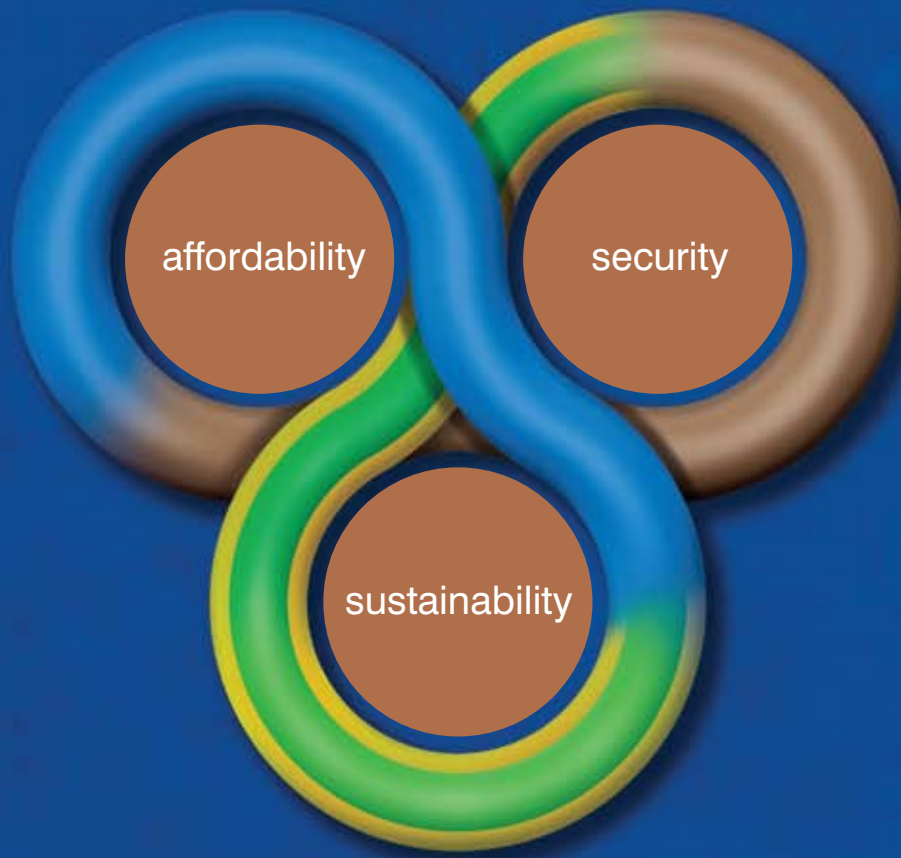


the balance of power



Report & Accounts
2010/2011



2010/11 HIGHLIGHTS - A YEAR IN FOCUS



FIVE STAR SAFETY

Guernsey Electricity has received the the British Safety Council International Safety Award for the fourth year running and a second external audit of our health and safety management systems has also resulted in the highest award of five stars.

SPRAIN & STRAIN FREE

Building on the success of our Occupational Health Scheme our time lost injuries as a result of back injury or sprains/strains has been reduced to zero, a significant improvement and, for the first time, we have had six months free from a time lost accident.

THIRD CABLE LINK

The Channel Islands Electricity Grid (CIEG), our partnership with Jersey Electricity, has been engaged in seeking permissions for a third cable between France and Jersey since 2007 and is expecting to receive such permissions during 2012.

STAFF LOYALTY

Voluntary turnover remains at a consistently low level and our average length of service is 13 years. We still maintain an excellent record of hiring apprentices and trainee engineers in order to meet the future needs of the company.

100% SERVICE STANDARD RECORD

No slip-ups in 11,427 separate instances that are covered by our guaranteed service standards in financial year 2010/11.

AMR NEAR COMPLETION

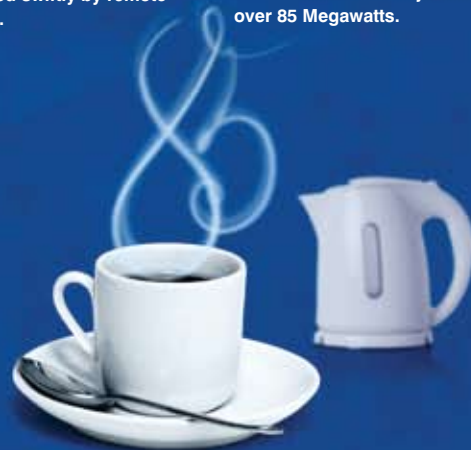
Our 5-year, award winning smart metering project is approaching completion, with 26,725 meters now fitted. The end of estimated billing is now in sight and reconnections and disconnections are now achieved swiftly by remote access.

RECORD RELIABILITY

Our reliability this year has been better than ever; this year we have the lowest number of customer minutes lost ever recorded, 10 minutes, and experienced the lowest number of High Voltage faults.

RECORD DEMAND MET

An icy November and December created record demands for electricity, the peak of which occurred on the 2nd December at just over 85 Megawatts.



THE ENERGY TRILEMMA

Balancing economy with stability and environmental responsibility is an ever-changing 'trilemma' that faces not just us, but energy companies the world over.

We endeavour to provide a safe, stable energy supply to meet an ever-increasing demand while maintaining a responsible attitude towards the environment and ensuring consumers get a value-for-money service but at the same time investing in the future to ensure we all have a reliable power source in years to come.

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISORS

Directors

K.A. Gregson (non-executive Chairman)
passed away 16 March 2011

I. Watson (managing)
retired 13 August 2010

A.M. Bates (managing)
from 13 August 2010

I.J. Limond (finance)

S.J. Morris (engineering)

Advocate I.H. Beattie (non-executive Deputy Chairman)
acting Chairman since 16 March 2011

D. Farrimond (non-executive)

M.J. Mann (non-executive)

Secretary

S.B. Pattimore

Bankers

Barclays Bank PLC
P.O. Box 41, Le Marchant House
St Peter Port, Guernsey GY1 3BE

Legal advisers

Mourant Ozannes
1 Le Marchant Street
St Peter Port, Guernsey GY1 4HP

Independent auditor

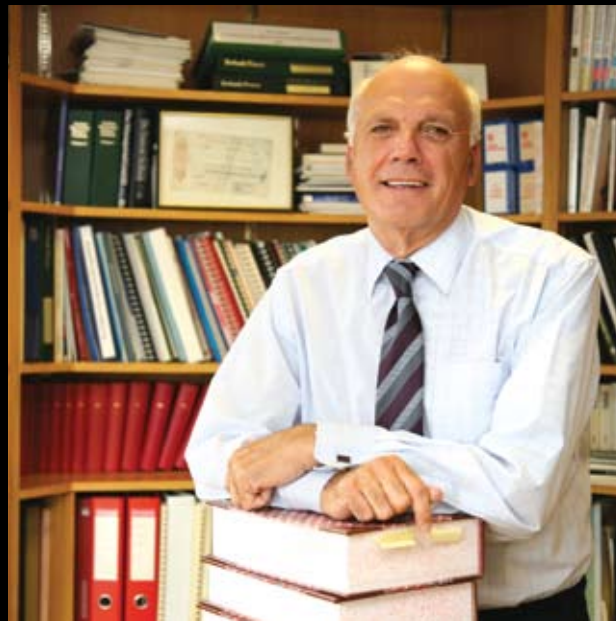
KPMG Channel Islands Limited
Chartered Accountants
20 New Street, St Peter Port
Guernsey GY1 4AN

Registered office

P.O. Box 4, Electricity House
North Side, Vale
Guernsey GY1 3AD

Company number 38692





Ken Gregson 1943 - 2011

ACTING CHAIRMAN'S STATEMENT

The security, sustainability and affordability of electricity supply to the island is a key focus for Guernsey Electricity and we continue to provide one of the safest, most efficient and reliable systems in the world. Electricity is an essential component of modern life and our responsibility to the island is to ensure that the needs of future generations will be fully catered for.

