



# Frequently Asked Questions about **ANGLEC**

### What is a kilowatt hour?

A kilowatt hour (kWh) is a unit of electrical energy and can be defines as the energy consumed by a 1 KW appliance for one hour. This unit is also used to measure electricity consumption as shown on your bill. to estimate the electrical for a device in your home, multiply the kilowatt rating of that device by the service time. For example, a 60W bulb that operates for 200 hours in a month will consume 12 kilowatt-hous of electricity as shown in the calculation below.

Example: Rating of a 60W Bulb = 0.06KWNumber of hours used per month: 200 hrs kWh consumption =  $0.06 \times 200 = 12 \ kWh$ 

### Why does ANGLEC prune my trees?

Although trees are an asset to the appearance of our streets, they can create problems when they grow into power lines. Windblown branches can come in contact with lines, causing power outages and the danger of fire.

Did you know that trees conduct electricity? That's just another reason to keep branches from growing too close to live power lines. It's dangerous for homeowners to trim trees close to electrical lines. Please contact us and identify any potential tree trimming areas.

### I'm landscaping my new home. How close to the power lines can I plant trees?

We're glad you asked! It's always better to keep trees far enough away from the lines so it won't be necessary to prune them for clearance around the lines.

## How do ANGLEC's electricity rates compare with the rest of the Caribbean?

Twice a year, CARILEC (an association of Caribbean electric utilities and stakeholders) conducts a tariff survey. Since tariff structures can vary widely, the survey analyses the total costs of 400 units of electricity (inclusive of all utility fixed costs, but not including government levies). Below is the result of the most recent survey.

### Total cost of 400kWh of Electricity (US Dollars)

Country	Provider	\$
Belize	BEL	91.25
St.Lucia	LUCELEC	113.29
Barbados	BL&P	113.75
Bahamas	(GB Power)	121.16
Anguilla	ANGLEC	125.75
Bermuda	BELCO	125.8
Jamaica	JPSCo	131.17
St. Maarten	GEBE	131.32
St. Vincent	VINLEC	135.52
Grenada	GRENLEC	139.75
Curacao	AQUALECTRA	151.95
Antigua	AUPA	155.32
Dominica	DOMLEC	168.07

## As a customer, I feel powerless. Is ANGLEC's being proactive in the energy crisis?

Mitigating the impact of volatile energy prices is part of ANGLEC's long term strategy. In this regard, ANGLEC has combined efforts with the Government of Anguilla, the Anguilla Energy Committee (AEC) and the Anguilla Renewable Energy Office (AREO) and has focused on three areas:

### 1. Promoting energy monitoring and conservation

Conservation is the most effective means of reducing energy costs. ANGLEC has embarked on an energy-saving campaign which is aimed at providing our customers with the necessary information that will allow them to reduce energy consumption through relatively simple measures. We realize that conservation requires our customers to closely monitor their usage and hope to offer our customers this enhanced energy monitoring service (on an individual circuit level) via the internet.

### 2. Allowing renewable Energy Integration

As renewable energy technologies improve, our customers may identify viable alternative sources of energy. ANGLEC would like to ensure that our customers can enjoy the benefits having their own renewable energy systems interconnected with their ANGLEC's supply. In order to do this, the company is in the process of developing and enhancing:

- \* Internal network procedures (particularly safety standards)
- \* A compatible tariff structure
- \* Customer installation standards (to preserve system quality and reliability)

#### **Wind Farm Project**

In conjunction with the Anguilla Energy Committee, ANGLEC is involved in the creation of a 2-3 Megawatt wind farm at Corito. While still in initial stages, several steps have already been completed

- \*Initial feasibility studies
- \*Collection of Wind Data for approximately two years (to determine project viability)
- \*Completion of a draft Request for Proposals (Tender Document) for project execution
- \*Installation of essential infrastructure at the Corito Power Station

## Last week, my toaster got damaged after a power outage. Why didn't Anglec reimburse me?

While Anglec strives to provide a consistent and reliable supply, there are instances when the consumer's quality of supply is affected under circumstances that cannot be attributed to negligence on the part of the company. Some case examples are:

