

The LUCELEC News

St. Lucia Electricity Services Ltd.



Volume 15, Issue 10

October 2008

Good Corporate Governance

The ASX Corporate Governance Council defines corporate governance as the system by which companies are directed and managed. It influences how the objectives of the company are set and achieved, how risk is monitored and assessed, and how performance is optimized. The system referred to above can be found in company procedures, policies, strategic business plans, customs, and laws and can also be achieved by benchmarking the company against best practices utilized by other organizations.

The primary aim of corporate governance is to achieve transparency in the operation of a company and to have its officers (Board of Directors, management or staff) accountable for their actions. One of the means of achieving transparency is by the disclosure of information in the public domain.

As a public company listed on the Eastern Caribbean Securities Exchange (ECSE), LUCELEC is regulated by both the Companies Act and the Securities Act

and is required to make various disclosures to shareholders and the public at certain intervals. The Securities Act requires that on a quarterly basis, Directors interest in the Company and information on LUCELEC's finances are published in a local newspaper having national circulation. That information is also filed with the Eastern Caribbean Securities Regulatory Commission, the regional regulatory body for the Eastern Caribbean Securities Market which includes all market participants such as issuers (e.g. LUCELEC) and investors.

Under the Companies Act, LUCELEC is required to file an Annual Return disclosing among other things, a list of its shareholders and the indebtedness of the Company. It must file comparative financial statements and the auditors report annually with the Companies Registry .

As a public company LUCELEC is required to have an Audit Committee as per the Companies Act to review the financial statements of the Company. However, the mandate of LUCELEC's Audit Committee also includes the assessment and mitigation of both financial and non-financial risk.

Although not mandated by law, to assist with the proper administration of the Company, there are three additional subcommittees of the Board. The Human Resource Committee was established to monitor the corporate Human Resource policies and strategies and to provide advice to the Managing Director if and when required. There is a Governance Committee

established to develop and update as necessary policies applicable to the Company and to administer and oversee all aspects of the Company's corporate governance functions. The fourth subcommittee is the Major Investments and Initiatives Committee which focuses primarily on analyzing investment prospects for the Company and advising the Board thereon. These specialist subcommittees ensure that there is oversight of the critical areas of operation within LUCELEC.

In 2003 the Company began to publish in its Annual Reports, a list of its corporate targets, the targeted rate and the rate

(Continued on page 2)



Inside...	
Editor's Note.....	Page 2
LUCELEC Football Team	Page 2
Our Strategic Priorities: Part 6.....	Page 3
Training News	Page 4
Company Performance.....	Page 5
System Improvements.....	Page 6
What's Happening.....	Page 7
Tropical Storm Omar	Page 8
Facilities Improvements.....	Page 9
What's Happening Elsewhere	Page 10
October Rains.....	Page 11
Fitness Facts.....	Page 11
Milestones, Birthdays & Puzzle.....	Page 12

Editor's Note

October has been a challenging month. Heavy rains, flooding, sea surge, and landslides kept our technical crews and contractors very busy. Not only were we called into action to ensure public safety and restore service to affected areas, but also to take emergency measures at the Union substation which got flooded when the Union River overflowed its banks (See pages 8 & 11).

The Administrative divisions were stretched as well, with several training sessions and seminars being held during the month, the Job Evaluation exercises for senior staff, and annual budget preparations. (See pages 4 & 7).

This edition of the LUCELEC News leads off with a focus on good corporate governance. We explain what that means and review what LUCELEC has been doing to meet international standards of corporate governance and how the publication of our corporate performances indices and targets ties into our governance structures. Compare the lead article with part 6 of our focus on the Company's strategic priorities, which speaks to the targets that we have set ourselves for ensuring good corporate governance. And speaking of targets, the Company's third quarter performance is highlighted on page 5. We are pleased to note that after what we considered a below par score in our Customer Service Perception vs. Expectations survey last year, we have rebounded and surpassed our target this year. Although, we're still not where we want to be, this year's results suggest the public perception of the Company is improving.

October has also seen the LUCELEC Football Team (complete with its cheerleading squad!) taking part in the Commercial Football League and the revitalisation of the LUCELEC Sports Club. We look forward to both the team's progress in the league and the progress of the Club. We wish to congratulate the new executive for stepping up to the plate and breathing new life into the club.

The response to last month's word scramble involving names of various communities in St. Lucia was phenomenal! This was easily the most submissions we have received to our puzzles. It suggests that either it was really easy or our readers really enjoyed the word scramble. To test our theory, we have included another word scramble with names of St. Lucian communities, which we don't think is as easy as the last one.

