

ST HELENA UTILITIES REGULATORY AUTHORITY



October 2017

REPORT ON THE MAXIMUM CHARGES OR FEES TO BE LEVIED
BY CONNECT SAINT HELENA LTD

PART 1 – OVERVIEW

1.1 UTILITY SERVICES ORDINANCE 2013

On 1st April 2013 the Utility Services Ordinance 2013 came into force. This Ordinance established the Utilities Regulatory Authority and created a legal framework to facilitate the private sector provision of licensed public utility services.

These services are —

- (a) The generation, distribution and supply of electricity;
- (b) The collection, storage, treatment and distribution of water; and
- (c) The disposal of waste water.

1.2 UTILITIES REGULATORY AUTHORITY

The members of the Authority are the Chief Magistrate (as Chair), Mr Paul Hickling and Liz March. The Judicial Services Manager is the Secretary to the Authority, to whom any communication should be made*. The Authority, and any person acting under its authority, act entirely independently and are not subject to the direction or control of the Governor, the Executive Council, Legislative Council or any other person or authority.

*(yvonne.williams@sainthelena.gov.sh)

1.3 OBJECTIVE OF AUTHORITY

The objective of the Authority is to regulate the development and provision of public utility services in a manner which—

- (a) Ensures that users of such services are protected from both unreasonable prices and unreasonably low levels of service;
- (b) Ensures (so far as is consistent with paragraphs (d) and (e)) that the prices charged for such services do not create unreasonable hardships for households or unreasonable hindrance to commercial and economic development in St Helena;
- (c) Motivates Utilities Providers to improve the quality of the services they provide;
- (d) Ensures stability and predictability in the public utilities industry in the medium and long terms;
- (e) Supports a progressive reduction in levels of subsidy from public funds; and

(f) has regard to such other regulatory objectives (if any) as may be prescribed.

1.4 DUTIES OF AUTHORITY

It is the duty of the Authority, having regard to its objectives, to carry out its functions and to ensure that Utilities Providers comply with—

- (a) Ordinances, regulations and directives issued thereunder, regulating public utility services; and
- (b) The conditions of their licence.

1.5 POWERS OF THE AUTHORITY

The Authority may, for the purpose of performing its duties, issue Directives to a Utilities Provider in connection with the provision of any public utility service; and, without prejudice to that generality, such Directives may impose requirements concerning;

- (a) The quality or standard of service which the Utilities Provider must deliver to its customers;
- (b) Payments of compensation (or abatement of charges) to compensate customers when the service provided does not meet the standards so set;
- (c) The maximum charges or fees to be levied by a Utilities Provider for providing the public utility service;
- (d) The terms and conditions on which public utility services are to be provided; and
- (e) Such other matters (if any) as may be prescribed.

1.6 PENALTIES BY THE AUTHORITY

If the Authority is satisfied that a Utilities Provider has failed to comply with a Directive, or with a condition of its licence, the Authority may order the Utilities Provider to pay a penalty not exceeding the sum of £100,000.

A licence may be revoked by the Governor in Council upon recommendation of the Authority, where the Utilities Provider is in substantial and continuing breach of—

- (a) Any of the provisions of the licence;
- (b) Any Directives issued by the Authority; or
- (c) Any other obligations under the Ordinance.

1.7 UTILITIES PROVIDER- CONNECT SAINT HELENA LTD

With effect from 1st April 2013 Connect Saint Helena Ltd (“Connect”) were licenced by the Governor in Council to provide all said public utility services in St Helena. The Authority was instrumental in the drafting of such a licence.

Connect is a private limited company which is wholly owned by the St Helena Government (“SHG”). The Board of Directors currently consist of a non-executive Chair, two further non-executive directors and two executive directors. The executive directors are the CEO and Operations Director of Connect.

1.8 PURPOSE OF REPORT

The Authority received from Connect a request for permission to adjust the tariffs for water and electricity supplied from October 1st 2017. The detailed proposals are as outlined in the Appendix 1. In order for such to be permitted, the Authority would require to issue a direction to supersede its Direction for Maximum Electricity and Water Tariffs issued in Gazette Notice No. 21 of 26 March 2016.

Why is it proposed that prices increase?

