Note 1
	TOTAL GENERAL PLANT	53,251,945	31,536,202			

Note:
1. Reference page 10 of the Depreciation Rate Study carried out by American Appraisal for The Barbados Light & Power Company Limited.

HB

Dated this 26th day of February 2009

Neville Nicholls
Chairman

Floyd Phillips
Commissioner

Michael Thompson
Commissioner

Delisle Weekes
Commissioner

Andrew Brathwaite
Commissioner

IV

THE BARBADOS LIGHT & POWER CO. LTD.
SUMMARY OF EXISTING AND PROPOSED TARIFFS

TARIFFS	COMPONENTS	PRESENT		PROPOSED	
		Parameters	RATES Monthly	Parameters	RATES Monthly
Domestic Service					
	Customer Charge	Each service	$3	0-100kWh	$6
				101-500kWh	$10
				Over 500 kWh	$14
	Demand Charge	Not applicable	None	Not applicable	None
	Base Energy Charge	*0-100 kWh, per kWh*	*$0.176*	*0-100 kWh, per kWh*	*$0.150*
		Next 900 kWh, per kWh	$0.196	Next 400 kWh, per kWh	$0.176
		Over 1,000 kWh, per kWh	$0.216	Next 1,000 kWh, per kWh	$0.200
				Over 1,500 kWh, per kWh.	$0.224
	Fuel Charge	All kWh, per kWh.	FCA	All kWh, per kWh.	FCA
Employee					
	Customer Charge	Not applicable	None	Not applicable	None
	Demand Charge	Not applicable	None	Not applicable	None
	Base Energy Charge	All kWh, per kWh.	$0.080	0-500 kWh, per kWh	$0.080
				Next 1,000 kWh, per kWh	$0.180
				Over 1,500 kWh, per kWh	$0.202
	Fuel Charge	All kWh, per kWh.	FCA		FCA
General Service					
	Customer Charge	Each service	$5	0-100kWh	$8
				101-500kWh	$11
				Over 500 kWh	$14
	Demand Charge	Not applicable	None	Not applicable	None
	Base Energy Charge	All kWh, per kWh.	$0.226	0-100 kWh, per kWh	$0.184
				Next 400 kWh, per kWh	*$0.217*
				Next 1,000 kWh, per kWh	$0.259
				Over 1,500 kWh, per kWh	$0.290
	Fuel Charge	All kWh, per kWh.	FCA	All kWh, per kWh.	FCA
Secondary Voltage Power					
	Customer Charge	Each service	None	Each service	$20
	Demand Charge	per kVA	$4	per kVA	$27
	Base Energy Charge	*All kWh, per kWh.*	*$0.206*	*All kWh, per kWh.*	*$0.110*
	Fuel Charge	All kWh, per kWh.	FCA	All kWh, per kWh.	FCA
Large Power					
	Customer Charge	Each service	None	Each service	$300
	Demand Charge	per kVA	$3	per kVA	$25
	Base Energy Charge	All kWh, per kWh.	$0.196	All kWh, per kWh.	$0.094
	Fuel Charge	All kWh, per kWh.	FCA	All kWh, per kWh.	FCA
Streetlights					
	Customer Charge	Each 50 Watt HPS light	$5.82	Each 50 Watt HPS light	$7.07
		Each 70 Watt HPS light	$5.82	Each 70 Watt HPS light	$7.43
		Each 100 Watt HPS light	$14.80	Each 100 Watt HPS light	$7.89
	Demand Charge	per kVA	None	per kVA	None
	Base Energy Charge	per kWh.	None	per kWh.	None
	Fuel Charge	50 Watt HPS (27 kWh / month)	27*FCA	50 Watt HPS (25 kWh / month)	25*FCA
		70 Watt HPS (27 kWh / month)	27*FCA	70 Watt HPS (33 kWh / month)	33*FCA
		100 Watt HPS (73 kWh / month)	73*FCA	100 Watt HPS (43 kWh / month)	43*FCA

NOTES.
(1) The Customer Charge is referred to as the Fixed Charge in the Present Tariffs
(2) The Base Energy Charge for DS, GS and EMP includes the Demand Charge component
(3) 2.64 cents/kWh is included in the Base Energy Charge on the Present Tariffs for fuel.
(4) FCA = Fuel Clause Adjustment, calculated monthly in accordance with the Fuel Clause.
(5) Existing FCA is based on Fuel Cost minus 2.64 cents per kWh which is in Base Energy Rate.
(6) Proposed Fuel Clause Adjustment is based on the total Fuel Cost. The 2.64 cents/kWh will therefore be shifted from the Base Energy rate to the FCA.
(7) Above charges are shown net of VAT and are all subject to VAT.

SW

THE BARBADOS LIGHT & POWER CO. LTD.
PROPOSED NEW TARIFF AND RIDERS.

TARIFF	COMPONENTS	PARAMETERS	PROPOSED RATES
Time-of-Use	Customer Charge		$300
	Base Energy Charge, per kWh	On-Peak (Note 3)	$0.2190
		Off-Peak (Note 3)	$0.0440
	Fuel Charge, per kWh.	On-Peak (Note 3)	1.12*FCA
		Off-Peak (Note 3)	0.92*FCA
	Demand Charge	per kVA of Billing Demand	$18.00

RIDERS	COMPONENTS	PARAMETERS	PROPOSED RATES (CREDIT)
Interruptible Service	Demand Credit	per kVA of Monthly Interruptible Demand	
		08.00 - 21.00 hrs option	$12
		08.00 - 16.30 hrs option	$9
Renewable Energy	Energy Credit, per kWh supplied to BLPC grid.		1.8 * FCA or $0.315,whichever is greater

NOTES.
(1) FCA = Fuel Clause Adjustment, calculated monthly in accordance with the Fuel Clause..
(2) Above charges are shown net of VAT and are all subject to VAT.
(3) On-Peak Hours are 10.00 - 21.00 hrs. Monday to Friday. All other hours are Off-Peak.

SW

THE BARBADOS LIGHT & POWER CO. LTD.
SUMMARY OF EXISTING AND PROPOSED SERVICE CHARGES

Service Charge	Type of Installation	Existing Service Charge	Proposed Service Charge
New Service Installation	Below 200 Amps	$15	$50
	Above 200 Amps	$75	$200
Reconnection/Transfer of Service	Below 200 Amps	$15	$20
	Above 200 Amps	$15	$40
Debt Reconnection	During Regular Working Hours	$15	$20
	After Hours	$15	$40
Shift Meter	Below 200 Amps	$15	$50
	Above 200 Amps	$75	$200
Upgrade Service	Below 200 Amps	$15	$50
	Above 200 Amps	$75	$200
Damage Meter	1-PH Meter	$20	$50
	3-PH Meter	$20	$200
Special Events/Temporary Service	Below 200 Amps	$15	$60
	Above 200 Amps	$75	$210
One Day Event	One Day Event Service	$50 (VAT included)	$75
Tampering Fee	Each	$75	$250
Provide & Install Sealing Ring	Each	$10 (VAT included)	$20
Special Read	Each	$15	$20
Meter Test	Each	$15	$50
Returned Cheque	Each	$20	Bank Charge plus $10
Transformer Rental	Primary Voltage	$1/ kVA of billing demand	$1/kVA of transformer capacity
Renewable Service Installation	Each	None	$50

NOTE.
Above charges are net of VAT (unless otherwise stated) and are subject to VAT.