Good Corporate Governance

(Continued from page 1)

achieved. Every year LUCELEC sets targets aimed at achieving a higher success rate than the year prior. By allowing its operations to be scrutinized in the public domain in this way, the Company reflects its willingness to be scrutinized and even criticized.

On December 1, 2006 the Board of Directors of LUCELEC approved the Strategic Business Plan for the Company. Contained within that document is a blueprint of what the Company intends to achieve by the year 2015. The targets are clearly measurable and are aimed at achieving first world standards.

On November 30, 2007 the Board of Directors approved the revised Policy on Customer Service and Corporate Citizenship. By so doing the Company has ac-

knowledged the importance of further enhancing its service standards and public image and has established a standard against which it is prepared to be assessed.

There also exists within the Company a policy on trading in shares applicable to Board Members, Management and their families and a Code of Ethics for Directors which is currently being reviewed. So too are Terms of Reference for the Chairman and the Board.

By strict adherence to the rules of the external regulators and by creating a self-regulatory regime of documented policies, the Company has publicly disclosed its understanding of the importance of good corporate governance and a commitment to continuing to work at achieving the highest standards of governance.

LUCELEC Team in Commercial Football League

The Commercial Football League began on October 19, and LUCELEC is participating! A team has been in training since August 30! The members of the training squad are as follows: Tareq Tommy, Bernard Serieux, Jason Leon, and Wayne St. Cyr (Transmission & Distribution); Ian Charles, Roger St. Ange, Jared Andrew, and Velon Mc. Donald (Generation); Nigel Leonce (Customer Service);



LUCELEC football team in action



Kevin Garia, Sinclair Prescott, Augustin Modeste, Jn Baptiste George, Michal Charlery, Theophilus Raymond, Shem Emmanuel, Jonas Toussaint, Peter Paul, Dwain Mason, Yanik Alexander, and Jason Barboar (Contractors).

LUCELEC cheerleading squad

Our Strategic Priorities: Part 6

Mission, Vision, Values

Good Corporate Governance

So far our series has reviewed the Company's strategic priorities in five key result areas (Sound Financial Performance, Excellence in Service Delivery, Promotion of Environmental Stewardship, Social and Economic Development, and Care and Development of LUCELEC's Human Resources) on the road to its Vision 2015 - *a world-class provider of energy and other services*. This month we focus on a sixth key result area for LUCELEC and a key ingredient for the success of any organization (private or public) - good corporate governance.

Organizations are increasingly being placed under a microscope. Shareholders, consumers, and regulators expect ethical practices, transparency, and best practice methods for doing business, all of which are elements of good corporate governance. With respect to good governance, LUCELEC will focus on achieving the following outcomes:

- ◆ Excellent reputation and public image
- ◆ No record of scandals
- ◆ Compliance with best practices
- ◆ An effective Board of Directors (skilled, knowledgeable, decisive, and visionary)

In pursuit of each of these outcomes, the Company has identified specific strategies and set itself certain targets.

Excellent reputation and public image

- ◆ Preserve stakeholder rights through the introduction and enforcement of related policies and procedures
- ◆ Improve stakeholder access to relevant information on a timely basis
- ◆ Ensure active and persistent conflict-of-interest management
- ◆ Ensure effective Board planning for the succession to the position of Chief Executive Officer
- ◆ Establish policies and guidelines to promote actions that demonstrate loyalty and good faith (acting in the best interest of the corporation as a whole, avoiding conflict of interest, not putting personal interests first, and not misusing their positions in any way).

The target is to achieve at least an 85% positive rating in annual "image and reputation" surveys of key stakeholder group (producers, consumers, employees).

No record of scandals

- ◆ Education of management and staff on corporate behaviour and corporate governance
- ◆ Disclosure of all directorships, managerial positions and business dealings by all employees
- ◆ Full disclosure by all management members of interest in other companies doing business with LUCELEC.

The target is to keep the annual number of "scandals" or improper conduct by Company officials at zero.

Compliance with best practices in Corporate Governance

- ◆ Shareholder education
- ◆ Director education
- ◆ Management education

The target is to achieve a 95% compliance rating of the Company's practices as compared with the Sarbanes-Oxley Act of 2002 (SOX) standards and the Caribbean Corporate Governance Forum (CCGF) principles.

An effective Board of Directors (skilled, knowledgeable, decisive, and visionary)

- ◆ Participation of the board in international surveys to compare with the performance and practices of other boards
- ◆ Provide training and education opportunities for the Board in topics relating to governance and the operation of energy utilities
- ◆ Conduct annual board reviews

The target is to achieve a 100% level of compliance by the Board of Directors in relation to statutory and regulatory requirements.