It is with great sadness that I have to record the death of Guernsey Electricity's chairman, Ken Gregson, on 16 March 2011. His passing was a great shock for the Board and staff at the company. Ken's passion and leadership enabled the organisation to flourish in what have been volatile and challenging times. Ken will be missed by us all and our thoughts have been, and are still, with his wife Ruth and the family.

This year has been a period of change for the organisation. I can report however that this year has also been very successful in many ways. Firstly, the business has returned to a profit position, but that said, the level of returns are still below that required and the uncertainty over future profitability continues to remain a key strategic issue for the Board. The profit for the year was £1.5 million against a budget of £2.4 million, and this reflects again the difficult trading conditions associated with wholesale energy prices. Secondly, and on a positive note, we will be able to pay a dividend to our shareholder in 2012.

The Board said farewell to Ian Watson on 13 August 2010 and welcomed Alan Bates as its new managing director. Alan brings to the Board considerable offshore utility experience and a clear view of the direction the Company must take in relation to the strategic challenges that future energy demand will have on our community.

Our strategic plan identifies the Board's responsibility to maximise the value of Guernsey Electricity to its customers and the island. The Board remain committed to continuing to deliver the security, reliability and affordability which all our customers now expect. We continue to monitor the environmental impact of our activities and our investment plans are inextricably linked into the decarbonisation of electricity generation.

From a global viewpoint the world of energy is at a crucial evolutionary crossroads and every energy company must prepare to meet the challenges, not just presented today, but also those for the rapidly changing future. We are committed to prepare for this uncertain future in the most appropriate way for the island.

The future financial position of the business does remain a real concern for the Board and the current regulatory framework has been independently assessed as needing fundamental reform so that certainty can be obtained and strategic investments can be planned with confidence that appropriate level of finances will be available. The Board remains hopeful that the States of Guernsey Regulatory Review will deliver outcomes which remove significant underlying regulatory issues. This would allow Guernsey Electricity to focus on the long term desire to reduce the islands carbon intensity through the use of renewable and low carbon generation.

As a Board, corporate governance remains a key focus and we are committed to implementing such improvements as are necessary to maintain our high standards. The Board's sub committees continue to apply good practice in carrying out their respective duties which is to the overall benefit of the company and its future success.

It is again rewarding to acknowledge the improvements made in our operational activities. Our commitment to health and safety has resulted in the company receiving a five star rating from the British Safety Council. This reflects our continuing improvement in this area.

In closing, I wish to reinforce previous acknowledgements to the enormous contribution of the staff. The employees at Guernsey Electricity remain committed and loyal to everything we do for our customers and the island. We will continue to invest in making sure we have the right mix of knowledge, skills and experience required to deliver value to the island.

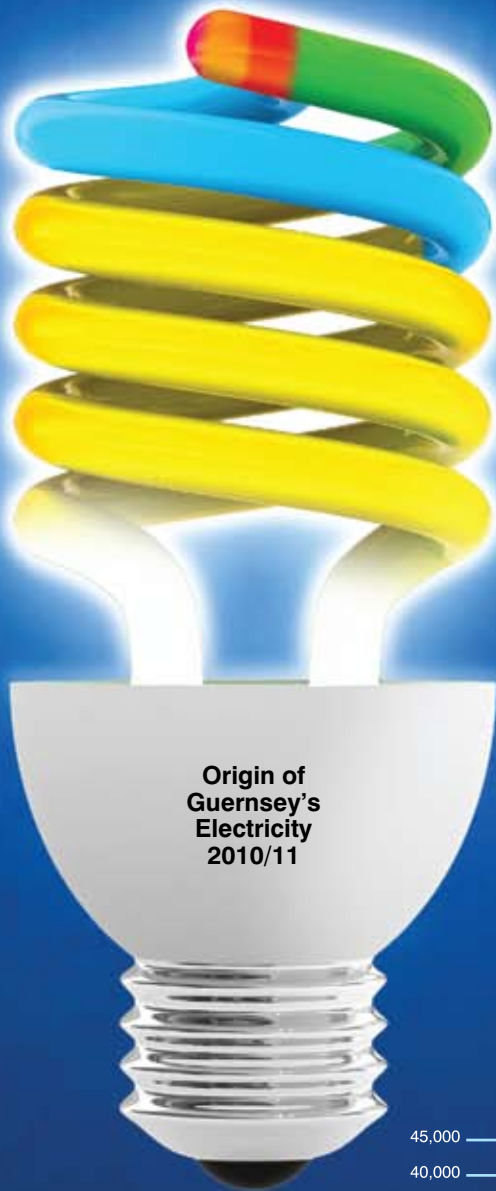
I would therefore like to thank all Guernsey Electricity staff for their commitment to, and continued efforts for, the Company over the past year.



Ian Beattie Acting Chairman

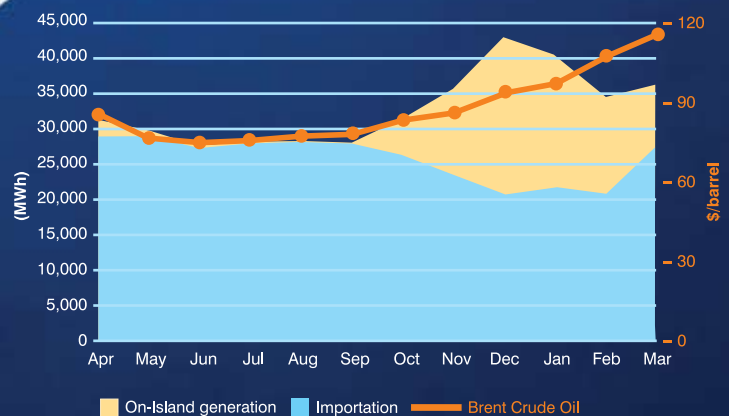


ELECTRICITY PRODUCTION



- Nuclear 63.6%
- Oil 22.8%
- Renewables 8.4%
- Coal 2.7%
- Gas 2.4%
- Other 0.2%

Importation and On-island Unit Production 2010/11



MANAGING DIRECTOR'S REPORT



“Energy is a pre-condition of modern life and underpins the social and economic wellbeing of Guernsey. People rely on energy, and electricity in particular, for security, productivity and entertainment. We are not alone in this: the island’s reliance on energy is reflected in jurisdictions across the world where increases in energy consumption show no sign of slowing down. However, the world now needs to take full account of the consequences of this need for energy and how we make this sustainable into the future. Guernsey Electricity is focused on maintaining the security of future supply and developing strategies for the decarbonising of electricity generation for Guernsey. It is also though fully aware of the affordability of this low carbon sustainable vision and takes this into full account when providing infrastructure for the island.”



Overview

It is a real privilege to be the managing director of Guernsey Electricity and to prepare my first annual review. However, the unexpected loss of the company's Chairman, Ken Gregson, in March has saddened what has otherwise been a very successful year. In the short time I knew Ken it was evident that he was an inspirational leader who has contributed significantly to the success and good management of the organisation.