SW

V

The Barbados Light & Power Company Limited

Non-consolidated Financial Statements
December 31, 2008
(expressed in Barbados dollars)

PRICEWATERHOUSECOOPERS

PricewaterhouseCoopers
The Financial Services Centre
Bishop's Court Hill
P.O. Box 111
St. Michael BB14004
Barabdos, West Indies
Telephone: (246) 436-7000
Facsimile (246) 436-1275

INDEPENDENT AUDITORS' REPORT

To the Directors of
The Barbados Light & Power Company Limited

We have audited the accompanying non-consolidated financial statements of **The Barbados Light & Power Company Limited**, which comprise the non-consolidated balance sheet as of December 31, 2008, and the non-consolidated statement of income, non-consolidated statement of changes in equity and non-consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated financial statements in accordance with International Financial Reporting Standard. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these non-consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PRICEWATERHOUSECOOPERS

Opinion

In our opinion, the non-consolidated financial statements present fairly, in all material respects, the financial position of **The Barbados Light & Power Company Limited** as of December 31, 2008, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers

Chartered Accountants
March 23, 2009
Bridgetown, Barbados

The Barbados Light & Power Company Limited

Non-consolidated Balance Sheet
As of December 31, 2008

(expressed in Barbados dollars)

	2008 $	2007 $
Assets		
Non-current assets		
Property, plant and equipment (note 5)	**600,307,419**	588,459,161
Current assets		
Cash and cash equivalents (note 6)	**5,974,593**	19,168,323
Trade and other receivables (note 7)	**49,300,208**	59,398,524
Corporation tax recoverable	**28,547**	26,432
Inventories (note 8)	**30,208,703**	34,308,180
	85,512,051	112,901,459
Total assets	**685,819,470**	701,360,620
Equity		
Share capital (note 9)	**200,000,000**	200,000,000
Retained earnings	**257,692,693**	243,611,679
Total equity	**457,692,693**	443,611,679
Non-current liabilities		
Borrowings (note 10)	**95,211,174**	108,367,500
Customers' deposits (note 11)	**22,449,216**	20,201,286
Provisions for other liabilities and charges (note 15)	**2,972,583**	2,972,583
Deferred credits (note 12)	**44,131,202**	42,536,572
Deferred tax liability (note 13)	**18,359,248**	20,287,308
	183,123,423	194,365,249
Current liabilities		
Trade and other payables (note 14)	**29,994,988**	48,482,263
Provisions for other liabilities and charges (note 15)	**1,470,887**	1,851,073
Current portion of borrowings (note 10)	**13,537,479**	13,050,356
	45,003,354	63,383,692
Total equity and liabilities	**685,819,470**	701,360,620

Approved by the Board of Directors on March 12, 2009

Peter W.B. Williams - Director

Frank O. McConney - Director

The Barbados Light & Power Company Limited

Non-consolidated Statement of Changes in Equity

For the year ended December 31, 2008

(expressed in Barbados dollars)

	Share capital $	Retained earnings $	Total $
Balance at January 1, 2006	200,000,000	201,997,305	401,997,305
Net income for the year	–	49,774,374	49,774,374
Dividends paid	–	(8,160,000)	(8,160,000)
Balance at December 31, 2007	200,000,000	243,611,679	443,611,679
Net income for the year	–	22,643,014	22,643,014
Dividends paid	–	(8,562,000)	(8,562,000)
Balance at December 31, 2008	**200,000,000**	**257,692,693**	**457,692,693**

The accompanying notes form an integral part of these financial statements.

The Barbados Light & Power Company Limited

Non-consolidated Statement of Income

For the year ended December 31, 2008

(expressed in Barbados dollars)

	2008 $	2007 $
Operating revenue (note 17)	473,309,557	397,636,079
Operating expenses		
Fuel	**297,612,203**	225,299,419
Generation	**51,061,116**	40,747,279
General	**35,425,842**	32,346,781
Distribution	**11,737,996**	12,469,770
Depreciation	**37,260,519**	33,646,844
Insurance	**12,466,600**	12,328,274
Foreign exchange gain	–	(73,453)
	445,564,276	356,764,914
Operating income	**27,745,281**	40,871,165
Finance income	**319,131**	311,013
Finance costs	**(6,501,609)**	(6,322,734)
Income before taxation	**21,562,803**	34,859,444
Taxation credit (note 13)	**1,080,211**	14,914,930
Net income for the year	**22,643,014**	49,774,374

The accompanying notes form an integral part of these financial statements.

The Barbados Light & Power Company Limited

Non-consolidated Statement of Cash Flows

For the year ended December 31, 2008

(expressed in Barbados dollars)

	2008 $	2007 $
Cash flows from operating activities		
Income before taxation	**21,562,803**	34,859,444
Adjustments for non-cash items:		
Depreciation	**37,260,519**	33,646,844
Gain on foreign exchange	**–**	(73,453)
Gain on disposal of property, plant and equipment	**–**	(146,075)
Finance income	**(319,131)**	(311,013)
Finance costs	**6,501,609**	6,322,734
Net change in deferred revenue	**746,782**	101,170
Net change in provisions for other liabilities and charges	**(380,186)**	722,542
Operating income before working capital changes	**65,372,396**	75,122,193
Decrease/(increase) in trade and other receivables	**10,098,316**	(21,637,574)
Decrease/(increase) in inventories	**4,099,477**	(4,215,120)
Decrease in due to parent company	**–**	(1,000,000)
(Decrease)/increase in trade and other payables	**(18,487,275)**	17,921,153
Cash generated from operations	**61,082,914**	66,190,652
Corporation tax (refunded)/paid	**(2,115)**	35,464
Interest paid	**(6,433,447)**	(6,189,685)
Net cash from operating activities	**54,647,352**	60,036,431
Cash flows used in investing activities		
Additions to property, plant and equipment	**(52,860,468)**	(60,376,648)
Proceeds on disposal of property, plant and equipment	**–**	187,304
Interest received	**250,969**	252,311
Net cash used in investing activities	**(52,609,499)**	(59,937,033)
Cash flows used in financing activities		
Repayments of borrowings	**(12,669,203)**	(12,486,336)
Dividends paid	**(8,562,000)**	(8,160,000)
Proceeds from borrowings	**–**	25,000,000
Customers' contributions to property, plant and equipment	**3,751,690**	5,989,666
Customers' deposits	**2,247,930**	382,385
Net cash (used in)/from financing activities	**(15,231,583)**	10,725,715
Net (decrease)/increase in cash and cash equivalents	**(13,193,730)**	10,825,113
Cash and cash equivalents - beginning of the year	**19,168,323**	8,343,210
Cash and cash equivalents - end of the year (note 6)	**5,974,593**	19,168,323

The accompanying notes form an integral part of these financial statements.

The Barbados Light & Power Company Limited
Notes to Non-consolidated Financial Statements
December 31, 2008

(expressed in Barbados dollars)

1 General information

The Barbados Light & Power Company Limited (the "Company") is a limited liability company incorporated under the Laws of Barbados. The principal activity is that of generation, distribution and supply of electricity. The company is governed by the Electric Light & Power Act (1899) and regulated by the Fair Trading Commission Act Cap. 2000-31 and the Utilities Regulation Act Cap. 2000-30.

The registered office of the Company is located at Garrison Hill, St. Michael.