Asset Management / Replacement

Currently most of the water infrastructure except the water treatment plants is worn out with disproportionate levels of break down repair resulting in unnecessary water being lost through bursts and leaks. Based on economic lives and depreciation the table below summarises the amounts that may be required to replace fully depreciated assets over the next five years. It should be noted that £4.9 Million of assets that Connect do not plan to replace have already been removed from the figures.

In line with the funding strategy agreed by ExCo, capital asset replacement is funded via the revenue account by ring-fencing the annual depreciation charges into a cumulative fund, infrastructural developmental investment will only be affordable with external or DfID funding. The above table shows that if all fully depreciated assets in the next five years were to be replaced like for like without upgrades an estimated £6.8 million would be required from external sources such as SHG and DfID. This will be in addition to the £5.47 million that the company has to generate through annual depreciation charges funded through tariffs.

For the utilities infrastructure to remain effective now and in the future, replacement of worn out parts of the networks need to be guaranteed and that is only possible when the company’s operating budget is balanced out to at least break even each year.

Infrastructure Development

Electricity, sewage and water infrastructure projects currently planned to be funded through the SHG capital program will still require those funds. There should be no further requirement for funding from the SHG Capital Program for the purpose of asset replacement once the individual assets are life expired since they will be replaced by the depreciation fund previously described. Should SHG decide to provide additional funds for Asset Development in the future it is anticipated that funds would be predominantly directed at an accelerated reduction in subsidy and would be awarded at SHG’s discretion, alternatively Connect will identify other funding sources.

Investment

	Proposed Budget	FY 2017 Budget	FY 2017 Actual
Administration	335,586	354,002	466,792
Employees	1,422,662	1,248,447	1,261,528
Premises related	290,774	218,390	261,533
Fuel	1,382,343	1,263,663	1,286,642
Maintenance	944,324	854,978	1,294,419
Depreciation	952,283	861,535	978,633
Contracts	146,246	141,436	116,309
Drought Mitigation			232,776
Expenditure	5,474,218	4,942,451	5,898,632

The increases show employee costs rise significantly as, beyond the normal wage increases, funding is required for the Head of Finance position and also an increase in the water maintenance works with a new team of four employees.

The break-even figure is scheduled to be £5,474,218. At the current tariffs and other income for the year 2017-2018 the revenue is estimated at £4,577,101 which represents a shortfall of £897,116. Therefore, the income for Connect needs to be increased by tariff increase and subsidy. The Authority accepts that Connect must increase their income in order to continue with the improving levels of service since divestment.

PART 2 – MAXIMUM CHARGES AND FEES

2.1 INCREASES

The proposed tariff increases should have an average overall effect of a 2% increase. Other tariffs such as disconnection, reconnection, drain blockage clearance and septic tank emptying are to be increased by 4%. The proposed tariff increases are estimated to increase revenue by £129,341 for the financial year 2017-18.

2.1.1 Sewerage

The proposal is to increase charges by approximately 20%. For domestic consumers this equates to an average increase of 19p per week. Connect have explained that, in reality, the sewerage revenue accounts for 1.4% of tariff income whilst its actual cost is 2.2% of the company's total operating expenditure. Work has commenced in improving the sewerage networks in Half Tree Hollow and Rupert's with work already completed in Jamestown. Development permission has been obtained for the Rupert's sewage treatment plant but at the moment no funding is available to purchase and install it. While the cost of the planned sewage treatment plants will be funded by SHG's developmental capital funding program, the costs of its running and maintenance will be borne by the company. This has to be provided for by being gradually built into the tariffs. The outline development permission application detailed three scenarios with budget tariff costs ranging from £34 per quarter to £100 per quarter with Connect proposing the lowest tariff cost option as their preferred option. Currently customers pay £12.50 per quarter and Connect strongly believes that the lowest operating cost option that satisfies the environmental standards is the right solution for the island since other options will be unaffordable. The full effects of the new environmental legislation have still to be assessed as there is clearly the potential for further costs should excessively high discharge standards or planning conditions be required. Whichever option is chosen there will be cost increases and currently sewage runs at a deficit.

2.1.2 Water

The proposal is to increase charges for both Standing Charges and Actual Use Charges across the board by 20%. The proposal is to increase charges by 20%. This will bring the water cost to tariff ratio to 29% up from the current 26%. For the vast majority of consumers the effect will be an overall 2% increase on their normal bills.

15 cubic metres per quarter is recognised as the quantity of water required for basic needs for an average household. At this rate of consumption the weekly increase will be 21p for usage and 11p for the standing charge.