The business is a critical part of Guernsey's infrastructure requirement and has the potential to deliver the lower carbon sustainable future the island aspires to. We are working actively and pragmatically for our customers and for the island in preparing for this future. Our careful investments continue to be strategically driven to ensure that our supply infrastructure is secure and sustainable. Our plans are such that we invest in electricity import cable interconnectors and island generation at the most appropriate time for Guernsey to maintain the level of reliability that our customers have come to expect.

We also continue to work with the States of Guernsey on monitoring the commercial viability of renewable energy, whether locally generated or imported via the cable link to Europe, and remain committed to how we can reduce emissions from electricity generation further in the future.

An issue of key importance for the Board is the affordability of electricity in the current economic climate. We endeavour to balance the cost reflectivity of the wholesale market with the impact the resultant tariff increases have on customers. The 8.5% increase on 1 April 2010 has only partially covered the previous increases in wholesale markets and the need for infrastructure investment. The process for formulating tariff increases remains a key risk for the business. To plan for and to finance the required investments, the company needs certainty about financial performance and this requires the tariff process to be more efficient and effective in dealing with the volatile energy markets. The regulatory process surrounding these price decisions is being reviewed and we are hopeful that a more pragmatic low cost solution which delivers the appropriate scrutiny can be developed.

For the island to achieve the low carbon future, it is essential that a robust energy policy is developed



to deliver an approach which results in all energy consumers understanding that the way we think about and use energy has to change. We continue to be proactive in promoting the need for the clarity that an agreed energy policy will bring to the island.

We will remain committed to delivering a quality service that is appropriate to the island's needs, to planning for the future and ensuring that the cost of our activities to the community in both financial and environmental terms is appropriate for Guernsey.

Finance and regulation

The strength and position of Guernsey Electricity has not been truly reflected in its previous financial performance. However, for the financial year ended 31 March 2011, we are pleased to report a move from a small loss last year to a profit for the year of £1.5 million. This is in spite of low unit growth in our sales of electricity and adverse non-controllable production costs as a result of high volatile wholesale energy markets. Tariff decisions are also fundamental to the company's financial outcome and the Office of Utility Regulation (OUR) decided that a tariff increase effective 1 April 2010 of 8.5% was to be applied to all tariffs and this has been the main reason for our sales of electricity increasing by £4 million. More recently the OUR decided a tariff increase of 6.5% applicable from 1 April 2011 which will reflect in next year's accounts.

As part of the four year price control which ended on 31 March 2011 there are significant wholesale fuel and import costs to be recovered in future tariffs. The company is discussing this with the OUR. There is also a further report on the review of regulation to be submitted by the Commerce & Employment Department to the States of Guernsey later in 2011 which should impact how the company is able to determine tariffs in the future, and the nature of scrutiny of our activities going forward.

The profit for the year means that a dividend of £484,000 will be proposed and considered at the company's Annual General Meeting on 19 July 2011.

Whilst we continue to provide high standard services it is also pleasing to note that we were able to manage controllable costs and make best use of our asset base.

“The process for formulating tariff increases remains a key risk for the business. To plan for and to finance the required investments, the company needs certainty about financial performance and this requires the tariff process to be more efficient and effective in dealing with the volatile energy markets.”

The improved profit in spite of the significance of non-controllable costs is also encouraging. However both profit and cash needed for capital investment will come under significant pressure as we move forward to increase capacity and security of supply. Investment for Guernsey Electricity and its stakeholders is about long term strategic planning and investment. To increase capacity, the planning time to achieve capacity in place can be five years, and once installed there is the management of these key assets over their useful lives which can be between 25 and 40 years. Increased capacity requires several million pounds of investment to secure the long term reliable service the island needs. Therefore there will be considerable pressure in raising finance to meet the commitments in the next few years which could require over £30 million of finance to be raised.

Cash balances currently in place do assist us in moving towards this overall investment plan, but of course we do have other regular capital expenditure of circa £5 million annually and our operating costs to meet. Guernsey Electricity is currently a £50 million turnover business, and managing assets of £100 million. Our production costs and our operating expenses both expose us to risks including commodity and currency risk. The weakness of Sterling is having a direct adverse effect on our running costs. However the Board's policy of hedging commodity and currency risk continues and is effective.

Therefore our strategic planning and the raising of finance to meet these essential obligations will be a considerable challenge.



Automatic Meter Reading (AMR)

The award winning smart metering project that Guernsey Electricity embarked upon five years ago is approaching completion. With 26,725 meters having been fitted in our customer's homes and businesses to date, benefits to customers are really starting to take shape. With the end of estimated billing in sight and reconnections and disconnections now being achieved swiftly by remote access, customers can plan their time without having to wait for Guernsey Electricity to read their meter before moving house for example.

Customers can now discuss their energy usage with staff that can provide graphs of energy consumption and quickly explain account queries as daily meter readings are retrieved for all of our customers. As the project approaches completion, smart metering technology is to be further employed into our replacement prepayment metering system so that with a few keystrokes a customer can be either a prepayment or credit customer.

With the UK contemplating roll out of smart metering technology, with a view to complete by 2020, Guernsey will become the first British jurisdiction to complete such a technological achievement. Guernsey Electricity is now looking forward to further innovation by developing solutions for customers to have access to even more energy information through our website and other media.



Cleaner, greener metering

In the 1970s up to 8 cars were in operation at any one time by staff to read and check electricity meters across the island. Today, thanks to smart metering, car journeys have dramatically reduced with just one meter safety check required every 5 years and connection, disconnection and fault detection carried out remotely.

Environment

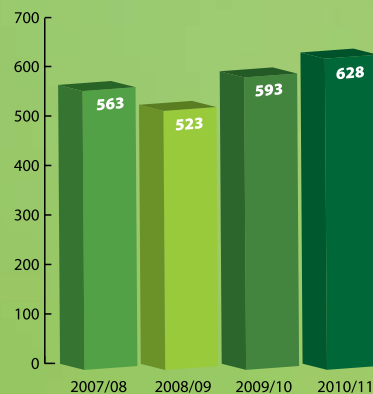
To ensure our environmental initiatives are sustainable, we continue to embed green principles into our management systems. We have completed an initial environmental audit of our operations and the resultant report highlighted some areas where further improvements could be made; our challenge is now to implement the necessary changes to address these issues.

Environmental Performance Indicators (EPI's)

Throughout this year we have continued to measure performance against these criteria. The challenge for the coming years is to introduce changes and new processes to improve the results.