Parent company

The Barbados Light & Power Company Limited is a wholly-owned subsidiary of Light & Power Holdings Ltd., a company incorporated under the laws of Barbados and listed on the Barbados Stock Exchange Inc.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

2.1 Basis of preparation

The financial statements of The Barbados Light & Power Company Limited have been prepared in accordance with International Financial Reporting Standards (IFRS) under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 4.

a) Standards, amendments and interpretations effective in 2008

The following amendments to published standards are mandatory for the Company's accounting periods beginning on or after 1 January 2008:

- **IAS 39 (Amendment), 'Reclassification of financial assets'**. An amendment to the standard, issued in October 2008, permits an entity to reclassify non-derivative financial assets (other than those designated at fair value through profit or loss by the entity upon initial recognition) out of the fair value through profit or loss category in particular circumstances. The amendment also permits an entity to transfer from the available-for-sale category to the loans and receivables category a financial asset that would have met the definition of loans and receivables (if the financial asset had not been designated as available for sale), if the entity has the intention and ability to hold that financial asset for the foreseeable future. The amendment has no impact on the Company's financial statements.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.1 Basis of preparation *...continued*

a) Standards, amendments and interpretations effective in 2008 ...continued

- **IFRIC 11, IFRS 2** - Group and treasury share transactions' provides guidance on whether share-based transactions involving treasury shares or involving group entities (for example, options over a parent's shares) should be accounted for as equity-settled or cash-settled share-based payment transactions in the standalone accounts of the parent and group companies. This interpretation does not have an impact on the Company's financial statements.

- **IFRIC 14, IAS 19** - The limit on a defined benefit asset, minimum funding requirements and their interaction', provides guidance on assessing the limit in IAS 19 on the amount of the surplus that can be recognised as an asset. It also explains how the pension asset or liability may be affected by a statutory or contractual minimum funding requirement. This interpretation does not have any impact on the Company's financial statements, as the Company does not have a defined benefit plan.

b) Interpretations effective in 2008 but not relevant to the Company's operations

- **IFRIC 12, 'Service concession arrangements'**, is mandatory for accounting periods beginning on or after 1 January 2008, but is not relevant to the Company's operations.

c) Standards and amendments early adopted by the Company

There were no standards, interpretations or amendments which were early adopted by the Company in 2008.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.1 Basis of preparation *...continued*

d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company

The following standards and amendments to existing standards have been published and are mandatory for the Company's accounting periods beginning on or after January 2009 or later periods, but the Company has not early adopted them:

- **IAS 1 (Revised), 'Presentation of financial statements'** (effective from 1 January 2009). The revised standard will prohibit the presentation of items of income and expenses (that is, 'non-owner changes in equity') in the statement of changes in equity, requiring 'non-owner changes in equity' to be presented separately from owner changes in equity. All non-owner changes in equity will be required to be shown in a performance statement, but entities can choose whether to present one performance statement (the statement of comprehensive income) or two statements (the income statement and statement of comprehensive income). Where entities restate or reclassify comparative information, they will be required to present a restated balance sheet as at the beginning of the comparative period in addition to the current requirement to present balance sheets at the end of the current period and comparative period. The Company will apply IAS 1 (Revised) from 1 January 2009. This standard is not expected to have any impact on the Company's financial statements.

- **IAS 23 (Revised), 'Borrowing costs'** (effective from 1 January 2009). The new standard requires an entity to capitalise borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset (one that takes a substantial period of time to get ready for use or sale) as part of the cost of that asset. The option of immediately expensing those borrowing costs will be removed. The Company will apply IAS 23 (Revised) retrospectively from 1 January 2009; this is not expected to have any impact on the financial statements as the Company currently capitalizes borrowing costs on qualifying assets.

- **IAS 23 (Amendment), 'Borrowing costs'** (effective from 1 January 2009). The amendment is part of the IASB's annual improvement project published in May 2008. The definition of borrowing costs has been amended so that interest expense is calculated using the effective interest method defined in IAS 39 'Financial instruments: Recognition and measurement'. This eliminates the inconsistency of terms between IAS 39 and IAS 23. The Company will apply the IAS 23 (Amendment) prospectively to the capitalisation of borrowing costs on qualifying assets from 1 January 2009.

The Barbados Light & Power Company Limited

Notes to Non-consolidated Financial Statements
December 31, 2008

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.1 Basis of preparation *...continued*

d) Standards, amendments and interpretations to existing standards that are not yet effective and have not been early adopted by the Company ...continued

- There are a number of minor amendments to **IFRS 7, 'Financial instruments: Disclosures', IAS 8, 'Accounting policies, changes in accounting estimates and errors', IAS 10, 'Events after the reporting period', IAS 18, 'Revenue' and IAS 34, 'Interim financial reporting'**, which are part of the IASB's annual improvement project published in May 2008 (not addressed above). These amendments are unlikely to have an impact on the Company's accounts and have therefore not been analysed in detail.

e) The following Standards, Interpretations and amendments to existing standards are not yet effective and are not relevant to the Company's operations:

IAS 1 (Amendment)	- Presentation of financial statements
IFRS 2 (Amendment)	- Share-based payment
IAS 32 (Amendment)	- Financial instruments: Presentation
IFRS 1 (Amendment)	- First time adoption of IFRS
IAS 27 (Revised)	- Consolidated and separate financial statements
IAS 27 (Amendment)	- Consolidated and separate financial statements
IFRS 3 (Revised)	- Business combinations
IFRS 5 (Amendment)	- Non-current assets held-for-sale and discontinued operations
IAS 28 (Amendment)	- Investments in associates
IAS 19 (Amendment)	- Employee Benefits
IAS 36 (Amendment)	- Impairment of assets
IAS 38 (Amendment)	- Intangible assets
IFRS 8	- Operating segments
IFRIC 13	- Customer loyalty programmes
IAS 16 (Amendment)	- Property, plant and equipment
IFRIC 16	- Hedges of a net investment in a foreign operation
IAS 29 (Amendment)	- Financial reporting in hyperinflationary economies
IAS 39 (Amendment)	- Financial instruments. Recognition and measurement
IAS 39 (Amendment)	- Eligible hedged items
IAS 31 (Amendment)	- Interest in joint ventures
IAS 40 (Amendment)	- Investment property
IAS 41 (Amendment)	- Agriculture
IAS 20 (Amendment)	- Accounting for government grants and disclosure of government assistance
IFRIC 17	- Distributions of non-cash assets to owners
IFRIC 15	- Agreements for construction of real estates

The Barbados Light & Power Company Limited

Notes to Non-consolidated Financial Statements
December 31, 2008

(expressed in Barbados dollars)

2 Summary of significant accounting policies ...*continued*

2.2 Non-consolidation

The non-consolidated financial statements are prepared for purposes other than presentation to the shareholders. They do not reflect the generally accepted accounting principle of consolidation of the accounts of the company and the special purpose entity. Consolidated financial statements of Light & Power Holdings Ltd. (the Parent) and its subsidiary companies and the special purpose entity have been prepared for presentation to the shareholders.

2.3 Foreign currency translation

Functional and presentation currency

The financial statements are presented in Barbados dollars which is also the functional currency.

Transactions and balances

Foreign currency transactions are translated into Barbados currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

2.4 Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

The Company's operating segments are reported in a manner consistent with the internal reporting.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.5 Property, plant and equipment

Property, plant and equipment are stated at historic cost less accumulated depreciation and impairment losses. Cost represents expenditure that is directly attributable to the acquisition of the items and includes cost of materials, direct labour, supervision and engineering charges and interest incurred during construction which is directly attributable to the acquisition or construction of a qualifying asset.

Subsequent costs are included in the asset's carrying value or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of income during the financial period in which they are incurred.

Contributions received towards construction of electric plant are credited to the cost of work in progress or are shown as deferred credits in the case where construction has not yet started.

Interest cost on property, plant and equipment is capitalised and included in the appropriate capital asset account until the asset is made available for service.