Revenue from tariff for water amounts to 10.6% while its actual costs account for 36.4% of the company's total operating expenditure.

The principle behind the rise steep rise in water costs are that it is unfair for electricity consumers to be penalised with increase in tariff charges when the cost of providing electricity does not justify such a

change. This would mean electricity consumers would be subsidising water consumers. In terms of income the average consumer pays significantly more in electricity consumption charges than for water which means that to generate an increase in total tariff income the actual percentage increase in water tariff appears high. The advantage is that charges will be now more aligned to actual costs. As is shown in the abovementioned figures the reality to the average user of a 20% increase in their water and sewage costs represents a low 2% increase overall. This is a below inflationary rise.

2.1.3 Electricity

The proposal is to maintain the current tariffs as they are now fully covering the costs. Future annual reviews will be subject to costs variability and with further investment in renewable energy future tariff reductions might be possible. In the situation where the cost of diesel increases and electricity moves back into loss making Connect will apply to the URA for tariff adjustment to prevent the loss. However, as mentioned above there is no current need to be an increase. Indeed, with an eye to the medium term future the Authority is hopeful that costs may even reduce or remain static as the benefits of renewable energy sources improve.

It is hoped that positive progress regarding the negotiation with external renewable energy providers will decrease the cost of producing electricity.

The wind turbines and solar farm together contribute a budgeted 30% of the total power generated. Dependency on diesel generation and the international oil prices variability continue to weigh heavily on the cost, and predictability of the cost of electricity production. To realise tangible cost reduction further investment in renewable energy and power storage assets continue to be needed. At the present time Connect and SHG are working together to establish the viability of increasing the quantity of renewable energy through a power purchase agreement which would avoid the requirement to secure capital funding and should reduce operating costs

2.2 FUNDING MODEL

SHG still provide a substantial subsidy to Connect to mitigate against the need for increased tariffs to meet recurring and development costs. The Authority is advised that such are generally content with the proposed tariffs and the subsidy that SHG will as a consequence require to provide.

The present funding model provides for depreciation, as opposed to the original Connect Business Plan which proceeded on the assumption that SHG would continue to fund asset replacement. SHG will however continue to fund infrastructure development.

2.4 SHG SUBSIDY

The SHG budgeted subsidy will be increased by around £73,000 from £605,000 to £678,000 over a six month period. This continuing subsidy allows the proposed tariffs to remain considerably lower than would be required to meet the actual costs of producing both electricity and water services. Were Connect to operate without any subsidy it would require a 23% increase on all products (water, electricity etc)

As provided for in said Utilities Services Ordinance, Connect's Business Plan and the Airport MOU, the SHG subsidy is required to reduce annually.

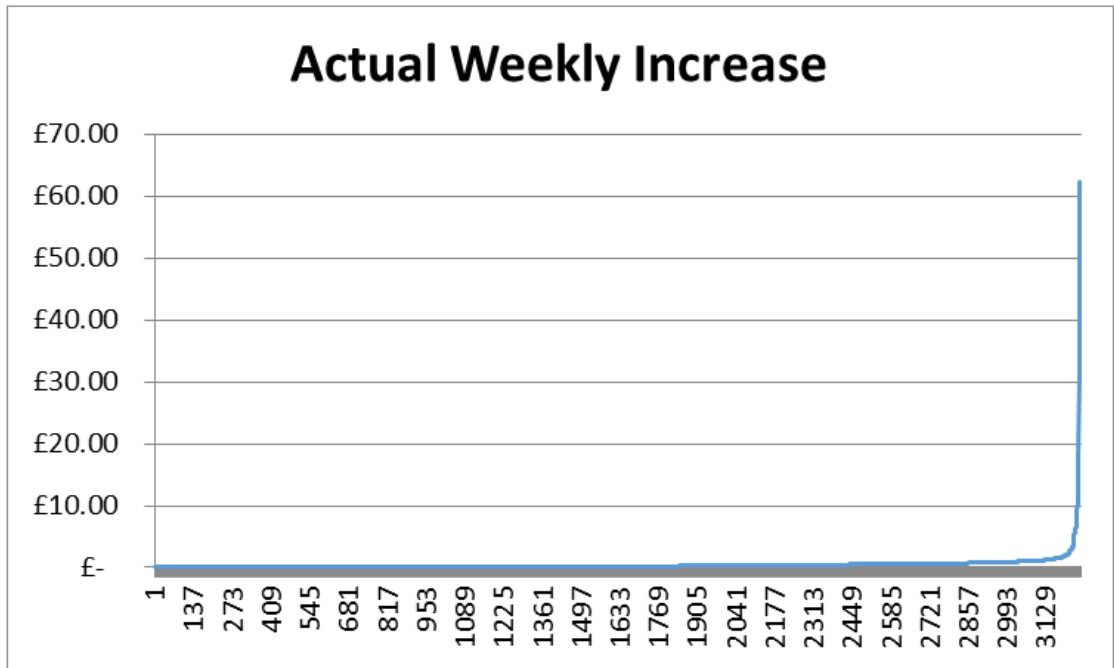
It is noteworthy that the current rise in tariff revenue is such that an increase in subsidy will be required.