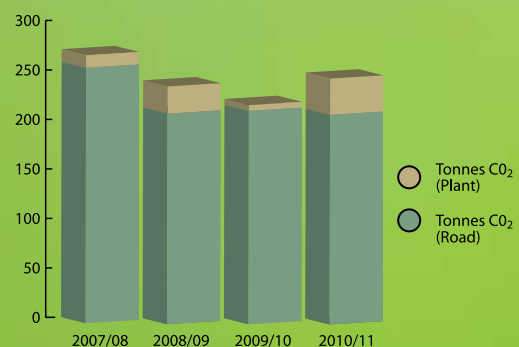
Energy

CO₂ Tonnes Electricity Consumption



Transport and Machinery Fuel

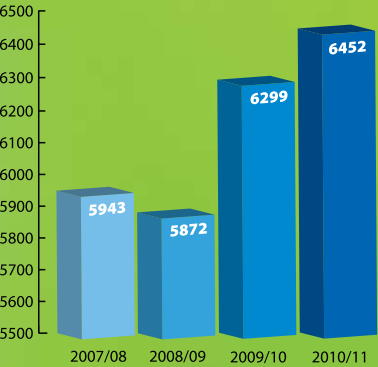
CO₂ from Vehicles (including plant)



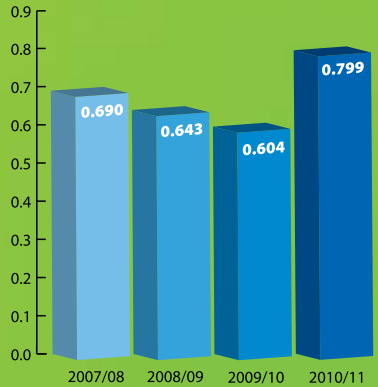


Water

Domestic Water Consumption (Tonnes)

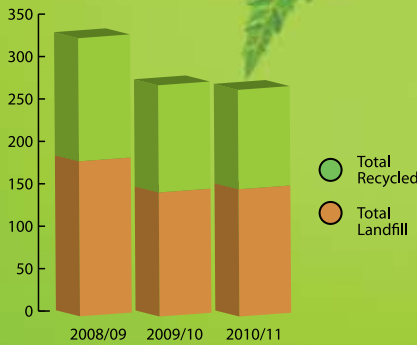


Yearly Average Litres per kWh generated (Tonnes)

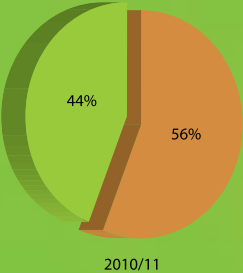
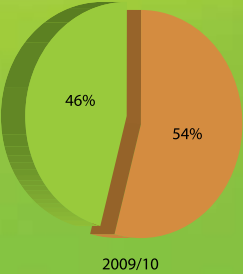
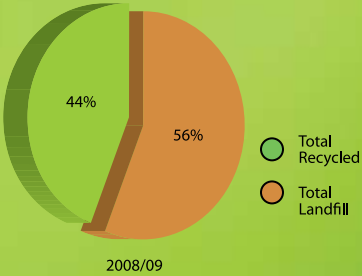


Waste

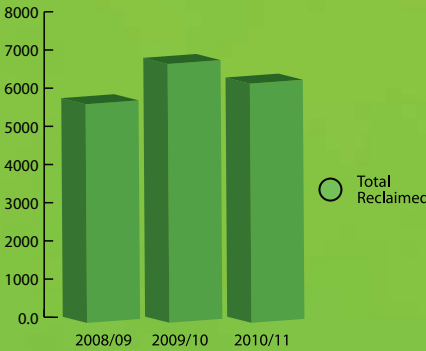
Waste Produced excluding material for reclamation (Tonnes)



Waste produced (year-by-year)



Waste to Reclamation (Tonnes)





MANAGING RISKS

The risk management process within the company is maturing, and this has been recognised in an independent audit that recognises the improvement made over the previous years. Our business continuity plans continue to be reviewed, updated and tested on a regular cycle.

**Risk management in
Guernsey Electricity**



Safety and wellbeing of our employees

Our continued commitment to health and safety has once again been recognised by the British Safety Council as this year Guernsey Electricity received the International Safety Award for the fourth year running.

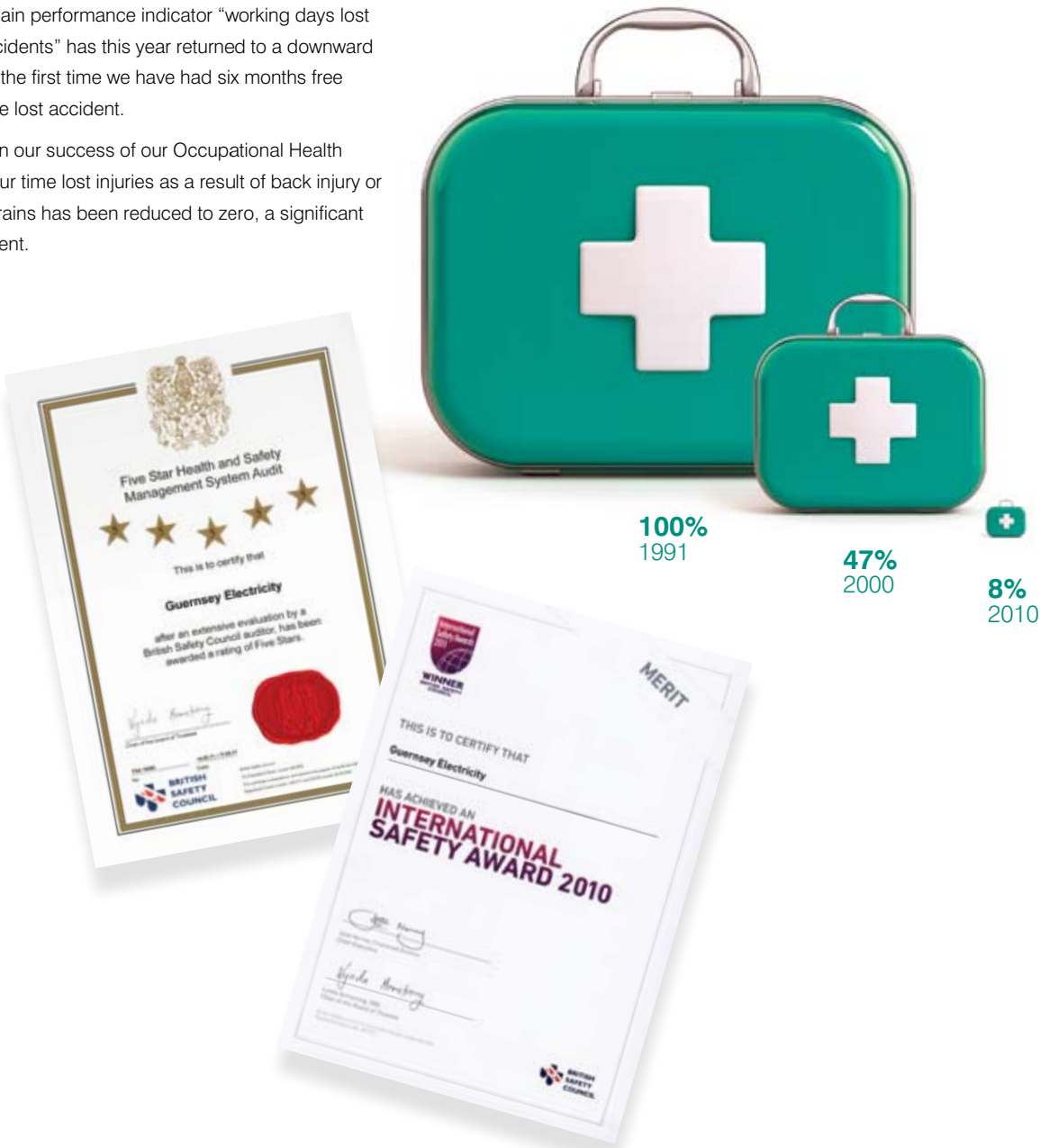
We carried out a second external audit of Guernsey Electricity's health and safety management systems. The last time, in 2008/09, the company achieved four stars in the British Safety Council's Audit scheme, and this year the company achieved the highest award of five stars.

The company remains committed to health and safety, and our main performance indicator "working days lost due to accidents" has this year returned to a downward trend. For the first time we have had six months free from a time lost accident.

Building on our success of our Occupational Health Scheme our time lost injuries as a result of back injury or sprains/strains has been reduced to zero, a significant improvement.