Land is not depreciated. No depreciation is provided on work-in-progress until the assets involved have been completed and are available for use. For financial reporting purposes depreciation on other property, plant and equipment is calculated by the straight line method using rates required to allocate the cost of the assets less salvage over their estimated service lives as follows:

Generation	- 1% - 5%
Transmission and distribution	- 2% - 6%
Other	- 2% - 17%

When depreciable property, plant and equipment other than motor vehicles and property are retired, the gross book value less proceeds net of retiral expense is charged to accumulated depreciation. For material disposals of motor vehicles and property, the asset cost and accumulated depreciation are removed with any gain or loss credited or charged to current operations. Gains and losses on material disposals of motor vehicles and property are determined by comparing proceeds with carrying amounts.

The assets' residual value, useful lives and depreciation methods are reviewed and adjusted, if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than its estimated recoverable amount. (Note 2.6).

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.6 Impairment of non-financial assets

Assets that have an indefinite life, e.g. land, are not subject to amortisation and are reviewed annually for impairment.

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows.

2.7 Cash and cash equivalents

Cash and cash equivalents includes cash held in hand, deposits held at call with banks and other short-term highly liquid investments purchased with maturity of three (3) months or less at the date of acquisition.

2.8 Trade receivables

Trade receivables consist of amounts due to the Company from normal business activities.

Trade receivables are recognised initially at fair value and are subsequently measured at amortised cost less provision for impairment. A provision for impairment is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation and default or delinquency in payments (more than 90 days overdue) are considered indicators that the trade receivable is impaired. In addition, a provision for discounts, based on historical experience, is created in anticipation of accounts that will be settled prior to the scheduled due date. The amount of the provision is recognised in the income statement. When a trade receivable is uncollectible it is written off against income and subsequent recoveries of amounts previously written off are credited to the statement of income.

2.9 *Inventories*

Inventories of fuel, materials and supplies are valued at the lower of cost and net realisable value. Cost is determined on an average cost basis. Spares for Generation plant are carried at cost less provision for obsolescence.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.10 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost and any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Company has the unconditional right to defer settlement of the liability for at least twelve (12) months after the balance sheet date.

2.11 Trade payables

Trade payables are recognised initially at fair value and subsequently measured at amortised cost.

2.12 Taxation

a) Current and deferred income tax

The tax expense in the statement of income comprises current and deferred tax. Tax is recognised in the statement of income except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on taxable income for the period and is calculated using tax rates enacted or substantially enacted at the balance sheet date.

Deferred income tax is provided in full using the liability method on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates that have been enacted by the balance sheet date and are expected to apply when the asset is realised or the liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

b) Investment tax credit

The tax credit from investment allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over the estimated useful lives of the respective assets.

c) Manufacturing tax credit

The tax credit from manufacturing allowances associated with the acquisition of plant and equipment is being deferred and amortised to income over the lives of the respective items of plant and equipment.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.13 Customers' deposits

Commercial and all other customers except Barbadian residents categorised under the Domestic Service tariff are normally required to provide security for payment. However, Barbadian residents under this tariff may be asked to provide security if they are delinquent in paying their bills. The cash deposit is refunded with accumulated interest when the account is terminated or arrangements made to provide alternative security (e.g. a banker's guarantee).

Given the long term nature of the customer relationship, customer deposits are shown in the balance sheet as non-current liabilities (i.e. not likely to be repaid within twelve months of the balance sheet date). Interest on deposits is recognised using the effective interest rate method.

2.14 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of services in the ordinary course of the Company's activities. Revenue is recognised as follows:

The Company records revenue, other than fuel clause revenue, as billed to its customers, net of value-added tax and discounts and does not recognise any unbilled portion which exists at the end of the accounting period. Fuel clause revenue is recognised on the basis of the amount actually recoverable for the accounting period. The unbilled revenue at year-end is not material.

Interest income is recognised on an accrual basis using the effective interest rate method.

2.15 Employee benefits

The Company operates a fully insured purchased annuity plan pension scheme. This scheme takes the form of a defined benefit scheme in that it defines the amount of pension benefit that an employee will receive upon retirement. Pension costs are accounted for on the basis of contributions payable in the year, as the Company has no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employees the benefits relating to employees service in the current and prior periods. (Note 19).

2.16 Share purchase scheme

The employees of the Company have the option to receive their annual bonus in cash and or common shares of the parent Company under General By-Law No. 1, Section 12.1 of the parent Company's Articles of Incorporation and General By-Laws. The shares are issued at 80% of market value. The 20% discount is recognised as an expense.

(expressed in Barbados dollars)

2 Summary of significant accounting policies *...continued*

2.17 Related parties

Parties are considered related if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions. Individuals, associates or companies that directly or indirectly control or are controlled by or are under common control with the Company are also considered related parties.

2.18 Provisions

Provisions are recognised when the Company has a legal or constructive obligation, as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

2.19 Dividend distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Board of Directors.

3 Financial risk management

3.1 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset in one entity and a financial liability or equity of another entity.

Financial assets of the Company include cash resources and trade and other receivables.

Financial liabilities of the Company include borrowings, trade payables and customer deposits initially measured at fair value and subsequently carried at amortised cost.

The accounting policies for financial assets and liabilities are set out in Note 2 or the individual notes associated with each item.

(expressed in Barbados dollars)

3 Financial risk management ...*continued*

3.2 Financial risk factors

The Company's activities expose it to a variety of financial risks. The Company examines the various financial risks to which it is exposed and assesses the impact and likelihood of occurrence. These risks may include market risk (including foreign exchange, price risk and cash flow and interest rate risk), liquidity risk, credit risk and underinsurance risk. The Company's overall risk management policy is to minimise potential adverse effects on its' financial performance and to optimise shareholders' value within an acceptable level of risk. Risk management is carried out by the Company's management under direction from the Board of Directors.

The Company's exposure and approach to its key risks are as follows:

a) Market risk

Market risk is the risk that changes in market prices such as foreign currency exchange rates, commodity prices and interest rates will affect the Company's net earnings, cash flows or the value of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable limits, while maximising returns.

i) Foreign currency risk

This is the potential adverse impact on the Company's earnings and economic value due to movements in exchange rates.

The Company is exposed to foreign exchange risk arising primarily from foreign currency borrowings and purchases of plant, equipment and spares from foreign suppliers.

All borrowings have been formally fixed to the United States dollar (US$) to limit exposure to fluctuations in foreign currency exchange rates, since there is a fixed exchange rate between the Barbados dollar and United States dollar. Additionally most purchases are transacted in United States dollars.

The Company has not entered into forward exchange contracts to reduce its exposure to fluctuations in foreign currency exchange rates.

ii) Price risk

Commodity price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in commodity (copper, aluminum) prices. Prices for these commodities are impacted by world economic events that dictate the levels of supply and demand.

To minimise the risks associated with fluctuations in the prices of these commodities, the Company requests that suppliers bidding for major cable projects utilise financial derivatives to hedge against commodity risks.

(expressed in Barbados dollars)

3 Financial risk management *...continued*

3.2 Financial risk factors *...continued*

a) Market risk ...continued

iii) Cash flow and fair value interest rate risk

Interest rate risk is the potential adverse impact on the earnings and economic value of the Company caused by movements in interest rates.

As the Company has no significant interest bearing assets, its income and operating cash flows are substantially independent of changes in market interest rates except as noted below.

The Company's interest rate risk arises from long-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk. Borrowings issued at fixed rates expose the Company to fair value interest rate risk.

The Company's policy is to maintain its borrowings in fixed rate instruments thereby minimising cash flow interest rate risk. Exposure to fair value interest rate risk on its borrowings results from fluctuations in the fair value of borrowings in response to changes in market interest rates.

The Company's interest rates on deposits and the terms of borrowings are disclosed in notes 6 and 10, respectively.

b) Liquidity risk

Liquidity risk refers to the risk that the Company will not be able to meet its financial obligations as they fall due.