2.5 SOCIO-ECONOMIC IMPACT

It is recognised that any price rises will have adverse socio-economic impacts on the islands population. However, the rises proposed are in the most part approximately half of the immediately preceding 18 months. These are well below the islands inflation rate.

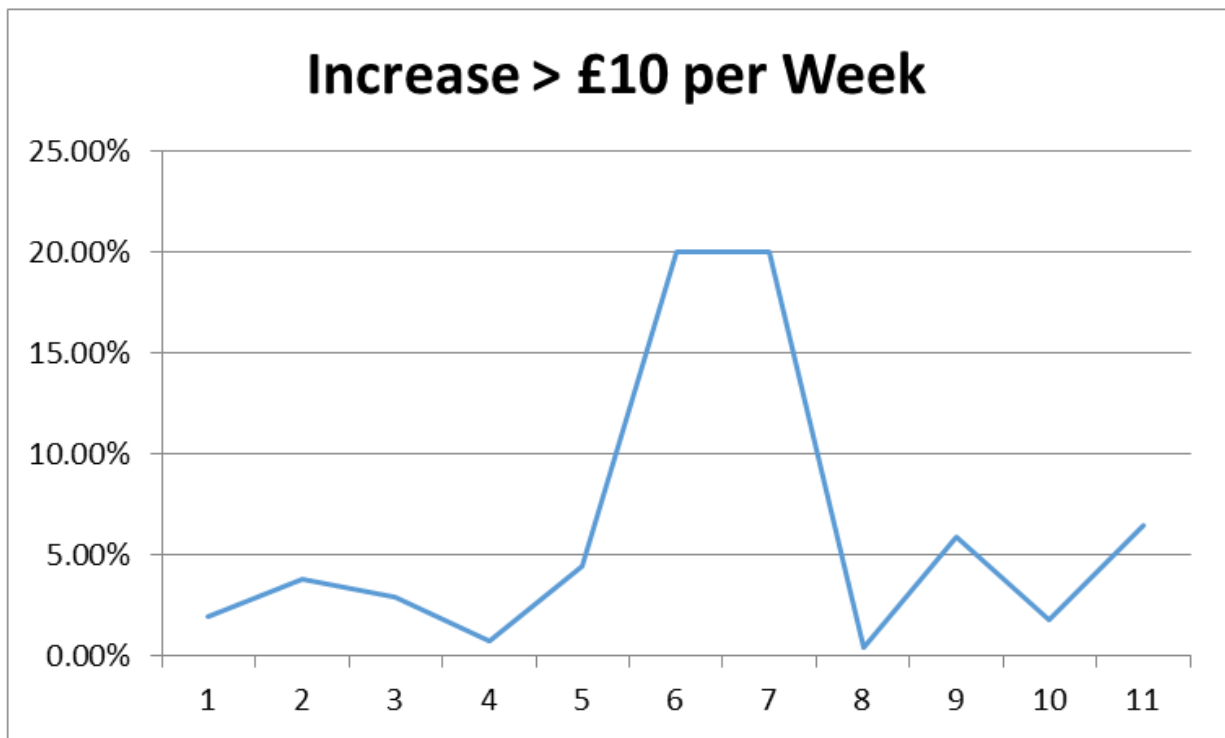
Previous tariff increases have been based on inflationary rise. This proposed rise is based on actual costs as opposed to a general increase across all services. The vast majority of consumers will see a low increase in their quarterly bill which represents a figure below inflation. However, there are some consumers at the extremes of the customer profile who will experience either a benefit or a loss. Large consumers of water will see a significant rise in their bill and large consumers of electricity will benefit from their costs being kept the same and not increasing at an inflationary rate. Standing charge increase amounts to 11p per week for domestic and agricultural consumers and 33p for commercial customers.