LUCELEC's Strategic Business Plan was developed in 2006 and is a dynamic document. Adjustments continue to be made

Mission

We will provide affordable energy and services, that are safe, reliable, and environmentally responsible.

We will meet the expectations of our shareholders and employees while being a catalyst for social and economic development in St. Lucia.

Vision

A world-class provider of energy and other services by 2015.

Value Proposition

As value we offer our customers:

Timeliness	Safety
Reliability	Power Quality

Value for Money

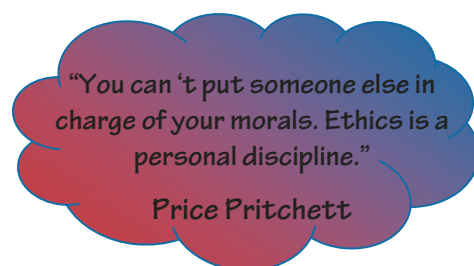
Our relationship will be:

Professional	Courteous
Sharing of advice	Responsive

We will be seen as:

Caring and ethical in all of our dealings

as circumstances and the social, political, economic and cultural environments change. However, the majority of the strategies identified during the development of the initial document still remain relevant and LUCELEC is relentlessly pursuing its targets in the quest to accomplish its vision.

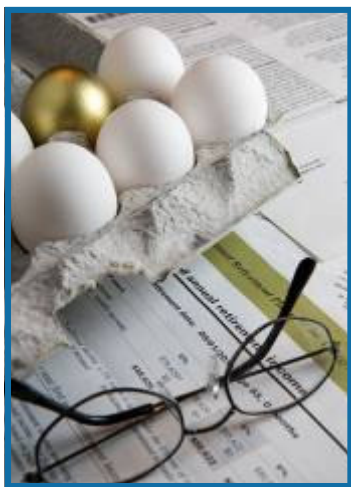


Training News

Finance and Budgeting

LUCELEC was the host utility for this CARILEC co-ordinated, 2-day workshop. The primary objective of this training was to provide participants with the tools and skills that will allow them to prepare capital budgets. Mr. Junior Scott B. Sc. (Hons), ACCA, of the Cavehill School of Business facilitated the workshop. Nine employees from various departments attended this training, as well as participants from the other regional utilities.

Strategic Planning for Retirement



This CARILEC organised workshop for persons over the age of 40, as well as individuals entering the world of work for the first time, was held at the Auberge Seraphine Hotel from October 30 - 31. The course included topics such as setting financial goals and budgeting, basic lifestyle expenditure, personal balance sheet and strategies for developing a Retirement Portfolio. Thirteen LUCELEC employees attended the training and are now better placed to plan for retirement or to approach their retirement with confidence.

DNP3, IEC 60870.5 & Modern SCADA Communication Systems



This workshop was designed for personnel with a need to understand the techniques required to use and apply SCADA, DNP3 and IEC 60870.5 industrial communications technology as productively and economically as possible. Engineers and Technicians from the System Control, Transmission and Distribution, Generation and Planning departments participated in this workshop at the Generation Training Room from October 13 - 14.

Transformer and Distribution Training

This workshop was held from October 21 - 24 at the Auberge Seraphine Hotel. Training focused on transformer basic theory, transformer calculation, pole mounted distribution transformer construction details and CSP transformers among others. Three participants from the Transmission and Distribution benefited from this workshop.

Effective Collections & Debt Recovery

LUCELEC's Assistant Customer Service Manager attended this one-day workshop, facilitated by the Caribbean Credit Bureau of Barbados. It was held on October 28 at the Bay Gardens Hotel. The conference provided practical information and outlined solutions to improve the management of collections, control delinquencies and reduce bad debt.

Microsoft Office Training



Seven employees from the T&D Department completed their Microsoft Office training with the Caribbean Computer Literacy Institute. At a small graduation ceremony, held at the Institute's premises on October 30, participants were presented with certificates indicating their participation and modules completed. Our best wishes to these graduates.

Business Risk & Controls

Department Heads and Senior Management attended a 4-hour session on risk management, facilitated by Andrea St. Rose, on October 29. The training focused on the upward and downward side of risk, typical risks faced by most businesses, business controls and on the essential components of an effective internal control system to mitigate risks. Coming out of the training each department is producing a risk management matrix which will feed into the development of the Company's risk management policies and risk register. The idea is to ensure that all the potential risks that the Company may be exposed to are identified and given a probability and impact rating, as well as ensuring that controls to minimise these risks are identified, developed, or improved.