The Company currently settles its financial obligations out of cash and cash equivalents. The ability to do this relies on the Company collecting its accounts receivable in a timely manner and maintaining sufficient cash and cash equivalents in excess of anticipated funds. To support the cash flow position, the Company has in place a planning and budgeting process to help determine the funds required to support the Company's normal operating requirements and capital requirements.

Management monitors the Company's liquidity reserve daily. This reserve comprises undrawn borrowing facility (note 22) and cash and cash equivalents (note 6) and expected cash flow. Management is of the view that the Company holds adequate cash and credit facilities to meet its short-term obligations.

The Barbados Light & Power Company Limited

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(expressed in Barbados dollars)

3 Financial risk management *...continued*

3.2 Financial risk factors *...continued*

b) Liquidity risk ...continued

The below table is an analysis of the Company's financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. Balances due within 12 months equal their carrying balances.

	Less than 1 year $	**Between 1 and 2 years $**	**Between 2 and 5 years $**	**Over 5 years $**
At December 31, 2008				
Borrowings	**17,703,579**	**39,643,875**	**34,350,658**	**50,767,646**
Trade and other payables	**24,718,915**	**–**	**–**	**–**
Customers' deposits	**–**	**–**	**22,449,216**	**–**
At December 31, 2007				
Borrowings	17,557,082	40,084,452	46,464,734	55,631,729
Trade and other payables	44,360,540	–	–	–
Customers' deposits	–	–	20,201,286	–

The amounts included in the above table for borrowings and trade and other payables will not reconcile to the balance sheet as they are the contractual cash flows

(expressed in Barbados dollars)

3 Financial risk management *...continued*

3.2 Financial risk factors *...continued*

c) Credit risk

Credit risk is the inherent risk that counterparties may experience business failure or otherwise fail to meet their contractual obligations.

The Company's financial assets, which potentially subject the Company to credit risk, consist principally of bank deposits and trade receivables. For banks and financial institutions only well known and reputable parties are accepted.

Credit risk with respect to trade receivables is substantially reduced due to the policies implemented by management. Deposits are required from commercial customers upon application for a new service and management performs periodic credit evaluations of its general customers' payment history. Provision against losses from bad debts are estimated according to credit risks and historical trends. Credit terms with customers normally range between 30 to 40 days.

The maximum credit risk exposure is as follows:

	2008 $	2007 $
Cash and cash equivalents	**5,974,593**	19,168,323
Trade receivables	**40,331,999**	35,228,220
	46,306,592	54,396,543

d) Underinsurance risk

The Company's property is subject to the effects of severe natural disasters. Despite preparations for such disasters, adverse conditions will always remain a risk notwithstanding any amount of preparation that is completed. Prudent management requires that a company protect its assets against catastrophe and other risks. In order to protect its customers and investors as well as improve its' ability to recover quickly from any natural disaster, the Company has established a "Self Insurance Trust Fund" to set aside funds on an annual basis to mitigate this risk.

The Fund is periodically reviewed by a risk consultant who makes recommendations to ensure the continued security and solvency of the Fund.

(expressed in Barbados dollars)

3 Financial risk management *...continued*

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard its' ability to continue as a going concern in order to provide outstanding service to customers, fair and reasonable returns for shareholders, benefits for other stakeholders and maintain an optimal capital structure.

The Company manages the capital structure and makes adjustments to it in light of changes in economic conditions. In order to maintain or adjust the capital structure, the Company may issue new shares, issue dividends, secure loans or dispose of assets to reduce debt.

In order to facilitate the management of its capital requirements, the Company prepares annual expenditure budgets that are updated as necessary depending on various factors, including successful capital deployment and general economic conditions.

The Company also monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the balance sheet plus net debt.

The gearing ratios were as follows:

	2008 $	2007 $
Total borrowings (note 10)	**108,972,212**	121,698,780
Less: cash and cash equivalents (note 6)	**(5,974,593)**	(19,168,323)
Net debt	**102,997,619**	102,530,457
Total equity	**457,692,693**	443,611,679
Total capital	**560,690,312**	546,142,136
Gearing ratio	**18%**	19%

The Barbados Light & Power Company Limited

(expressed in Barbados dollars)

3 Financial risk management *...continued*

3.4 Fair value estimation

Fair value amounts represent estimates of the consideration that would currently be agreed upon between knowledgeable, willing parties who are under no obligation to act and is best evidenced by a quoted market price, if one exists.

The carrying values of cash and cash equivalents, trade payables and trade and other receivables less impairment provision are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Company for similar financial instruments.

4 Critical accounting estimates and judgements

The development of estimates and the exercise of judgement in applying accounting policies may have a material impact on reported assets, liabilities, revenues and expenses.

Other than in the establishment of routine provisions against trade receivables, inventories and current provisions for liabilities and other charges, no significant estimates or judgements have been required in applying accounting policies that may have a material impact on the Company's reported assets, liabilities, revenues and expenses.

The Barbados Light & Power Company Limited

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(expressed in Barbados dollars)

5 Property, plant and equipment

	Generation $	Transmission and distribution $	Other $	Work in progress $	Total $
For the year ended December 31, 2008					
Opening net book amount	236,506,835	239,681,025	42,412,974	69,858,327	588,459,161
Additions and transfers	968,390	26,314,007	13,147,909	7,063,911	47,494,217
Retirals	1,457,838	156,722	–	–	1,614,560
Depreciation charge	(15,311,226)	(16,539,056)	(5,410,237)	–	(37,260,519)
Closing net book Amount	**223,621,837**	**249,612,698**	**50,150,646**	**76,922,238**	**600,307,419**
At December 31, 2008					
Cost	462,652,569	400,266,388	87,473,325	76,922,238	1,027,314,520
Accumulated depreciation	(239,030,732)	(150,653,690)	(37,322,679)	–	(427,007,101)
Net book amount	**223,621,837**	**249,612,698**	**50,150,646**	**76,922,238**	**600,307,419**

During the year, the Company capitalised interest of $1,770,852 (2007 - $1,237,765).

The Barbados Light & Power Company Limited
Notes to Non-consolidated Financial Statements
December 31, 2008

(expressed in Barbados dollars)

5 Property, plant and equipment ...*continued*

	Generation $	Transmission and distribution $	Other $	Work in progress $	Total $
For the year ended December 31, 2007					
Opening net book amount	247,999,940	227,791,069	36,660,088	55,309,155	567,760,252
Additions and transfers	3,790,413	27,740,613	8,306,784	14,549,172	54,386,982
Disposals	–	–	(41,229)	–	(41,229)
Depreciation charge	(15,283,518)	(15,850,657)	(2,512,669)	–	(33,646,844)
	236,506,835	239,681,025	42,412,974	69,858,327	588,459,161
At December 31, 2007					
Cost	461,684,179	382,426,304	76,068,586	69,858,327	990,037,396
Accumulated depreciation	(225,177,344)	(142,745,279)	(33,655,612)	–	(401,578,235)
Net book amount	236,506,835	239,681,025	42,412,974	69,858,327	588,459,161

If plant, property and equipment were stated on the revaluation cost basis, the net book value would be as follows:

	Generation $	Transmission and distribution $	Other $	Work in progress $	Total $
At December 31, 2008					
Cost	719,131,931	757,639,342	128,200,648	76,922,240	1,681,894,161
Accumulated depreciation	(383,682,458)	(322,412,814)	(35,279,842)	–	(741,375,114)
Net book amount	**335,449,473**	**435,226,528**	**92,920,806**	**76,922,240**	**940,519,047**
At December 31, 2007					
Cost	639,836,754	669,779,128	113,890,907	69,858,327	1,493,365,116
Accumulated depreciation	(321,161,284)	(283,498,744)	(30,395,759)	–	(635,055,787)
Net book amount	**318,675,470**	**386,280,384**	**83,495,148**	**69,858,327**	**858,309,329**

(expressed in Barbados dollars)

6 Cash and cash equivalents

	2008 $	2007 $
Cash in hand and at bank	**5,029,454**	13,200,146
Short term bank deposits	**945,139**	5,968,177
	5,974,593	19,168,323

The average interest rate on short-term bank deposits was 4.48% (2007 - 2.26%). These deposits have a maturity of 90 days.