Lost time through Accidents

Reduction in working days lost through accidents since 1991 (base year)





Strategic Investments

All modern jurisdictions, including Guernsey, face the challenge of ageing infrastructure. Especially those, as we have in Guernsey, that were installed in the 1960's. Energy providers must balance the greater flexibility required of the systems, in terms of distributed generation and fluctuating loads, as well as the high capital cost of replacement, especially those buried under road systems.

Therefore, the investment profile over time for Guernsey Electricity is not necessarily smooth since every so often it becomes necessary for the company to purchase new generation or transmission capacity either to replace ageing assets or to meet increased system demand.

Such a time has now arrived and the company is actively engaged in two major projects to increase both local generation capability and import capacity.

Since 1979 the workhorses of Guernsey Electricity's local generation fleet have been our Sulzer slow speed diesels, of which we currently operate five machines. These engines have more than justified the faith placed in them and are still operating at good thermal efficiency. Nevertheless, the oldest two engines are already over thirty years old. There has also been a significant rise in demand for electricity over the last five years, and these two conditions have lead to a decision to install new capacity into Guernsey Electricity's existing D Station.

As local generation is now used in a variable production regime that requires both import through the cable to France and local engines at different times, it does not make economic or environmental sense to purchase further slow speed diesels, so the new plant will be modern medium speed diesel plant.

It is envisaged that the plant will enter service early in 2013 further securing supplies to the island.

Modern medium speed diesel plant can operate at levels of thermal efficiency comparable with the present slow speed fleet and with significantly lower levels of emissions. The capital cost of the plant is also significantly lower per MegaWatt installed than the slow speed equivalent.

On the matter of transmission capacity, the Channel Islands Electricity Grid (CIEG), our joint venture with Jersey Electricity, has been engaged in seeking permissions for a third cable between France and Jersey since 2007 and is expecting to receive such permissions during 2012. As well as providing Jersey with greater import capacity and strategic security this cable also offers the potential for Guernsey to have access to increased import, albeit that it would continue for the time being to be delivered across the present single Jersey to Guernsey link.

Discussions between Jersey Electricity and Guernsey Electricity are ongoing and we look forward to formalising an arrangement in the near future.

The continuing cooperation between the two companies leads to lower overall capital costs and better asset utilisation; improvements which benefit customers in both islands.

If the project proceeds as expected then the additional capacity will become available in 2014.

Renewables

The pace of development of marine renewables is still lagging behind original expectations, mainly due to the difficulty in financing the research and development effort needed and the lack of stable and sufficient subsidies for commercial scale development.

A bright spot in the development process is the action of the Scottish government in establishing a support regime which is stimulating development in Scottish waters.

Locally Guernsey Electricity has continued to cooperate with the Guernsey Renewable Energy Commission and the Commerce & Employment Department and it is understood that renewable energy legislation is currently passing through the legislative process.

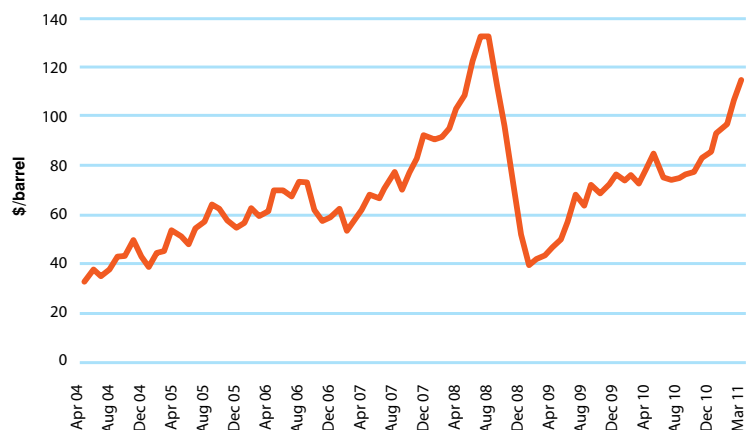
It is anticipated that the States of Guernsey will bring forward The Energy Policy in the near future which will clarify its expectations for local renewable energy production.

Energy Markets

The energy market in 2010/11 has been dominated by the ever increasing volatility in the price of oil. Natural disasters, political unrest, and high risk operational failures offshore have led to unprecedented continued levels of price. This has now come to dominate the agendas of governments and utilities alike as they battle with continued demand.

The French power markets have responded to a general rise in fuel price, however forecasts indicate that the power price will go higher still. This has been exacerbated by the uncertainty caused by carbon pricing in Europe and the reaction to the dreadful events in Japan. Guernsey Electricity has taken necessary steps to protect customers against this situation in their recently agreed ten year supply contract with Electricité de France. The structure of the revised contract will naturally provide a degree of stability in the pricing but without losing all opportunity to benefit from any softening in prices.

Brent Crude Oil \$/barrel - 2004/5 - 2010/11



The continued challenge of climate change, and the need for appropriate sustainable solutions, has been given a greater importance with these world events demonstrating the need for local, sustainable resources in the future to ensure both energy and financial stability.

The outlook for energy and especially electricity demand is generally increasing, with added uncertainty and pressures from the outside world. A careful and strong management response will be needed to help steer the company through these uncertain times.



Engineering Services

Engineering Services support the organisation in the delivery of major projects and additional services and this year has been busy and productive with the completion of several projects concentrating on security of supply improvements and as well as continuing to improve customer service levels through innovative and cost effective developments, particularly in our key record systems.

The laying of additional cable and the installation of a further interbar transformer were two projects at the Vale Power Station which brought improved security to the organisations operations and supplies to customers.

The team now move onto the planning and installation of two replacement transformers at King's Mills, which after forty years of sterling service, need careful removal and decommissioning at this sensitive location.

The successful 'Dial Before You Dig' system, ensuring up to date advice to anyone who wishes to dig underground safely, has been enhanced and upgraded. The new mains avoidance system has gone on-line and key customers can retrieve the cable records including out of hours access.