Company Performance - Third Quarter Performance

A downward trend in global fuel prices during the third quarter saw reductions in the average price for fuel paid by LUCELEC and in the fuel surcharge applied to successive monthly bills for the quarter. The average fuel price for the quarter was EC\$11.38, which compared favourably to the previous quarter's average price of EC\$12.17. Despite this quarter's decrease the average price for the year to date of EC\$11.08 is approximately 65% higher when compared to the price of EC\$6.72 for the corresponding period in 2007.

As a result of the lower prices, the Fuel Surcharge Cost Adjustment Factor which was as high as 34.6 cents per kWh in July dropped to 23.2 per kWh in September, a decrease of approximately 33%. For October the fuel surcharge dropped to 17.1 cents per kWh. The company has sought to capitalize on this favourable trend and has continued its public education campaign emphasising energy conservation though indications point to relatively low fuel prices in the near future.

Unit sales recorded a 2.1% growth compared to the corresponding period last year mainly from growth of 8.22% and 21.8% in the Hotel and Industrial sectors, respectively. Sales are marginally short of this year's expectations.

Gross profit recorded a marginal increase of 0.5% higher than the previous year reflecting higher unit sales offset by higher depreciation and maintenance costs. Profit before tax was

EC\$28.9M, 4.6% lower than the corresponding period last year (\$30.3M), attributable to higher finance and depreciation costs.

System reliability was quite satisfactory this quarter. The year to date SAIDI figure of 4.23 hours compares favourably with the same point in 2007 (7.12 hours, excluding the effects of Hurricane Dean) and the 2008 target of 9.5 hours.

A peak demand for the quarter of 52.5 MW was recorded on September 15, 2008 at 1435 hours. The all time maximum demand of 54.1MW was recorded on May 26, 2008 at 1430 hours.

Fuel efficiency at the end of September increased to 19.59 kWh per gallon from 19.55 kWh per gallon in the previous month. The average for the year to date is 19.64 kWh per gallon against a target for 2008 of 19.52 kWh per gallon. The delay in completion of the overhaul of CDSPS #7 will however continue to adversely impact overall fuel efficiency figures to some extent.

System losses were recorded at 10.16% at the end of the quarter. An analysis of losses is already underway. The target for 2008 is 9.97%.

Operating and maintenance programmes continue to progress well apart from the 60,000 hours overhaul on Unit #7 which will be further delayed because of the unavailability of a specific spare part until some time in early November.

CORPORATE TARGETS 2008 - PERFORMANCE AS AT SEPTEMBER 30, 2008

	TARGET	THRESHOLD	Y.T.D. ACTUAL	STATUS
Tariff change vs. Inflation	97.00	100.00	Not available	
SAIDI	9.50	10.00	4.23	
System Losses (%)	9.97	10.02	10.18	
Specific Fuel Consumption	19.52	19.50	19.59	
Work Hours Lost (%)	2.50	2.75	Not completed	
Safety Audit Rating	97.50	95.00	Not available	
Customer Service Perception vs. Expectations	75.00	71.00	78.70	
RIA	3.00	4.00	2.00	
Return on Equity	17.50	16.25	17.68	

KEY

	On target or above target
	Below target
	Unable to rate

System Improvements

A NOJA Power OSM-15 auto recloser was installed on the Canaries Feeder near the Vanard Junction on August 29. The installation exercise was part of a two-day training programme for LUCELEC supervisory and engineering staff. The instructor was Mr. Tony Stacey of NOJA Power based in Queensland, Australia. The auto recloser is the first of an initial batch of eight (8) units to be installed as part of LUCELEC's Distribution Automation programme.

The OSM-15 auto recloser is equipped with a powerful main processing module which provides advanced protection and data logging facilities. The protection functions will be utilized to improve the reliability of the 11kV distribution system while information on line loading and voltage will be useful for distribution planning and loss reduction initiatives. Supervisory control and monitoring of the devices from the System Control Centre will be possible once the cellular GPRS interface is operational.

The auto recloser will essentially assist in isolating faults on the distribution network to restrict interruptions to smaller localized areas instead of wider areas covered by the network. Since its installation, the recloser has operated successfully twice to prevent tripping of the Canaries Feeder circuit breaker when trees fell onto the 11,000 Volt lines near the Roseau Dam. As a result of the operation of the auto recloser, only the Vanard area downstream of the unit experienced an interruption in electricity supply, leaving the remainder of the Canaries circuit unaffected, thus helping to improve reliability. In effect, only about 400 customers were affected instead of approximately 4,000.

