



Caribbean Information &  
Credit Rating Services Limited

## MEDIA RELEASE

December 13, 2011

### **CariCRIS reaffirms “adequate creditworthiness” ratings for Saint Lucia Electricity Services Limited (LUCELEC)**

Caribbean Information and Credit Rating Services Limited (CariCRIS), the Caribbean regional credit rating agency, has reaffirmed the ratings of *CariBBB* (Foreign Currency Rating) and *CariBBB* (Local Currency Rating) on its regional rating scale to the notional debt issue of the size of USD 15 million of Saint Lucia Electricity Services Limited (LUCELEC). These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean<sup>1</sup>, is **adequate**.

The ratings on LUCELEC continue to reflect the company’s monopoly position in Saint Lucia, healthy financial profile and favourable operating efficiency. The ratings on LUCELEC are constrained by the creditworthiness of its sovereign as its operation is solely in the Saint Lucian economy. The demand for LUCELEC’s services is cyclical in nature, reflecting the economic cycle of the sovereign. Further tempering the ratings are its indirect exposure to fuel prices, the potential effects of damage to its property at its single location generation plant, self-insurance for its Transmission and Distribution infrastructure and the deteriorating accounts receivable aging profile.

On the regional scale, LUCELEC’s ratings are significantly influenced by Saint Lucia’s relative credit standing within the Caribbean, rated *CariBBB+* (Foreign Currency Rating) by CariCRIS on the Caribbean regional rating scale. Going forward LUCELEC’s credit profile will be dependent upon its ability to undertake debt funded capital expenditure without impairing performance indicators and any changes to the governing legislation that would adversely impact its operations.

---

<sup>1</sup> The term Caribbean as used here covers the following countries: Bahamas, Barbados, Belize, Costa Rica, Dominican Republic, Guyana, Haiti, Jamaica, Panama, Suriname, Trinidad and Tobago and the following countries in the OECS: Anguilla, Antigua & Barbuda, Dominica, Grenada, Montserrat, St. Kitts & Nevis, Saint Lucia and St. Vincent & the Grenadines. Refer [www.caricris.com](http://www.caricris.com) for a more detailed explanation on CariCRIS ratings and rating definitions.



**Caribbean Information &  
Credit Rating Services Limited**

*About the company:*

Saint Lucia Electricity Services Ltd (LUCELEC) was established on November 9, 1964, as a private limited liability company with the purpose of power generation, distribution and dealing in electricity and electromotive force and energy. On August 22, 1994 the company moved towards public ownership. At present, the top five shareholders<sup>2</sup> are Emera Inc (20%), First Citizen Bank Limited (20%), National Insurance Corporation (16.79%), Castries City Council (16.36%) and Government of Saint Lucia (12.44%).

LUCELEC has an exclusive license to generate, distribute and sell electricity in Saint Lucia up to the year 2045. The company presently operates one power station at Cul de Sac and seven sub-stations, linked by a 66 kilo volt (kV) transmission network. The power station, which was commissioned in 1990, now houses nine generating units, with a total installed capacity of 76 mega watt (MW).

**Note: Mr. Marius St. Rose is member of the Board of Emera Barbados Holding Company and the CariCRIS Rating Committee. Emera Incorporated owns 20% of LUCELEC. Mr. St. Rose did not participate in the above rating decision.**

---

*Please visit [www.caricris.com](http://www.caricris.com) for the detailed rating rationale on LUCELEC*

*Or contact:*

Arjoon Harripaul  
Head - Ratings, CariCRIS  
Tel: 1-868-627-8879 Ext. 227  
E-mail: [aharripaul@caricris.com](mailto:aharripaul@caricris.com)

Kathryn Budhooram  
Primary Analyst, CariCRIS  
Tel: 1-868-627-8879 Ext. 226  
E-mail: [kbudhooram@caricris.com](mailto:kbudhooram@caricris.com)

---

**Note**

*This press release is transmitted to you for the sole purpose of dissemination through your agency/newspaper/magazine. You may use this press release in full or in part without changing the meaning or context thereof, but with due credit to CariCRIS. CariCRIS has the sole right of distribution of its press releases, for consideration or otherwise, through any media, including websites, portals, etc.*

---

<sup>2</sup> The shareholding disclosed are of the voting shares