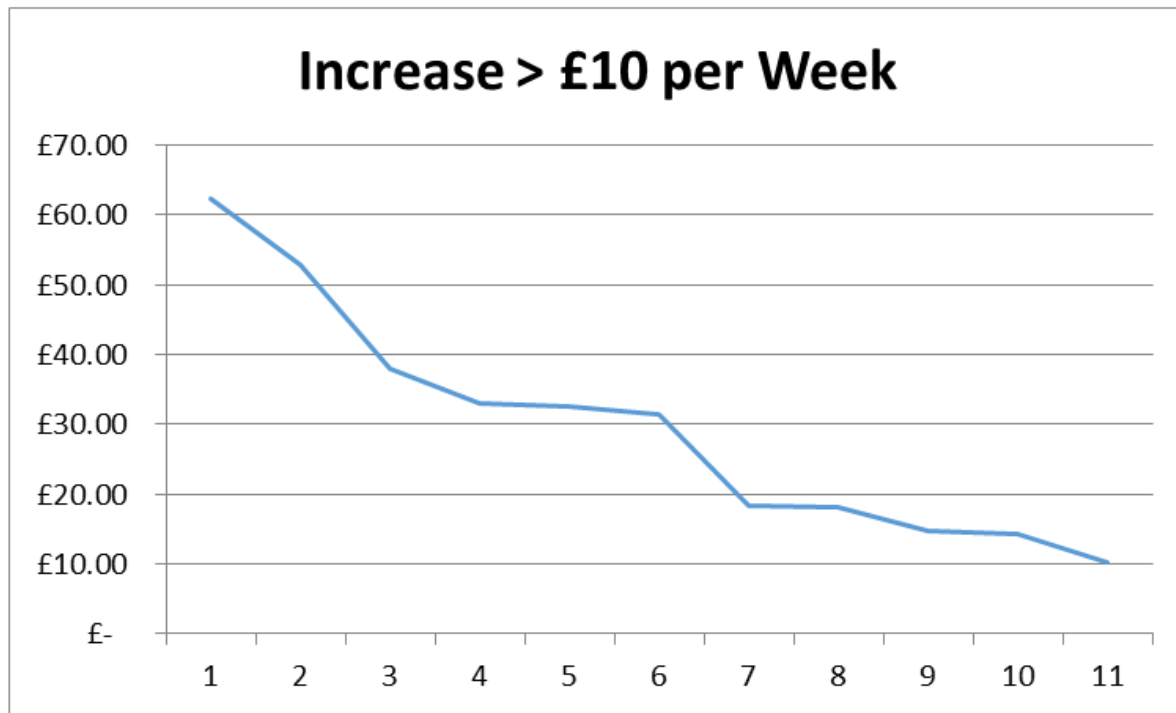
The graphs below shows the 3,250 customers sorted in order of the size of their increase, to the left of the graph these consumers receive the lowest increases and to the right the greatest increases.



The graph shows that the larger consumption increases are concentrated on a few consumers with the majority of consumers not adversely affected by the restructured tariff.

There are 11 consumers who will see an increase of greater than £10 per week. The graph shows the weekly increase and also the %





Connect have reported to the Authority that the 20% increases in costs are for 2 agricultural consumers where Connect has left subsidy with SHG to pay directly to this consumer group. The remainder of these customers whilst having large bills are not seeing excessive percentage increases in their bills.

Turning to agricultural customers the top 6 consumers will see an increase of between £4.01 and £14.74 per week. These are the larger scale agricultural consumers with the weekly increases for the remainder of agricultural customers being much less.

Whilst the analysis so far has looked at the absolute effect on consumers it has not considered who benefits from the revised tariff structure and who are made worse off compared to a 4% across the board increase. The graph below shows that for the vast majority of customers there is no significant effect either positive or negative when comparing the proposed new tariff compared to what they would have paid if a straight 4% increase had been applied.

Concentrating on the customers who will be disadvantaged by more than £10 per week there is 1 industrial customer and 1 agricultural customer for whom it has been already established will receive additional subsidy directly from SHG.