The remaining seven (7) reclosers will be installed on other 11kV circuits before the end of the year. It is expected that a significant number of reclosers will be installed over the next few years.



Photos of LUCELEC crew installing an auto-recloser at Vanard.
Bottom right: A close-up of the auto-recloser on the pole.

What's Happening

LUCELEC Crew Assisting in Turks & Caicos



A 7-member LUCELEC restoration crew left St. Lucia on October 16 for the Turks & Caicos Islands to assist the electric company there in the restoration of electricity to the islands. The support was required following damage to the Turks & Caicos Islands as a result of the passage of the Category 4 Hurricane Ike on September 6. The crew comprises Lazarus Alphonse (Team Leader), Godwin St. Paul (Deputy Team Leader), Bernard Serieux, Kendal King (CT Electrical), Trevor Louis (Triple W) and Windy Mangal and Rick Samuel (Island Wide).

Job Evaluation- Senior Positions

The last leg of the job evaluation exercise continued in October as senior jobs were evaluated by the Job Evaluation Committee during the month. Section and Department Heads were interviewed by the Consultant beginning the week of October 6, in preparation for the exercise. The Job Evaluation Committee will meet for the last time during the week of November 3 and the Consultant is expected to submit his report and recommendations before the end of the year.

Overhaul Delay

The overhaul on G7 has been delayed due to critical spares required which the engine manufacturer has not been able to supply. The spares required are not parts which are normally replaced during the overhauls and as a result were not ordered as part of the regular spares. These spares were required as a result of premature failure of other essential parts which resulted in additional damage to other components. The manufacturer has assured the company that all efforts are being made to supply the parts.

Sharp Ear Saves CDS#5

Quick action by Mr. Hedwig Bradley, Shift Attendant in the Generation Department averted a major failure on CDS#5 engine last week. Mr. Bradley, acting on a strange noise he heard from the engine, informed the Shift Operations Supervisor of the occurrence. The engine was immediately stopped for inspection which revealed excessive wear on the fuel cam-followers, guid-

ing shaft and camshaft piece on cylinder 4B. The engine remained out of service for a period of approximately twelve hours while the maintenance team worked feverishly to return it to service. Mr. Bradley and the maintenance team must be congratulated on their quick and decisive action in returning the engine to service.

Fuel Surcharge

The surcharge to be applied to bills for October 2008 was 17.1 cents per kWh (or per unit). This is nearly six cents less than the surcharge applied to electricity bills for September. The 17.1 cents surcharge is the lowest since April this year, and is less than half of the 34.6 cents surcharge applied to bills for July, after crude oil prices hit record highs. This is the second successive significant reduction in the fuel surcharge applied monthly to electricity bills and have come in the wake of declining world market prices for crude oil in recent weeks.

It's Back!

The LUCELEC Club is back! After being dormant for some time, the club has been revived. The Executive Members are: Alpha Felix (President), Hester Hyacinth (Treasurer), Kedia Daniel (Secretary), Earl Emmanuel (PRO), Kahlil Charles (Asst. PRO), Jason Leon (Sports Coordinator), Chadia Felix (Social Coordinator), Tricia James (Trustee), Charles Victor (Trustee). The Club held its first fund-raising activity, a BBQ, on October 31, which went on well into the night.

Jounen Kwéyòl

Customers visiting LUCELEC's various Customer Service offices in Sans Soucis, Rodney Bay, Vieux Fort and Soufriere on October 24, were treated to complimentary Creole fare. By all indications customers appreciated the unique atmosphere on the day, especially at the Vieux Fort Office where the staff came dressed for the occasion!



Tropical Storm Omar Hits St. Lucia



As Hurricane Omar tracked through the northern Caribbean, it caused major sea swells in St. Lucia. Particularly hard hit was the waterfront and Barons Drive areas in Soufriere. The three phase lines near the police station broke while some residents of Barons Drive complained of receiving electrical shocks after the sea threw a pickup van into a house.



The crews then shifted their attention to Barons Drive. The condition of the area prevented vehicular access, so all tools and equipment had to be carried. All the houses which had been impacted by the sea were thoroughly checked and a number of operations such as disconnections, withdrawals, replacement or tightening of service cables, reinstallation of meters, and repairs to a broken transformer earth were undertaken. Power was restored to the Barons Drive area at 5:33 p.m. and an entire sweep of the area was done to ensure everything was OK before the crews left.