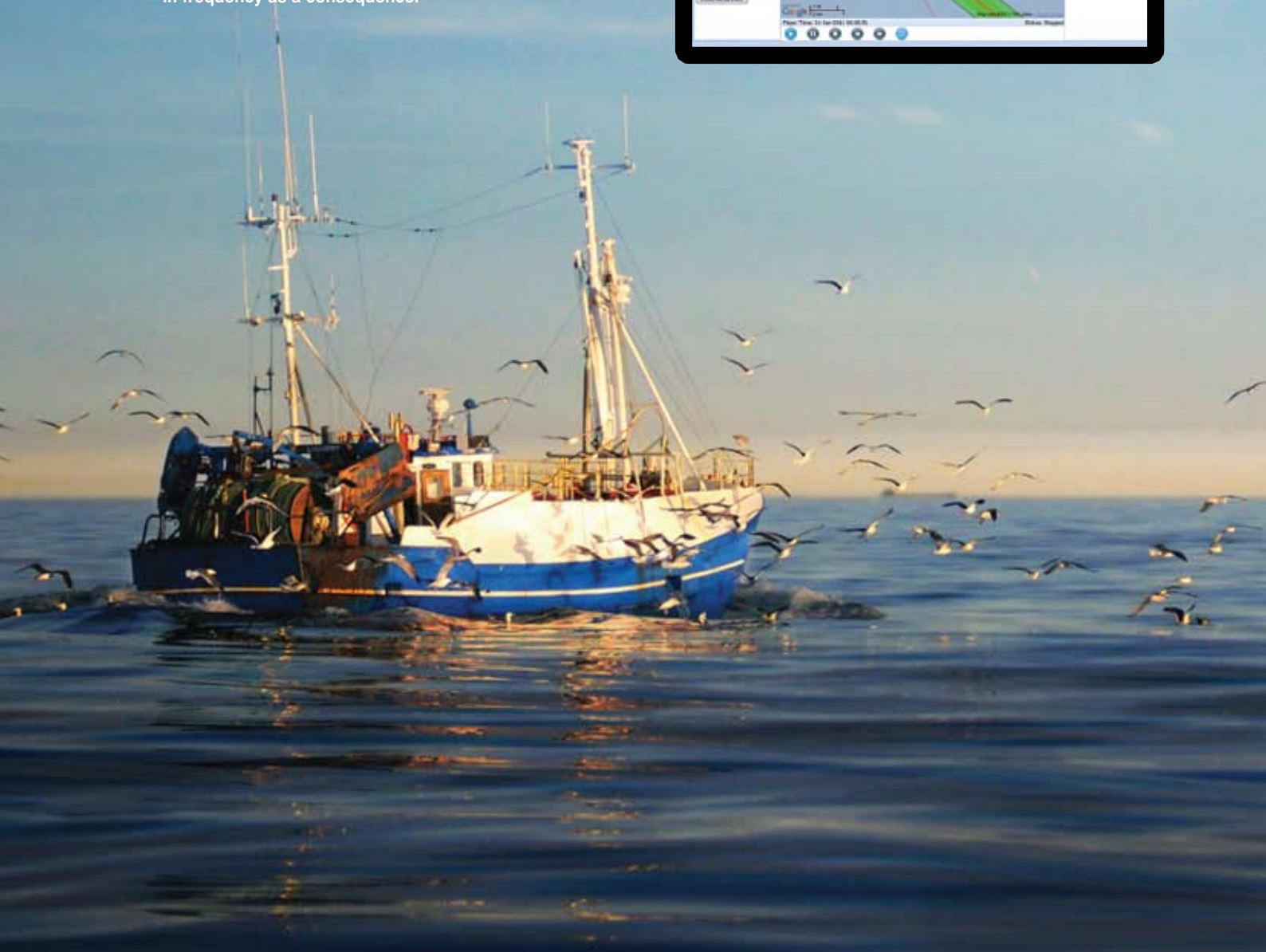
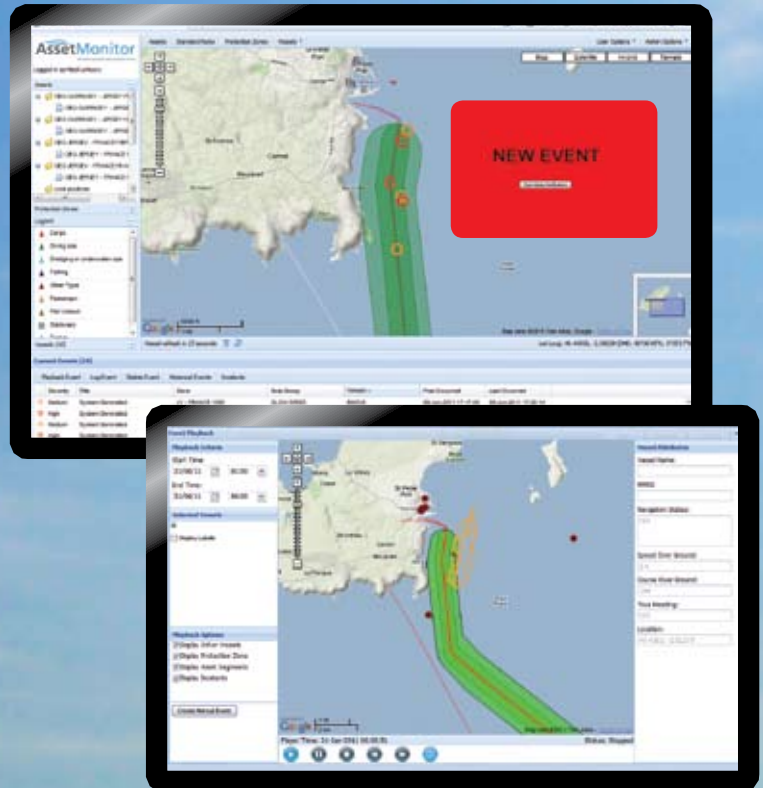
This has been highly popular, and enquiries have increased by 100% since its launch in April 2010, therefore ensuring an increase in awareness of cable locations, and reducing the possibility of accidents.

The extensive cable records held by Guernsey Electricity and the Channel Islands Electricity Grid Ltd, and the thirty years worth of offshore surveys have been merged into one combined digital database system, Makai, with the help of specialists Pelagian and Astrium.

This will enhance decision making abilities, identify opportunities, ensure transferability to other users, and preserve the data.



The offshore cable links between the Channel Islands are now monitored full time through a marine Automatic Identification System (AIS). Antennae mounted on the chimneys at the power stations in Guernsey and Jersey give excellent coverage over the route, and alerts are sent out should any vessel slow or operate near the cable, enabling the operational staff to respond and advise marine authorities of potential conflicts. Annual statistics of the vessel types and weights operating over the cables will help assess risk to insurers and operators alike. This innovative development has already proven cost effective, with previously contracted safety patrols reduced in frequency as a consequence.





Developing Our Non-Core Activities

Retail

In what has been described as extremely testing times for retailing in general, it is pleasing to report our own retail section has again seen an increase in both turnover and profit.

The section saw a significant increase in the sale of home retail goods over the last twelve months and especially in the TV market as the island's switchover from the analogue to a digital signal was completed.

The white goods market of cooking, refrigeration and laundry products continue to provide consistent business for the section as customers look to replace, renew or upgrade their appliances with more energy efficient models.

Guernsey Electricity continues to be a full member of RETRA the electrical retailer trade association.

Commercial Contracting

Commercial Contracting continues to maintain a strong position in the commercial electrical, data and plumbing installation and maintenance markets. In the last twelve months, turnover has been increased by over £200k with all sectors of the business returning good financial performances. Our newer initiatives of data cabling and plumbing have also been successful and together resulted in a revenue of over £348k in the year.

We continue to focus on customer satisfaction and high quality installations and have increased the services offered. We carried out over 2,500 contracts in the year, with 324 of these being out of hours emergency callouts.

The Energy Team continue to promote electric heating solutions and have been responsible for over 100 additional heating customers in the year ranging from storage heating solutions to heat pumps.

Service Standards

Our commitment to providing the best possible service to our customers is reflected in our performance over the year. During that period there were 11,427 instances covered by our twelve guaranteed standards and not one failure to deliver the appropriate level of service was reported or recorded. The company was therefore not required to make any compensation payments.

Of our performance against our seven overall service standards, all but one achieved the pre-determined target set. Just one slip in delivering an estimate of charges was enough for the company to miss out on this stringent target of performance.

While not a perfect set of results this performance does demonstrate our staff's desire to deliver the best possible service to all of our customers and of which the company is proud.

SERVICE STANDARDS

Customer service standards 2010/11

Not one slip-up in 11,427 separate instances that are covered by our guaranteed service standards in financial year 2010/11.

Whilst this is a cause for some celebration, rest assured we will be striving to attain 100% again next year.