The customers who benefit are those who consume larger than average quantities of electricity or less than average quantities of water. Concentrating on customers who will benefit by more than £10 per week Connect have 14 industrial customers, 10 shops and 2 government customers and 1 hotel. It is good news for industry which includes fishing, baking, communications and butchery since the utility cost of their products will reduce. There are 10 shops which will also see reductions in their utility bills so combined with lower cost of some locally sourced products there is the potential for shoppers to

benefit if retailers decide to pass on the savings.

Those receiving certain benefits have protection through the Minimum Income Standard that is adjusted to take into account increases in utility bills.

Connect is content that they have undertaken a comprehensive analysis of the impacts at an individual consumer level and that suitable mitigation measures are in place to deal with the most vulnerable in society and agricultural customers who would have been disproportionately affected by the proposed tariff increase.



2.6 PUBLIC OBJECTIONS TO TARIFF INCREASE

The Authority has received one direct complaint from the public by way of response to consultation in relation to the current proposed tariff changes.

These questions were raised directly with Connect by the Authority and we received a response which is fully described below:-

1. Why was there was no mention of the increase in the drainage tariff.

'The proposed drainage charges are stated in the notice advertised in the newspapers, they show an increase of £2.50 for domestic and £3.95 for commercial'

2. I fully support that commercial growers should receive a subsidy, what about the small time growers who will also be adversely affected by the proposed increases.

SHG has sufficient funds to subsidise all agricultural water users for a 40% increase as they refused to reduce this when the 20% proposal was conceived. SHG therefore has sufficient funds to deal with the full range of agricultural water users and Connect has no say in how they distribute these funds. This method of subsidy is aligned to the requirement in the Airport MOU where untargeted subsidies are required to be eliminated, this is now a targeted subsidy.

3. The modelling that was carried out showed that most consumers would see a 2% increase on their utility bill the increase is 32p per week. With the proposed increases in water I've calculated our future bills with the proposed increases which are £9.53 per quarter almost 80p per week. We are a household of two and are very conscious how we use water; there are larger households who will have to pay more than 80p per week.

For a household of two who are conscious water users the quantity of water they use appears significantly higher than average. Water up to 15 cubic meters a quarter is generally considered essential for washing, cooking, drinking etc. Anything over that is the choice of the consumer.

4. I am aware of the various improvements made to improve the efficiency of the water distribution systems throughout the Island. However I would appreciate if the Regulatory Authority would consider the following improvements within the management of Connect.

5. It would appear that Connect have a large number of vehicles that can be seen at their compounds at Red Hill and Jamestown during the weekends are they able to justify the numbers and their use.

During the working day the vehicles are highly utilised, with assets distributed far and wide having a reliable fleet of vehicles is essential to the service provision and meeting the KPI's agreed with the Authority.

6. A recent report from Connect showed the average number of employees within the Administration was 13 while the total between water and electricity was 46 can the total in Admin be justified.

We believe the administration of the business to be at the appropriate level. The company has received a number of audits where systems and process have been meticulously scrutinised without adverse comment.

7. I wrote to the Regulatory Authority on 6th March 2014 concerning the increases in water and electricity and requested that a review be carried out on the contract for reading utility meters that was costing £35,000 at the time. I therefore request that an alternative method be reviewed to reduce the cost of reading meters.

We responded at the time stating that we intended to radically change the method of meter reading. We still intend to do that and for some months now have been waiting for a response from SURE as meter readings would be carried out over the mobile phone network. We have also received equipment on the last voyage to physically test the viability of the proposed system.

The authority also received one missive enquiring about the accountability of Connect in relation to its outgoing costs. The letter was also published in the independent of 14th September 2017.

Concern was raised in relation to perceived extravagance of Connect and, indeed, this was raised during a phone-in on Saint FM when the question of numerous and expensive vehicles was raised.

The Authority have asked the same questions to Connect and were responded to as follows:-

'Connects assets are distributed across the whole island and having reliable vehicles to transport staff to maintain these assets is essential. When Connect was divested from Government the vehicle fleet was old and unreliable with some vehicles almost 30 years old with almost all fully depreciated which in simple terms means that they have exceeded their expected useful life.

It is therefore not surprising that vehicles regularly failed which created operational and customer service issues. Connect has a depreciation fund where funds are put aside to replace fully depreciated assets and the decision was taken by the Connect Board early on to deal with the aging fleet which would then improve the efficiency of operations both in terms of reducing the failure rate of vehicles but also by providing purpose built vehicles.