We are happy to report that due to the quick and professional response by LUCELEC and its contractors, with safety as a primary concern, there were no mishaps.



The first reports were received by LUCELEC at 9:38 a.m. (about the waterfront) and at 9:50 a.m. (about Barons Drive). The LUCELEC crew responded immediately and power to the three 75KVA transformers feeding the broken lines were turned off at 9:50 a.m. resulting in the loss of power to some major customers in the vicinity. Power to the Barons Drive area was also turned off as a safety measure.

By 11:40 a.m., as soon as the opportunity was available, the crew (Linus Calixte and Francis Augustin) disconnected the broken low tension lines and restored the power supply to the unaffected areas. Then they waited for the swells to subside. At about 2:00 p.m. LUCELEC sprang back into action. Contractor Leroy James repaired the broken lines near the police station while contractor David Ferdinand disconnected all the meters on the waterfront which were likely to pose a threat when the power was restored on that network at 4:16 p.m.

Photos compliments Kai Wulf



Facilities Improvements



In recent weeks the Building Services Department has been engaged in facilitating a number of improvements to company facilities at Cul De Sac and Sans Souci. One of the major projects was the resurfacing of the roads within the Cul De Sac compound. Although the heavy rains in October caused a delay of nearly 4 weeks on this project, the work has finally been completed.



The department has also overseen the completion of the rehabilitation of the reinforced concrete walkways around the main Administrative Offices in Sans Souci, the replacement of the ceramic tiles at the staff entrance to that building, and the replacement of carpets in some of the offices. These works were undertaken to improve areas that had deteriorated due to wear and tear and to improve safety.



Other works currently in progress include the installation of an inner fence around the perimeter of the Cul De Sac compound to provide additional security, and the erection of hand rails around the Transmission & Distribution block to improve safety. Work on both these projects are expected to be completed by the middle of November.



What's Happening Elsewhere

Fire at St. Kitts Power Plant



A fire at St. Kitt's lone power station damaged two of the nine generators on October 2 and caused an island wide blackout. The damage has reduced the operating capacity at the power station to 15.9 MW, thereby resulting in load shedding, especially at peak periods when the demand is approximately 24 MW.

Nevis Geothermal



Geothermal explorations on Nevis have resulted in the first commercially viable reservoir jetting steam from a depth of 3,720 feet at the

Spring Hill Nevis I site. Drilling continues at a second site which has yielded 250-degree-steam at a depth of about 1800 feet. Based on the initial assessment each well will produce an estimated 10-15 MW of power. At present Nevis consumes a total of 10 MW of electricity. Construction of the geothermal plant is scheduled to begin in October. It is expected that the plant will be completed within 18 months.

T&T Electricity Tariff adjustments

Trinidad & Tobago's Regulated Industries Commission (RIC) has granted a tariff adjustment for all customer classes - Residential, Commercial, Industrial and Street Lighting with effect from August 1, 2008. The rate structure for residential customers is a three-tiered system and customers are billed over a two-month billing cycle. As a result of the adjustments, residential customers using up to 400

kWh (Tier 1) will pay 25 cents per kWh (a 7.41% reduction). For Tier 2, customers will pay the same rate as Tier 1 for the first 400 kWh and 31 cents per kWh for consumption between 401 - 1,000 kWh. For Tier 3, customers will pay Tier 1 rates for the first 400 kWh, Tier 2 for consumption between 401 - 1,000 kWh and 36.07 cents per kWh for the units consumed above 1000 kWh (a 3% increase).

Commercial customers will pay 39.6 cents per kWh (a 1.18% increase). For Industrial customers increases will range from 0.44% to 1.94%, while Street Lighting rates will increase by 2%.

Florida PSC Recommends 20% Renewables Standard by 2041

The Florida PSC has issued a proposed rule recommending that electric utilities in the state be required to get 20% of their power from renewables by 2041. The draft rule recommends that utilities get 5% of their power from renewables such as wind and solar by 2017, 10% by 2025, and 15% by 2033. The PSC has recommended that utilities spend not more than 2% of their annual revenues on renewables. Environmentalists say the plan is too weak.

Rhode Island to Build Offshore Wind Farm

Rhode Island state is to develop an offshore wind energy farm that will generate 1.3 million MW/h per year, providing 15% of its power needs. Construction of the off shore wind farm is expected to begin in two years, following state and federal regulatory approvals.



Inaugural Wave-Power Plant Operational

The first wave-power plant is online three miles off the shores of Portugal. The plant has a capacity of 2.3 MW. The semi-submerged (tube-and-hinge) attenuators, which use pressurized liquid to power internal motors and generators, are

linked to Portugal's national grid by a seafloor cable. Another 25 Pelamis Wave Power units (for a total of 21 MW) are expected to be added to the project.