Guaranteed Service Standards:

Replacement of GE main service fuse after failure (within 3 hours)

Restoring supply after distribution fault (within 18 hours)

Connecting a new customer to an existing supply (within 3 working days)

Notice of planned interruption of supply (5 days for planned maintenance)

Investigation of voltage complaint (investigate within 7 working days, correct within 6 months)

Responding to written or email queries on charges and payments (within 3 working days)

Investigation of meter accuracy disputes (within 7 working days)

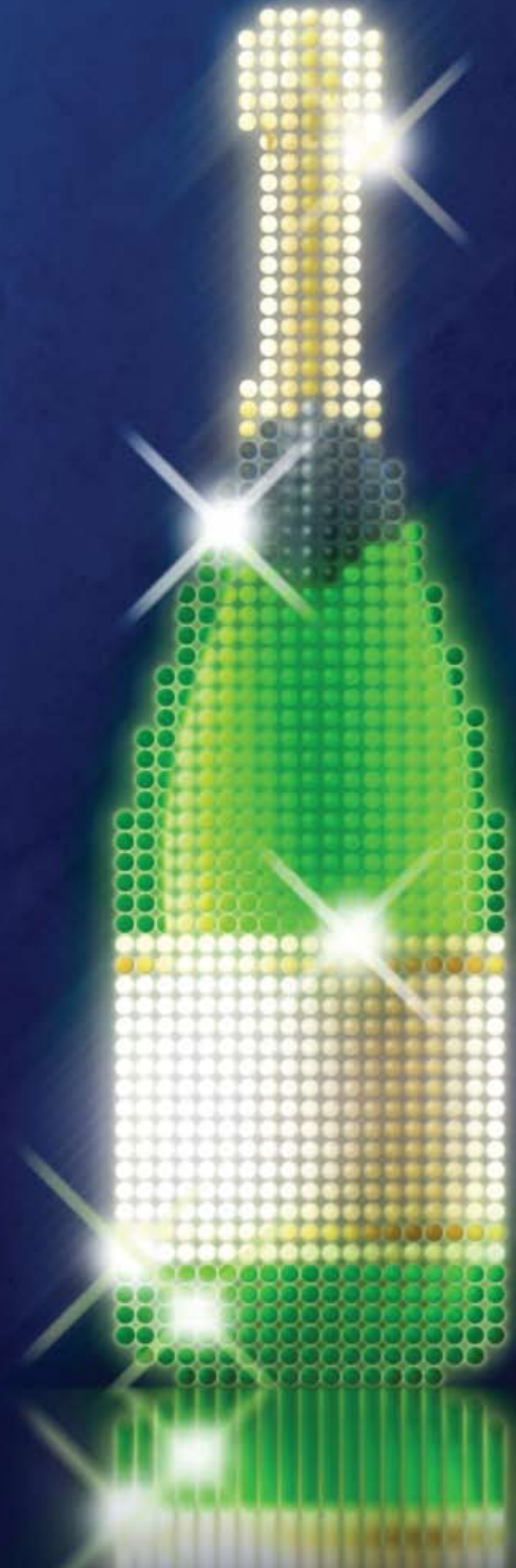
Attend to pre-payment meter faults (within 4 hours)

Change of meter due to tariff or method of payment change (within 7 working days)

Making and Keeping Appointments (within 30 minutes, excluding non-core business)

Notifying customers of payments owed (within 10 working days)

Estimate of charge, new installation or supply alteration (within 5 working days, excluding non-core business)





Vale power station

A cold winter and the continued volatility in world energy prices have again served to illustrate the strategic importance of the Vale Power Station. An icy November and December in 2010 created a record demand for electricity, the peak of which occurred on the 2nd December at just over 85 MegaWatts with over 83% of this peak being supplied by local generation plant. Oil prices have fluctuated through the year but the general trend has seen an increase from circa \$70/barrel to over \$120/barrel. This led to a split of 21.5% local generation against 78.5% importation of power from the European grid as our operators optimised the mix of generation and import to achieve the most efficient combination.

The power station maintenance and operations teams continue to face the challenges that the intermittent running of our base load plant produces. The Vale Power Station accumulated over 8,500 running hours during the year and recorded a station thermal efficiency of 42.1%, an increase on the previous three years. The quality of major overhauls, general maintenance and plant operation were major contributory factors in this rise.

The upgrading of the power station fuel storage tank farm has continued with the replacement and construction of two 2,400 tonne capacity storage tanks together with improved pipework, fuel handling and steam heating systems. The fleet of six new storage tanks, together with the existing tanks, provide adequate capacity for strategic fuel stocks.

With tenders now issued for the supply and installation of a new large medium speed diesel generator in D Station and the continued maintenance and operation of our existing plant, the Vale Power Station continues to play a key role in Guernsey Electricity's ability to provide a safe, secure and efficient electricity supply for the island.



IMPROVING RELIABILITY

Developing Our Network

To maintain the position of having one of the most reliable electricity supplies we continue to make significant investment in the island's cable network. Our reliability this year has been better than ever; this year we have the lowest number of customer minutes lost ever recorded, 10 minutes, and experienced the lowest number of High Voltage faults. This compares favourably with other jurisdictions including the UK which recorded the standard international measure of average annual customer minutes lost at 84.78 minutes.

Projects opened in 2009/10 and closed in 2010 have been completed at an average 16% under budget and a review of capital works by consultants Parsons Brinckerhoff found our capital works to be well executed and cost efficient compared to other equivalent operators.

The condition of assets on the network continues to be maintained at a high standard to deliver the service standard our customers now expect. An audit of substation maintenance during the year confirmed that we were delivering an excellent service at a comparatively low cost.

Source: Great Britain total figures from Ofgem.
2010/11 Figure for GB unavailable at time of going to press therefore average of previous 4 years used.

Guernsey minutes
lost over 2010/11
An all-time low

10

Great Britain average
minutes lost over
2006/07 - 2009/10

84.78





Our staff

As a company we continue to greatly value the loyalty and commitment of our staff and we are pleased that they choose to stay with the company for many years. Our staff are to be congratulated on their flexibility and willingness to take on new initiatives and continue to drive forward the agenda for change in these uncertain times.

The uncertain external environment brings its challenges not just to our executive team but also to all our staff who are endeavouring to deliver the best possible service to our customers in a cost effective and efficient manner. The year has been one of change as we have said farewell to Ian Watson and the appointment of a new managing director. Two new executive directors are to be appointed from within our senior management team bringing about a certain amount of restructuring in the organisation to make us fit for the challenges of the future. Our new executive team is working together to ensure that changes are brought about with the least possible disruption to the day to day running of the company.

We still maintain an excellent record of hiring apprentices and trainee engineers in order to meet the future needs of the company.

The standard of applications from school leavers in the last two years has been noticeably higher than in some previous years which will give us a much more secure skilled base of working men and women in the future.

The number and standard of applications in recent years reflects our employer brand image of being able to offer excellent training on-the-job, secure employment and good development prospects for all our young trainees.

We are proud of our staff at Guernsey Electricity and we believe that our shareholder and customers can be assured that we are committed to maintaining those very high standards that ensure the reliable, secure service that they have come to expect from Guernsey Electricity.



Alan Bates, Managing Director







South Hill Switching Station, Jersey
Completed in the early summer of 2011, the Station will be the key connecting point for the proposed Normandie 3 cable link.



Directors' Report

The directors present their report and the audited financial statements for the year ended 31 March 2011. These comprise the profit and loss account, statement of total recognised gains and losses, balance sheet, cash flow statement and notes to the financial statements set out on pages 31 to 42 (*12 to 28).

Incorporation

Guernsey Electricity Limited was incorporated on 24 August 2001.

