

MEDIA RELEASE

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**CariCRIS reaffirms “adequate creditworthiness” ratings for
Saint Lucia Electricity Services Ltd**

Caribbean Information and Credit Rating Services Limited (CariCRIS) has reaffirmed its ratings of *CariBBB* (Foreign and Local Currency) on the regional rating scale for the notional debt issue of US \$15 million for Saint Lucia Electricity Services Ltd (LUCELEC) with a **stable** outlook. These ratings indicate that the level of creditworthiness of this obligation, adjudged in relation to other obligations in the Caribbean is **adequate**. The stable outlook is based on CariCRIS’ expectation that LUCELEC will continue to have a steady and predictable revenue stream over the next 12 months, consistent with its 3-year trend. We expect the company to continue to benefit from subdued energy prices over the next 12 months, thereby maintaining or improving its present PAT margin. Trade receivables should decline as a result of a forecasted marginal improvement in the country’s economic performance, as well as LUCELEC’s ongoing credit management initiatives.

LUCELEC’s ratings reflect its monopoly position as the sole energy transmission and distribution company in Saint Lucia with continued focus on renewable energy development and improved financial performance and debt servicing capability in spite of declining revenue due to lower tariffs as a result of lower fuel prices, its good operating efficiency supported by continued focus on system enhancement and network improvements also support the ratings. These rating strengths are tempered by the company’s persistently high receivables though improving ageing profile and its significant risk retention via self-insurance of its transmission and distribution assets.

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 electricity generation and distribution for Saint Lucia. The company became public on August 22, 1994. The top five shareholders¹ account for 85.6% of total outstanding shares and are Emera (Caribbean) Incorporated (20%), First Citizens Bank Limited (20%), National Insurance Corporation of Saint Lucia (16.8%), Castries City Council (16.4%) and the

¹ The shareholdings disclosed are of the voting shares



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Government of Saint Lucia (12.4%). The remaining 14.4% of outstanding shares are widely held.

The company presently operates one electricity generation facility at Cul de Sac and seven substations throughout the island linked by a 66kV transmission network. Originally commissioned with 2 generators in 1990, the generation facility now houses 10 generators and has a total installed capacity of 88.4 MW.

For more information on LUCELEC's ratings, please visit www.caricris.com or contact:

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