New Jersey Focuses on Wind

The New Jersey Board of Public Utilities has recently approved a proposal from Garden State Offshore Energy to set up a 96-turbine, 345-MW offshore wind farm by 2013 that will contribute to the 3,000-MW wind generation goal.

Landmark Energy Bill for Pennsylvania

The Governor of Pennsylvania has signed into law an energy conservation bill that encourages utilities to use least-cost purchasing strategies, and calls for cuts in energy use. The law mandates that utilities work with customers to reduce electricity usage by 3% in 2013 and that they cut energy use by 4.5 percent during peak demand periods. The law requires the installation of smart meters in every home and business within 15 years.

Credit Crunch Affecting World-Wide Renewable Projects

The Wall Street Journal notes that there are shifting fortunes for renewable energy companies facing a credit



crunch worldwide. The credit crunch deals a negative blow to the whole sector because it's heavily dependent on debt financing. According to the Journal, the sector's problems have been compounded by the skid in oil prices to below \$70 a barrel in October from more than \$147 in July. This sudden reversal in crude prices has removed -- at least temporarily -- a key rationale for investors to pump billions of dollars into alternative fuels.

"Action indeed is the sole medium of expression for ethics."

Jane Addams

October Rains

Inclement weather throughout the morning and early afternoon of Saturday, October 11, adversely affected segments of LUCELEC's Transmission and Distribution System. The most serious after effects of the weather system were experienced by LUCELEC customers supplied from Union Substation. Circuits emanating from this substation were de-energized by Control personnel, or faulty line equipment between 1:26 p.m. and 1:58 p.m. when the Union River overflowed its banks and water got into the Substation building causing the substation to go off line.



Customers in the following areas were affected by power outages: Corinth, Marisule and environs; Union and environs, La Clery and environs, Vide Bouteille, Summersdale, Bisee, Marchand and environs, Bocage, Balata, Babonneau and surrounding areas including Monchy, Plateau, Monier, Garrand and Bogius.

LUCELEC technical personnel commenced restoration efforts as soon as weather conditions permitted and flooding had receded. All affected circuits had to be inspected before they were re-energized given that there had been reports of landslides and flooding in a num-

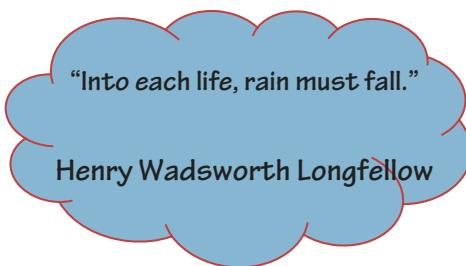


ber of areas. Circuits were re-energized from neighbouring substations (Castries and Redit) on a segment-by-segment basis once the 11,000 and 415/240 volt Distribution Systems had been checked.

The crews worked tirelessly and through the night to clean out the Union Substation and to repair broken lines. Power was restored to approximately 95% of affected customers between 4:52 p.m. and 8:56 p.m. later that day. The remaining areas, with the exception of a small area in Bisee (some industrial, commercial and three domestic customers), received supply when Union Substation was returned to full operational status at 2:27 a.m. on Sunday, October 12.

Electricity supply was restored to customers in the Bisee area at 4:43 p.m. on Sunday, October 12, after a defective transformer was replaced.

The Managing Director complimented all staff involved in the clean up and restoration activities that weekend for their commitment to duty and for bringing customers back on line so quickly. The General Manager of the St. Lucian Hotel also conveyed his compliments to LUCELEC for a job well done in restoring the supply to the hotel after its transformer had failed.



"Into each life, rain must fall."

Henry Wadsworth Longfellow

Fitness Facts

Getting the Most Out of the Treadmill

(adapted from an article by Lorra Kristene Garrick)

For many of us who go to the gym for exercise the treadmill is a favourite machine. But if you hold onto the treadmill while "walking" you're probably not getting the most out of your time on it. The top excuses:

- ◆ "I'll fall off if I let go!" SLOW DOWN.
- ◆ "I'll lose my balance." Slow down and stop using your arms as anchors. Balancing is part of exercise.
- ◆ "I've always done it this way." It's never too late to break a sabotaging habit.
- ◆ "The machine keeps telling me to hold on for heart rate." Select another programme. Hold on for heart rate, but then let go after the number appears!