- 1. When the quality of supply is affected by an Act of God (including abnormal weather conditions and lightning)
- 2. When the quality of supply is affected by unavoidable accidents (including road accidents)
- 3. When the quality of supply is affected by a faulty internal circuit design or circuit overloading (internal to the customer).
- 4. When the quality of supply is affected in any reasonable act of protecting the interests of the consumers at large (such as emergency remedial work and planned outage operations)

In most cases, a proper grounding system and/or electrical design will mitigate the effects of these types of incidents, and we continue to encourage all of our customers to have their electrical installation(s) routinely checked by a qualified electrician.

## How has the price of electricity increased over the years?

In 1991, the price of a unit of electricity was 60EC cents. Today (15th December 2010), the price of a unit of electricity is 91EC cents (base rate of 63 cents with a fuel surcharge of 28 cents). This represents a 52% increase over a period of 19 years, and translates to an average compounded increase of 2.2% per year.



To put this in perspective, available Anguilla consumer price data was used to compare the inflation of electricity prices with other basic commodities on Anguilla:

### <u>Average compounded increase</u> of commodities (Sep 2001- Sep 2010)

Food	4.2%
Household Items	5.4%
Transport & Comm	3.6%
All Items	3.5%

Source: Statistics Department, Government of Anguilla (http://www.gov.ai/statistics)

### I would like to calculate the surcharge for myself but I need more information. How can I independently verify fuel price information?

The price Anglec pays for diesel fuel can be divided into three parts, namely: The Base; The Escalator; and Government Duties.

The Base is the most important and largest component. Being the only variable (and unpredictable) component, it also controls price trends. The Base is derived from Caribbean postings for 45 Cetane Low Sulphur (0.2%) Gasoil as published in the Platts Oil Price Report. The Platts Company is a leading and trusted global provider of energy information. For independent verification, a subscription to this service can be obtained through their website at <a href="http://www.platts.com">http://www.platts.com</a>. The Escalator is a small fixed premium paid to the fuel supplier to cover their overheads (such as tanker freight and operating costs). This is determined when fuel supply contracts are negotiated. Government Duties are also fixed and paid to the Government of Anguilla when fuel is imported.

Anglec reports its fuel surcharge costs and fuel surcharge recovery as part of its audited financial statements in the company's Annual Report, and this information can be used as a bottom-line check.

Anglec hopes to provide an easy mechanism for its customers to validate movements in the surcharge. The company is currently evaluating the best approach to accomplish this, and will inform its customers in the near future.

In 2009, refinery trading prices for diesel fuel have declined significantly, but I have not seen a decrease in Anglec's fuel surcharge. Why is this?

Anglec's surcharge adjustments are made in accordance with the realized fuel cost. However, a change in refinery prices does not immediately affect Anglec's fuel costs. The relevant time lag applies to both increases and decreases in prices, and is primarily due to:

The process of loading the fuel supplier's tanker, sailing from refinery, and delivering to other countries along the way to Anguilla's depot;

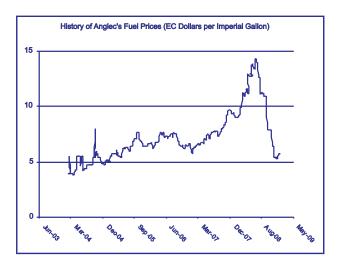
Consumption of Anglec's old fuel stock (at older rates). Anglec's has a fuel storage capacity of approximately 200,000 imperial gallons and this must first be consumed to minimum stock levels before additional quantities are ordered.

Consumption of the supplier's old fuel stock (at older rates). The fuel supplier also has fuel storage facilities, and this old stock must be fully consumed before Anglec can be invoiced at the new prices.

In addition, once the surcharge is adjusted, it is important to note that the customer's bill is impacted approximately one month later (as bills received are based on consumption in the previous cycle).