7 Trade and other receivables

	2008 $	2007 $
Trade receivables	**40,331,999**	35,228,220
Less provision for impairment and discounts	**(450,000)**	(380,000)
Trade receivables, net	**39,881,999**	34,848,220
Other receivables	**3,277,520**	13,955,181
Due from related party	-	3,802,406
Prepayments	**6,140,689**	6,792,717
	49,300,208	59,398,524

The fair values of trade and other receivables equal their carrying values due to the short term nature of these assets.

The movement in the provision for impairment and discounts was as follows:

	2008 $	2007 $
Balance - beginning of period	**380,000**	300,000
Increase in provision for impairment	**70,000**	80,000
Balance - end of period	**450,000**	380,000

Based on the historic trend and expected performance of customers, the Company believes that the above allowance for doubtful receivables sufficiently covers the risk of default.

The Barbados Light & Power Company Limited
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December 31, 2008

(expressed in Barbados dollars)

7 Trade and other receivables *...continued*

The increase in provision for impairment of receivables of $70,000 is included in general operating expenses in the statement of income. Direct write offs for impaired receivables to the statement of income were $498,267 (2007 - $309,624).

The ageing of trade and other receivables is as follows:

	2008		2007	
	Trade receivables $	**Other receivables $**	**Trade receivables $**	**Other receivables $**
Less than 30 days	**20,934,079**	**1,874,808**	27,316,810	6,535,124
31 - 60 days	**9,478,665**	**148,005**	6,831,633	10,386,477
61 - 90 days	**1,338,757**	**383,062**	920,878	115,330
Over 90 days	**8,580,498**	**871,645**	158,899	720,656
	40,331,999	**3,277,520**	35,228,220	17,757,587

As of December 31, 2008, trade receivables of $30,412,744 (2007 - $34,148,443) were fully performing.

As of December 31, 2008, trade and other receivables of $10,843,250 (2007 - $1,739,760) were past due but not impaired. These relate to a few customers experiencing economic difficulties but with whom pay arrangements have been implemented to settle liability. The ageing analysis of these trade and other receivables is as follows:

	2008			2007		
	Trade receivables $	**Other receivables $**	**Total $**	**Trade receivables $**	**Other receivables $**	**Total $**
61 - 90 days	**1,331,914**	**383,518**	**1,715,432**	847,208	120,164	967,372
Over 90 days	**8,478,427**	**649,391**	**9,127,818**	146,187	626,201	772,388
	9,810,341	**1,032,909**	**10,843,250**	993,395	746,365	1,739,760

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7 Trade and other receivables *...continued*

As of December 31, 2008, trade and other receivables of $170,518 (2007 - $165,428) were impaired and provided for. The individually impaired receivables mainly relate to domestic and general service customers experiencing difficult economic situations.

	2008			2007		
	Trade receivables $	**Other receivables $**	**Total $**	**Trade receivables $**	**Other receivables $**	**Total $**
61 - 90 days	**6,843**	**–**	**6,843**	73,670	–	73,670
Over 90 days	**102,071**	**61,604**	**163,675**	12,712	79,046	91,758
	108,914	**61,604**	**170,518**	86,382	79,046	165,428

8 Inventories

	2008 $	2007 $
Fuel	**7,358,057**	10,152,879
Materials and spares	**21,848,745**	21,716,035
Goods in transit	**1,001,901**	2,439,266
	30,208,703	34,308,180

The cost of inventories written down and recognised as an expense is included in operating expenses in the amount of $1,348,267 (2007 - $1,141,000).

9 Share capital

The share capital in the Company is represented by:

Authorised
- 100,000 - 5.5% Cumulative preference shares
- 500,000 - 10% Cumulative redeemable preference shares
- 100,000,000 - Common shares

Issued

	2008 $	2007 $
3 (2007- 3) common shares of no par value	**200,000,000**	200,000,000

(expressed in Barbados dollars)

10 Borrowings

	2008 $	2007 $
European Investment Bank - Protocol 11 U.S.$5,991,164 (2007 - U.S.$7,871,783) 6.23% repayable 2011	**12,214,487**	16,048,597
European Investment Bank - Protocol 111 U.S.$18,386,990 (2007 - U.S.$21,748,710) 4.27% repayable 2013	**37,486,475**	44,340,183
FirstCaribbean International Bank (Cayman) Ltd U.S.$7,000,000 (2007 - US $8,000,000) 5.98% repayable 2015	**14,271,250**	16,310,000
National Insurance Board - Debenture Stock Certificates (Total facility BDS.$20,000,000) - 5% repayable 2020	**20,000,000**	20,000,000
Royal Bank of Canada BDS$25,000,000 7.00% repayable 2021	**25,000,000**	25,000,000
Total borrowings	**108,972,212**	121,698,780
Less transactions costs	**(508,403)**	(604,712)
Accrued interest	**284,844**	323,788
	108,748,653	121,417,856
Less current portion	**(13,537,479)**	(13,050,356)
Total long term borrowings repayable after one year	**95,211,174**	108,367,500

The long-term loans, with the exception of the European Investment Bank loans, are secured under a Debenture Trust Deed, which creates a first and floating charge on the Company's property, present and future. The Debenture Trust Deed restricts the Company from issuing debentures ranking pari passu with the floating charge created, unless the Company can meet the earnings coverage ratio and the equity/debt ratio set out in the Trust Deed. The Company may however issue a first security to manufacturers in respect of individual items of plant and machinery of up to 90% of the purchase price thereof and for a period not exceeding fifteen years. The financial ratios were met by the Company for 2008.

The European Investment Bank loans are guaranteed by the Government of Barbados.

(expressed in Barbados dollars)

10 Borrowings *...continued*

The maturity of borrowings is as follows:

	2008 $	2007 $
Less than 1 year	**13,252,635**	12,726,568
Between 1 and 2 years	**29,721,128**	28,351,871
Between 2 and 5 years	**26,435,049**	41,158,226
Over 5 years	**39,563,400**	39,462,115
Total	**108,972,212**	121,698,780

The carrying amounts and fair value of the non-current borrowings are as follows:

	Carrying amount		Fair value	
	2008 $	2007 $	2008 $	2007 $
Borrowings	**95,719,577**	108,972,212	**89,585,696**	93,131,092

The fair value of current borrowings equals their carrying amount as the impact of discounting is not significant. The fair values are based on cash flows discounted using a rate based on the borrowing rate of 6.85% (2007 - 7%).

11 Customers' deposits

Commercial and non-resident customers are required to pay a security deposit for energy connections that are refundable when service is no longer required. Interest accrues on these deposits at a rate of 8% (2007 - 8%) per annum.