Our old vehicles were standard landrovers with racks to carry ladders but with no further adaptations which made carrying of fittings, pipes, cable etc difficult and as a result there was serious inefficiency because teams showed up unprepared to network failures and then needed tools or parts to be delivered to them or for the team to return to base to collect the parts they needed. The new vehicles have been purpose designed with integral racks so that tools and materials can be carried so that for many of the breakdowns there is everything required to deal with the issue there and then. The new landrovers have made a massive difference to the workrate and we now have teams of two in dedicated vehicles compared to the pre-divestment situation where we had fewer but larger work teams which were far less efficient.

Not all of the vehicles we purchase are new. Landrovers are the real workhorses which are expected to deal with rough terrain but for our surveyors and project managers we took the decision to import quality second hand vehicles from Japan. The purchase cost for vehicles imported from Japan is very cheap and we therefore pay far less duty. Today we could sell these vehicles for what we paid for them and they have performed exactly as expected. The quality of these vehicles is so good that to the public they appear new but are actually not.

We consider a reliable vehicle fleet is not extravagant but is an essential requirement for our business and in our fleet upgrade have maximised the efficiency of manpower. Arguably having a rolling program of replacement would be more normal but when we divested the fleet was so old and decrepit that had we not dealt with in the way we did then we would still be facing the unreliability and inefficiencies.'

2.7 CONCLUSION

Utility tariff increases are naturally unpopular, although it is noted that the presently proposed increases have elicited only two responses. Historically tariffs were unaltered for many years which

have created an additional burden in filling the gap created between the costs of providing utilities services, including upgrading and maintaining infrastructure, and the tariff charges collected to meet such costs. The tariffs remain subsidised by a substantial SHG subsidy. The level of tariff increase is considerably lower than that which was originally envisaged by Connect and is, overall, lower than previous tariff increases. The Authority note that the last tariff increase was as far back as March 2016, some 18 months ago, and that increase represented an overall rise of 4% of Tariff revenue. The current increase being requested represents an overall rise of close to 2%. Whilst the Authority recognises that this increase will impact less upon the average consumer than that which was originally anticipated the Authority expresses its concern regarding what can be considered a failure to progress in the overriding principle of the divestment project. In particular the Authority, turns to its objectives (a), (d) and (e). The concern of the Authority is that a principle of the divestment project was to enable Connect to become an enterprise that could 'stand alone' in its fiscal management. Not to be reliant on general subsidy to operate and to ensure its stability and predictability whilst maintaining its levels of service. The overall level of increase in a quarterly bill to the average consumer is low especially when there has been no increase in 18 months and as such represents a figure less than current inflationary costs. Previous proposals by Connect which had been presented represented a 40% increase in the water and sewage tariff. This would have yielded slightly below 4% in the overall tariff revenue. The subsidy agreed was £595,000. However SHG have now offered increased subsidy to reduce the increase to 20% which provides Connect with below 2% increase on tariff revenue. The additional annual subsidy required will be £146k but since the tariff is being introduced half way through the year Connect will require additional subsidy of £73k. The effect of the 40% increase would have been that Connect would be able to operate in such a way that the real cost of water is better realised whilst still continuing to reduce the level of subsidy. It is, of course, a matter of policy as to which model of increase is most attractive and not, therefore, for the authority to comment upon other than highlighting that the overriding principles of this divestment appear to have gone into reverse.

The Authority cannot expect Connect to trade insolvently. In any event, the Authority considers that the increases, with the protections in place for vulnerable members of society and targeted subsidy for agricultural users, are reasonable, do not create unreasonable hardships for households or unreasonable hindrance to commercial and economic development and serve to ensure stability and predictability in the public utilities industry in the medium and long terms.

The Authority would also expect that Connect will continue to reflect upon its own operations and the increases in costs. The Authority poses the question to Connect as to whether it can more closely scrutinise the costs of the delivery of a quality service to the consumers of St Helena. Can costs be reduced in any way? Can efficiency be improved? The Authority is satisfied to accept the proposed tariff changes. However, the Authority will expect vigilance to be demonstrated by Connect to justify increases in their own running costs.