### My electricity bill was very high in 2008. What was the reason for this?

The single most significant factor in your electricity rate is the price that Anglec pays for fuel. As shown in the graph below, Anglec's fuel price has been very volatile with several major swings over the last five years. In 2008, Anglec saw its fuel costs rise to unprecedented levels, exceeding EC\$14 per Imperial Gallon (IG). Anglec's base rate allows for a maximum fuel price of EC\$3.64/IG and when fuel prices surpass this level, a fuel surcharge is added to the base rate. This surcharge varies as oil prices change.



### What is the purpose of the tag on my meter?

The plastic blue or red tag is a "tamper-resistant" seal. This seal prevents the meter from being removed or modified by an unauthorized person. Each seal has a unique number imprinted on it, which is linked to your billing account in Anglec's computer system. When Anglec's meter readers encounter broken or missing seals, they are required to report the matter and an investigation is carried out. Tampering and/or the removal of an Anglec meter by an unauthorized person is a criminal offence that can result in imprisonment for the convicted offender.

Last week, Anglec had a scheduled outage that lasted six hours. Although Anglec made the announcement on the radio, I am not a frequent radio listener. How can I be informed of outages that will affect me?

In addition to radio announcements, Anglec posts outage information on its website. To access outage information, go to:

<a href="http://www.anglec.com/outages.htm">http://www.anglec.com/outages.htm</a>

### How is the fuel surcharge calculated?

As per the Electricity Ordinance, Anglec's electricity tariff is subject to a surcharge of 1c per kWh for every 10c per gallon increase in the price of fuel oil over \$3.64 per gallon. Or as a formula;

 $FS = (PD \ 3.64) / 10$  where;

FS = Fuel Surcharge

PD = Anglec's diesel cost (EC Dollars per Imperial Gallon greater than 3.64). This is based on a 4-6 week weighted average.

Fuel Cost	Surcharge	Fixed	Basic	Fuel	Total
(XCD/IG)	(EC Cents)	Charge (XCD)	(XCD)	Charges (XCD)	(XCD)
3.64	0	5.25	330.00	0.00	335.25
3.74	1	5.25	330.00	5.00	340.25
4.64	10	5.25	330.00	50.00	385.25
5.14	15	5.25	330.00	75.00	410.25
5.64	20	5.25	330.00	100.00	435.25
6.14	25	5.25	330.00	125.00	460.25
6.64	30	5.25	330.00	150.00	485.25
7.14	35	5.25	330.00	175.00	510.25
7.64	40	5.25	330.00	200.00	535.25
8.14	45	5.25	330.00	225.00	560.25
8.64	50	5.25	330.00	250.00	585.25

The table above shows the cost of 500 units of electricity with varying fuel prices

## Besides the fuel surcharge, are there any other costs that affect my electricity bill?

Yes An Environmental Levy. The Electricity Act and attendant regulations require Anglec to collect and pay to the Government of Anguilla via the Treasury a sum of money equal to 7% of the electricity charges billed to each of the Company's consumers. Anglec has worked on a system that shows the Environmental Levy as a separate line item on your electricity bill.

## How realistic is the surcharge formula when we consider today's diesel prices?

The fuel surcharge mechanism is currently being reviewed as key factors (such as fuel prices and volatility) have changed significantly since the creation of the formula in 1991. Some of the issues that the new tariff structure will address are:

Providing the flexibility to accommodate renewable energy usage patterns;

Providing greater transparency (for independent verification of fuel charges)

## I am near completing my new home but there is no electrical service near by, what must I do?

Let us know by applying for a connection. To request a new connection, simply come into the Administrative office in The Quarter and complete an application form. Applicants must ensure they have a valid ID, a land parcel map, an approved electrical inspection certificate and a site plan of the building, indicating the point of electrical entry.

# I have noticed some electrical poles with an Alpha-numeric code attached to them, what does this mean?

These pole numbers are used to uniquely identify the equipment that exists on our electrical network. They are also used by to assist in the locating of customers in the event of a particular fault or a service required.