	2008 $	2007 $
Balance - beginning of period	**20,201,286**	19,818,901
New deposits	**1,580,281**	1,800,183
Deposits refunded	**(797,000)**	(2,711,302)
Net interest	**1,464,649**	1,293,504
Balance - end of period	**22,449,216**	20,201,286

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12 Deferred credits

	2008 $	2007 $
Accumulated investment tax credit	**26,761,041**	27,957,003
Accumulated manufacturing tax credit	**15,735,475**	13,691,664
Customer contributions for work not yet started	**1,634,686**	887,905
	44,131,202	42,536,572

13 Taxation

a) Corporation tax expense

	2008 $	2007 $
Current tax	–	(894)
Deferred tax	**(1,928,060)**	968,861
Deferred investment tax credit	**(1,195,962)**	(4,283,152)
Deferred manufacturing tax credit	**2,043,811**	1,279,221
	(1,080,211)	(2,035,964)
Deferred tax arising from change in tax rate	–	(12,878,966)
Taxation credit	**(1,080,211)**	(14,914,930)

The tax on income before taxation differs from the theoretical amount that would arise using the corporation tax rate of 15% for the following reasons:

	2008 $	2007 $
Income before taxation	**21,562,803**	34,859,444
Corporation tax at 15% (2007 - 15%)	**3,234,420**	5,228,917
Depreciation on assets not qualifying for capital allowances	**71,114**	73,752
Tourism development fund allowance	**(20,625)**	(21,375)
Environmental allowance	**(7,663)**	(6,819)
Manufacturing allowance net of deferred portion	**(1,774,015)**	(1,656,956)
Investment tax credit net of deferred portion	**(2,583,469)**	(5,653,990)
Effect of reduction in tax rate on deferred tax liability	–	(12,878,966)
Over provision of prior year's tax	**27**	507
	(1,080,211)	(14,914,930)

(expressed in Barbados dollars)

13 Taxation *...continued*

b) Deferred tax liability

The net deferred tax liability is calculated in full on temporary differences under the liability method using a tax rate of 15% (2007 - 15%). The movement on the account is as follows:

	2008 $	2007 $
Balance - beginning of year	**20,287,308**	32,197,413
Transfer to the income statement		
- current year (credit)/charge	**(1,928,060)**	968,861
- adjustment for change in tax rate	–	(12,878,966)
Balance - end of year	**18,359,248**	20,287,308

The deferred tax liability on the balance sheet consists of the following components:

	2008 $	2007 $
Accelerated tax depreciation	**200,030,779**	178,668,160
Taxed provisions	**(13,853,775)**	(12,435,508)
Unutilised tax loss	**(63,782,020)**	(30,983,930)
	122,394,984	135,248,722
Deferred tax liability at corporation tax rate 15% (2007 - 15%)	**18,359,248**	20,287,308

Accelerated tax depreciation and taxed provisions have no expiry dates. The expiry dates of the unutilised tax losses are disclosed in note 13 (c).

(expressed in Barbados dollars)

13 Taxation ...*continued*

c) Tax losses

The Company has tax losses available to be carried forward and applied against future taxable income. The losses are as computed by the Company in its tax returns and have not been confirmed nor disputed by the Commissioner of Inland Revenue. The losses and their expiry dates are as follows:

Income	Incurred $	Expiry
2005	6,600,648	2014
2006	19,995,732	2015
2007	4,387,550	2016
2008	32,798,090	2017
	63,782,020	

14 Trade and other payables

	2008 $	2007 $
Trade payables	**16,723,981**	35,981,406
Other payables	**7,994,934**	8,379,133
Accrued expenses	**5,276,073**	4,121,724
	29,994,988	48,482,263

15 Provisions for other liabilities and charges

	Environ-mental restoration $	Bonuses $	Regulatory fees $	Total $
December 31, 2007	2,972,583	1,390,625	460,448	4,823,656
Charged to income				
- Additional provisions	–	2,264,511	1,164,497	3,429,008
- Unused amounts reversed	–	(63,758)	–	(63,758)
Used during period	–	(2,542,846)	(1,202,590)	(3,745,436)
December 31, 2008	2,972,583	1,048,532	422,355	4,443,470

(expressed in Barbados dollars)

15 Provisions for other liabilities and charges *...continued*

	2008 $	2007 $
Analysis of total provisions		
Non-current (environmental restoration)	2,972,583	2,972,583
Current	1,470,887	1,851,073
	4,443,470	4,823,656

a) Environmental restoration

The Company has commenced investigations to identify and assess potential remedial work to be done at the Garrison Generating Plant site which was tested for free hydrocarbons (mixture of diesel fuel and bunker C) in the subsurface. A provision is recognised for the costs to be incurred for recovery of the hydrocarbons and for restoration of the site.

b) Performance and other bonuses

The provision for profit-sharing is payable within six (6) months of finalisation of the audited financial statements. The provision for other bonuses is payable before December 31, 2009.

c) Regulatory fees

The Company is regulated by the Fair Trading Commission (FTC) which determines amounts to be levied upon utility service providers annually. The Company is also currently involved in reviewing the rate structure which has been fixed since 1983. The provision for regulatory fees represents the estimate for annual FTC fees as well as professional fees for consultants contracted to assist with the rate process.

(expressed in Barbados dollars)

16 Related party transactions

The Company is controlled by Light and Power Holdings Ltd. (the Parent) which owns 100% of the Company's shares.

i) The following transactions occurred with related parties:

	2008 $	2007 $
Transfers to Insurance Fund (note 21)	7,656,272	7,613,602

ii) Key management compensation:

	2008 $	2007 $
Salaries and other short term benefits	**2,900,503**	2,602,972
Pension	**712,696**	773,854
Share discount	**27,938**	26,130
	3,641,137	3,402,956

iii) Year end balances arising from the above transactions:

	2008 $	2007 $
Due from insurance fund	–	3,802,406

(expressed in Barbados dollars)

17 Segmental reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. The revenue collection of the Company is organised into domestic, commercial, street lighting and miscellaneous revenue segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments. The Company has one geographical segment - Barbados.

Costs and assets cannot be readily allocated to revenue segments as common property, plant and equipment, other assets, labour and overheads are used to generate electricity for all revenue segments.

An analysis of revenue by business segment is detailed as follows:

	2008 $	2007 $
Business segments		
Domestic service	**144,132,786**	119,698,649
Commercial service	**321,720,582**	271,740,436
Street lighting	**5,239,281**	4,396,098
Miscellaneous	**2,216,908**	1,800,896
Total operating revenue	**473,309,557**	397,636,079

18 Expenses by nature

	2008 $	2007 $
Fuel	**297,612,203**	225,299,419
Depreciation	**37,260,519**	33,646,844
Maintenance of plant	**31,166,928**	22,142,209
Employee benefits (excluding amounts capitalised)	**40,106,388**	38,659,922
Insurance	**12,466,600**	12,328,274
Other expenses	**26,951,638**	24,688,246
Total operating expenses	**445,564,276**	356,764,914

(expressed in Barbados dollars)

18 Expenses by nature *...continued*

Employee benefits comprise:

	2008 $	2007 $
Wages and salaries	**40,867,503**	37,684,528
Social security costs	**2,362,564**	2,217,381
Pension (note 19)	**3,615,797**	3,858,557
Other benefits including share discount	**1,071,212**	1,187,524
	47,917,076	44,947,990

Allocated as follows:

Operating expenses	**40,106,388**	38,659,922
Capitalised	**7,810,688**	6,288,068
	47,917,076	44,947,990
Average number of persons employed by the Company during the year	**503**	511

19 Retirement benefits

The Company operates a defined benefit pension plan for its employees. It pays an annual insurance premium to fund the post employment benefit plan and will not have a legal or constructive obligation to either:

a) pay the employee benefits directly when they fall due; or

b) pay for the benefits if the insurer does not pay all future employee benefits relating to employee service in the current and prior periods.

In light of the above, and due to the fact that benefits due to employees have been secured by the payment of premiums, and the insurer has sole responsibility for paying the benefits, the plan has been accounted for as if it were a defined contribution plan as allowed by IAS 19. Pension expense for the year amounted to $3,615,797 (2007 - $3,858,557).