2.7 DIRECTIVE

REPORT ON THE MAXIMUM CHARGES OR FEES TO BE LEVIED BY CONNECT SAINT HELENA LTD – OCTOBER 2017

It is therefore directed that in terms of Section 5(1)(c) of the Utilities Services Ordinance 2013, the utility charges to be made by Connect St Helena Ltd shall not exceed the maximums specified in the following Schedule.

22nd September 2017

Nicholas Aldridge
Chair, Utilities Regulatory Authority
The Castle,
Jamestown

Appendix 1 – Schedule of Charges

	CURRENT TARIFF	PROPOSED TARIFF	Increase
ELECTRICITY TARIFF CHARGES			
<u>Usage Charges</u>			
Domestic Band 1 (first 1,000units)	£0.30	£0.30	Nil
Domestic Band 2 (units over 1,000)	£0.46	£0.46	Nil
Commercial and 3 Phase	£0.46	£0.46	Nil
WATER TARIFF CHARGES			
<u>Quarterly Standing Charges</u>			
Domestic	£7.18	£8.61	£1.43
Unoccupied residential	£7.18	£8.61	£1.43
Commercial	£21.53	£25.83	£4.30
Agricultural	£7.18	£8.61	£1.43
<u>Domestic Use</u>			
Treated Water first 15 cubic metres	£0.97	£1.16	£0.19
Treated Water over 15 cubic metres	£1.28	£1.53	£0.25
Untreated	£0.64	£0.77	£0.13
<u>Other Use</u>			
Commercial	£2.51	£3.01	£0.50
Agricultural treated	£1.28	£1.53	£0.25
Agricultural untreated	£0.64	£0.77	£0.13
DRAINAGE TARIFF CHARGES			
Domestic Standing	£12.50	£15.00	£2.50
Commercial Standing	£19.73	£23.68	£3.95

	CURRENT TARIFF	PROPOSED TARIFF	Increase
ELECTRICITY OTHER CHARGES			
Disconnection	£37.50	£39.00	£1.50
Reconnection (1 month)	£37.50	£39.00	£1.50
Reconnection (1 – 6 months)	£37.50	£39.00	£1.50
Reconnection (6 – 12 months)	£37.50	£39.00	£1.50
WATER OTHER CHARGES			
Connection	£32.50	£33.80	£1.30
Disconnection	£32.50	£33.80	£1.30
Reconnection (1 month)	£32.50	£33.80	£1.30
Reconnection (1 – 6 months)	£32.50	£33.80	£1.30
Reconnection (6 – 12 months)	£32.50	£33.80	£1.30
DRAINAGE OTHER CHARGES			
Empty private septic tank (domestic)	£66.00	£68.64	£2.64
Empty private septic tank (commercial)	£106.00	£110.24	£4.24
Unblock private sewer line (domestic)	£66.00	£68.64	£2.64
Unblock private sewer line (commercial)	£106.00	£110.24	£4.24
Connection	£32.50	£33.80	£1.30
Disconnection	£32.50	£33.80	£1.30

Appendix 2 – Income Statement

	FY 2018 Budget	FY 2017 Actual	FY 2016 Actual	FY 2015 Actual	FY 2014 Actual
Subsidy	668,000	605,000	777,000	845,348	1,109,514
Drought grant		232,776			
Tariff income	4,493,981	4,364,640	4,135,709	3,921,953	3,562,780
General income	14,228	33,581	9,919	16,550	14,257
Service income	141,685	199,024	182,667	158,829	190,472
Total Income	5,317,893	5,435,021	5,105,294	4,707,939	4,715,503
Administrative costs	335,586	466,792	308,265	384,973	288,570
Employee costs	1,422,662	1,261,528	1,121,922	974,488	939,682
Premises costs	290,774	261,533	260,582	250,883	259,656
Fuel	1,382,343	1,286,642	1,222,436	1,566,287	1,851,636
Maintenance/Running Costs	944,324	1,294,419	1,233,344	635,427	615,299
Depreciation	952,283	978,633	885,681	789,266	648,322
Contracts	146,246	116,309	104,829	93,158	65,628
Drought mitigation costs		232,776			
Total Expenditure	5,474,217	5,898,633	5,137,059	4,694,483	4,668,792
Profit/(loss) before amortizations	(156,324)	(463,612)	(31,765)	13,456	46,711
Amortization of capital grants	286,504	286,504	379,659	159,079	17,239
Net Profit/(loss) before tax	130,180	(177,108)	347,895	407,275	(444,971)