Grasping the rails does not promote natural walking biomechanics. Some people grip the front bar, yanking forward with each "step". Others grasp the side rails, shoulders bobbing up and down, body weight subtracted from the tread. And clinging on with one hand creates unequal stresses to the body. Holding on and walking at top speeds is dangerous because of the ballistic hip rotation, over-striding and forward posture. It can lead to serious neck, back and knee injuries. It also tricks you into believing you're working hard because the settings are high: 4 mph, 12-percent incline! The calorie readout is triggered by the programme setting, not the person on the machine! Walking hands-off burns about 20 percent more calories for the same length of time.

Normal walking involves legs, knees, hips and back working in unison to support your full weight as you walk. This is how the treadmill should be used. Holding on, even lightly, takes valuable work away from your musculoskeletal and nervous systems.

People set the speed at an unrealistic pace for the elevation. Would you really walk 4 mph outdoors up a steep hill? Of course not; and not for long anyway! Use the treadmill the same way. Begin at a slower speed and let go. If you prefer a high incline, start slowly; the pace should be similar to an outdoor uphill walking pace. Any discomfort in your lower back means those muscles are working for the first time!

Try this: Set the pace or incline on the treadmill at a challenging level, and walk hands off for only a few minutes. Then slow down or lower the incline and continue hands off for a few minutes to catch your breath. Alternate between these more demanding intervals and easier "recovery" intervals.

Regardless of your fitness level, weight or age, you must release your hands and walk the natural way. After all, haven't you been walking since age 1?

Birthdays & Milestones

- ☺ Alpha Felix
- ☺ Thomas Dalson
- ☺ Fleming Jn Paul
- ☺ Lucius Prospere
- ☺ Justin George
- ☺ Anthony Joseph
- ☺ Toya Compton
- ☺ Arlina Charles
- ☺ Gerald Sidoine
- ☺ Brian Houson
- ☺ Michael Mc Combie
- ☺ Gary Eugene
- ☺ Cyrus St. Hilaire
- ☺ Kedia Daniel
- ☺ Anthony Wallace
- ☺ Hedwig Bradley
- ☺ Karan Montoute
- ☺ Randolph Daniel
- ☺ Garaline Tate
- ☺ Celina Amos
- ☺ Natasha Haynes
- ☺ Gordon Florent
- ☺ Christine Williams
- ☺ Felix Ismael



11 Years
Owen Charles

16 Years
Ian Charles

18 Years
Michael Ambrose

20 Years
Nathaniel Deterville

28 Years
Theresa Auguste

29 Years
Elie Baptiste

31 Years
Francis Augustin

Puzzle

All the words in the table to the right are the names of places in St. Lucia - districts, towns, villages, and communities. The words have been scrambled.

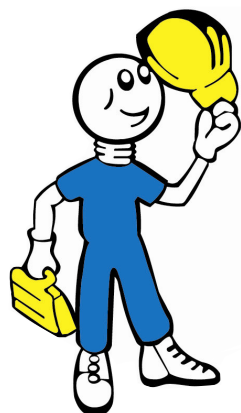
Test your knowledge of St. Lucia and word unscrambling skills at the same time. See how many of them you can come up with.

MORE PLACES IN ST. LUCIA	
Please unscramble the words below	
1. LEMTBOOTEC	2. ECNSAPEER
3. DPESENIOZ	4. HATMOOZ
5. ARCSAMES	6. REIACFEE
7. RIERTPO	8. ERINETG
9. DILEBEUR	10. BSGYAOAI
11. GOMUEGON	12. RENOCICI
13. UEAESNUG	14. SERASARDB
15. MISLRUEA	16. UINDAHP
17. NRGAADR	18. CDIENART
19. DLAABCNHR	20. QISMURA
21. SGLOED	22. NOCYMH
23. DNREUUDAA	24. OERTUSAEMS
25. PLEATISM	26. NRDYONOLRED

Send all completed entries to the Corporate Communications Department. The winner will be announced in the next edition of the LUCELEC News.

NB: All correct entries received are placed in a box and winner is selected by dipping the day before the next edition of the newsletter goes to print.

The winner of last month's puzzle is **Dona Emmanuel**.
Please contact the Corporate Communications Department to claim your prize.



LUCELEC
ST. LUCIA ELECTRICITY SERVICES LIMITED

St. Lucia Electricity Services Ltd.
P. O. Box 230, Castries, St. Lucia, W.I.

Castries Tel: 758-457-4400
Vieux Fort Tel: 758-457-4850
Fax: 758-457-4409

Email: lucelec@candw.lc
www.lucelec.com