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20 Financial instruments by category

The accounting policies for financial instruments have been applied to the items below:

Loans and receivables

	2008 $	2007 $
Assets as per balance sheet		
Cash and cash equivalents (note 6)	**5,974,593**	19,168,323
Trade and other receivables excluding prepayments (note 7)	**43,072,892**	52,594,992
	49,047,485	71,763,315

Other financial liabilities

	2008 $	2007 $
Liabilities as per balance sheet		
Borrowings (note 10)	**108,748,653**	121,417,856
Trade and other payables excluding statutory liabilities (note 14)	**24,653,523**	44,360,540
Customer deposits	**22,449,216**	20,201,286
	155,851,392	185,979,682

21 Insurance fund

During 1998, the Company established a Trust under the Insurance Act 1996-32 and Regulations to effect self insurance cover on its transmission and distribution system, and also to cover the deductible on its general insurance policies.

The Trust is being financed by annual charges to income. The charge for the year was $7,656,272 (2007 - $7,613,602 which is included in the insurance expense of $12,466,600 (2007 - $12,328,274).

22 Bank overdraft facilities

The Company entered into an agreement with Royal Bank of Canada on September 28, 2007 to create a debenture for $15,000,000. This was issued in accordance with the provisions of the Debenture Trust Deed (note 10) to secure overdraft facilities granted to the Company.

(expressed in Barbados dollars)

23 Capital commitments

The Company has budgeted capital expenditure of $42,668,000 for the 2009 income year. Of the budgeted capital expenditure $17,630,000 was contracted for at December 31, 2008.

24 Contingent liabilities

The Company is contingently liable in respect of various claims brought during the normal course of business. The amounts are considered negligible and are usually covered by insurance.

VI

ACRONYMS & ABBREVIATIONS

A

Accum Depr'n	Accumulated Depreciation
ADT	Arbitrage Pricing Theory
AFUDC	Allowance for funds used during construction
AMPS	Ampere
ARDL	Autoregressive Distribution Lag

B

BBD/Bds	Barbados dollars
BLPC	The Barbados Light & Power Company Limited
BSE	Barbados Stock Exchange
BS OHSAS	British Standard Occupational Health & Safety Assessment Series
Btu	British thermal unit
BWSC	Burmeister & Wain Scandanavian Contractors

C

CA	Christensen Associates
CAEC	Christensen Associates Energy Consulting LLC
CAIDI	Customer Average Interruption Duration Index
CAPM	Capital Asset Pricing Model
CaribRM	Caribbean Risk Managers Limited
CARILEC	Caribbean Electric Utility Services Corporation
CDB	Caribbean Development Bank
CDOs	Collaterized Debt Obligations
CDSs	Credit Default Swaps
CHAP	Caribbean Hurricane Action Plan
CIRP	The Cane Industry Restructuring Project
CND	Canadian Dollars
CSFR	Customer Services Field Representative
CSR	Customer Services Representative
Cogen	Cogeneration
COS	Cost of Service
CPI	Consumer Price Index
CT	Current Transformer
CUC	Caribbean Utilities Company
CV	Coefficient of Variation
CWIP.................	Construction work in progress

D

DCF	Discounted Cash Flow
Depr	Depreciation
Div	Dividend
DS	Domestic Service
DSM	Demand Side management

E

ECLAC	*Economic Commission for Latin America and the Caribbean*
ECOS	Embedded Cost of Service
EEI	Edison Electric Institute
EMP	Employee
EMPC	Equi-Proportional Marginal Cost
EPS	Earnings per share

F

FASB	Financial Accounting Standards Board
FCA	Fuel Clause Adjustment
FDIC	Federal Deposit Insurance Corporation
FDL	Firm Demand Level
FERC	Federal Energy Regulatory Commission
FPL	Florida Power & Light
FTC	Fair Trading Commission
FV	Fair Value

G

GAAP.............	Generally accepted accounting principles
GDP...............	*Gross Domestic Product*
GEED	Government Electrical Engineering Department
GS	General Service
GT	Gas turbine
GWh..............	Gigawatthour

H

HC...............	Historic Cost
HE	Hawaiian Electric
HFO	Heavy Fuel Oil
HPS	High Pressure Sodium
HSEQ	Health Safety Environment & Quality
Hz	Hertz (Cycles per second)

I

IAS	International Accounting Standards
IASB	International Accounting Standards Board
IDC	Interest During Construction
IEA	International Energy Agency
IEE	Institution of Electrical Engineers
IEEE	Institute of Electrical and Electronic Engineers Inc
IFRIC	International Functional Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
IMF..............	*International Monetary Fund*
IPP..............	Independent power producer
IS	Interruptible Service
ITC..............	Investment Tax Credit

J

JPS .... Jamaica Public Service

K

kV................ Kilovolt
kVA .... Kilovolt ampere
kW .... Kilowatt
kWh .... Kilowatthour

L

LIBOR .... London Inter-Bank Offer Rates
LME .... London Metal Exchange
LoLP .... Loss of Load Probability
LP .... Large Power
LPH.............. Large & Power Holdings Limited
LRMC........... Long-run marginal cost
LSD .... Low speed diesel
LUCELEC ...... St Lucia Electricity Services Limited

M

MAD .... Monthly Average Demand
Maint .... Maintenance
MBS .... Mortgage – Backed Securities
Mcf .... Thousand cubic feet
MCP .... Monthly Coincident Peak
MGE .... Madison Gas and Electric Company
MID .... Monthly Interruptible Demand
MSD .... Medium Speed Diesel
MSCI .... Morgan Stanley Capital Index
MTC .... Manufacturing Tax Credit
MW .... Megawatt
MWD .... Megawatt-Day
MWh .... Megawatthour

N

NARUC .... National Association of Regulatory Utility Commissioners
NASDAQ ...... National Association of Securities Dealers Automated Quotations
NBV............. Net Book Value
NCP .... Non-coincident peak
NERA .... National Economic Research Associates, Inc.
NPV .... Net Present Value
NRECA .... National Rural Electric Cooperative Association
NYSE .... New York Stock Exchange

O

OECD	Organization for Economic Co-operation & Development
O&M	Operating & Maintenance
OSHA	Occupational Safety and Health Act
OTEC	Ocean Thermal Energy Conversion
OUR	Office of Utility Regulators

P

P/E	Price-earnings ratio
PH	Phase
PUB	Public Utilities Board

R

RCN	Reproduction Cost New
ROE	Return on equity
ROR	Rate of return
RTO	Regional Transmission Organisations

S

SAIDI	System Average Interruption Duration Index
SAIFI	System Average Interruption Frequency Index
SCADA	Supervisory Control and Data Acquisition
SCANA	South Carolina Electric and Gas
SEC	Securities Exchange Commission
SIVs	Structured Investment Vehicles
SPE	Special Purpose Entity
SVP	Secondary Voltage Power

T

TARP	Troubled Asset Relief Program
T&D	Transmission & Distribution
TCDPO	Town & Country Development Planning Office
TOU	Time-of-use (tariff)
Transf	Transformer
TSX	Toronto Stock Exchange

U

UNDP	United Nations Development Programme
UP Power	Upper Peninsula Power
UPS.............	Uninterruptible Power Supply
US of A	Uniform System of Accounts
US/USA	United States of America
USD	United States Dollars

V

VAT.............. Value Added Tax

W

WACC .... Weighted Average Cost of Capital
WDV............. Written Down Value
WIP .... Work in Progress
WPS .... Wisconsin Public Service
WTE .... Waste to Energy

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