Principal activities

The principal activities of the company are the generation, importation and distribution of electricity and the sale of associated goods and services.

Financial performance

During the year ended 31 March 2011, turnover from electricity sales amounted to £46,292,000 (2010: £41,633,000) which represents an increase of 11.19% (2010: 18.57%). Tariffs to our customers increased by 8.50% during the year (2010: 17% increase). Our financial performance also reflects excellent control of costs in a very difficult energy market, and generally higher contribution from all parts of the business.

The profit for the year amounted to £1,467,000 (2010: £19,000 loss). The retained profit in the year of £1,467,000 (2010: £19,000 retained loss) has been transferred to reserves.

Also credited to reserves is the significant actuarial gain this year from the accounting for pensions calculated with assumptions based on financial market conditions at the balance sheet date.

Dividend

No dividend was paid during the year (2010: £Nil).

Future prospects

The global energy market is continuing to give major concerns to governments, customers and companies operating in the energy industry. As directors of Guernsey Electricity Limited we share these concerns. The volatile costs in the global market are a severe risk which the company faces and manages on a daily basis. Although the directors are making efforts to minimise the impact on customers it was somewhat inevitable that charges to customers would have to increase. The price control decision determined by the Office of Utility Regulation (OUR) in February 2007 covered the four years from 1 April 2007 to 31 March 2011. Within that decision, tariff changes were provided for on 1 April. These changes reflect changes in non-controllable costs which are largely those relating to wholesale oil and import costs. Tariffs increased by 8.5% from 1 April 2010. A further price control decision by the OUR in March 2011 covers a one year period from 1 April 2011 to 31 March 2012. This resulted in the decision to increase tariffs by 6.5% from 1 April 2011. Further income will be needed to fund the capital investment requirements of the company. Our business activities are all making a positive contribution to the services we provide.

Customers

The number of customers as at 31 March 2011 is 29,280 (2010: 29,099).

Units

Importation through the cable link between Guernsey, Jersey and the European grid provided 78% (2010: 61%) of the island's needs in the year ended 31 March 2011 and 22% (2010: 39%) was generated on the island, as shown by the units analysis below:

	2011	2010
Units imported MWh	308,600	239,332
Units generated MWh	84,633	152,243
Total units imported/generated MWh	393,233	391,575

Average price

The average price per kWh sold in the year ended 31 March 2011 was 12.33 pence (2010: 11.49 pence).

Reliability

The reliability of Guernsey Electricity's supply is measured by minutes lost per customer. Power failures can be caused by a failure of generation plant, a failure of the distribution network or a failure of the cable link. Customers lost no minutes due to generation activity (2010: Nil minutes). However, 10.00 minutes were lost per customer in respect of distribution (2010: 22.60 minutes).

Directors and their interests

The directors of the company who served during the year and to date are as detailed on page 1. The directors have no beneficial interests in the shares of the company.

Disclosure of Information to Auditors

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company's auditors are unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

Auditors

A resolution for the reappointment of KPMG Channel Islands Limited will be proposed at the forthcoming Annual General Meeting.

For and on behalf of the Board of Directors

IH Beattie
Director

IJ Limond
Director

2 June 2011

**These page numbers refer to the original Financial Statements document approved by the auditors.*

Corporate Governance

Guernsey Electricity's Corporate Governance arrangements are based on the proportionate and relevant application of good practice principles in corporate governance and predominantly those contained within the UK Corporate Governance Code published in June 2010.

Directors

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 as amended the non-executive directors are appointed by the States of Guernsey on the nomination of the States of Guernsey Advisory & Finance Committee, now the Department of Treasury & Resources. The first executive directors were appointed by the Advisory & Finance Committee after consultation with the non-executive directors. Further appointments of executive directors are made by the company's Board of Directors.

The company is controlled through the Board of Directors, which currently comprises three non-executive and three executive directors. As the Chairman is mainly responsible for the running of the Board, he has to ensure that all directors receive sufficient relevant information on financial, business and corporate issues prior to meetings. The Managing Director's responsibilities focus on running the business and implementing strategy. All directors are able to take independent professional advice in furtherance of their duties if necessary.

The Board monitors the exposure to key business risks and reviews the strategic direction. It also considers environmental and employee issues. The Board has established a number of standing sub-committees and each operates within defined terms of reference. The principal sub-committees are:

- Audit and Risk
- Land and Property
- Remuneration and Nominations

In addition senior management team meetings are held each fortnight.

Directors' remuneration

In accordance with The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 as amended the remuneration of the non-executive directors is determined by the Department of Treasury & Resources. The remuneration of the executive directors is determined by the company's Remuneration and Nominations Committee, which consists entirely of non-executive directors.

Relations with the shareholder

The company's issued share capital is wholly owned by the States of Guernsey. The States Trading Companies (Bailiwick of Guernsey) Ordinance, 2001 as amended provided for the States of Guernsey Advisory & Finance Committee (now Department of Treasury & Resources) to undertake on behalf of the States the role of shareholder. In accordance therewith the share certificates for the whole issued share capital are held equally in the names of the Minister and Deputy Minister of the Department of Treasury & Resources as nominees on behalf of the States of Guernsey. Provision is also in place for the States to give guidance to the Department of Treasury & Resources on the policies it wishes to be pursued in fulfilling this role. Each year the company submits its forward plan to the Department of Treasury & Resources. In addition, the company has signed a memorandum of understanding with the States' shareholder representative concerning the manner in which the company and its shareholder's representatives will interact in respect of stewardship and corporate governance matters generally.

Financial reporting

The company has a comprehensive system for reporting the financial performance of the company and each of its business units. Management and the Board of Directors review these monthly. The financial statements for the accounting period ending on the accounting reference date of 31 March are reviewed and signed on behalf of the Board of Directors, and will be presented to the shareholder at the forthcoming annual general meeting.

Internal control

An ongoing process for identifying, evaluating and managing the significant risks faced by the company is in place. The monitoring of this process is one responsibility of the Audit & Risk Sub-Committee and a system of developing the way in which the company captures and assesses its risks is in place.

Risk management

The Board of Directors has overall responsibility for identifying, evaluating and managing major business risks facing the company. A risk register is in place and this is administered by the Health, Safety & Risk Manager, who in turn gives regular updates to the Audit & Risk Sub-Committee providing assistance and assurance to the Board in these matters.

Compliance

All business units have well established compliance procedures.

IT systems

The company has established controls and procedures over the security of data held on IT systems and has in place comprehensive disaster recovery arrangements. These arrangements are tested regularly and reviewed by an independent consultant.

Internal audit

Internal audit has a continuing role in monitoring and reporting on business risks. This service continues to be provided by RSM Tenon (formerly RSM Bentley Jennison), a leading entity in providing such services. The Finance Director, in association with RSM Tenon, report on all internal audit work in accordance with the plan approved by the Audit & Risk Sub-Committee. Specialist engineering audits complement this, again as approved by the Audit & Risk Sub-Committee.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law.

The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the company and to enable them to ensure that the financial statements comply with the Companies (Guernsey) Law, 2008. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Independent Auditor's Report to the Members of Guernsey Electricity Limited

We have audited the Company financial statements (the "financial statements") of Guernsey Electricity Limited (the "Company") for the year ended 31 March 2011 which comprise the Profit and Loss Account, the Statement of Total Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards.

This report is made solely to the Company's members, as a body, in accordance with section 262 of the Companies (Guernsey) Law, 2008. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Statement of Directors' Responsibilities set out on page 25 (*6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Board of Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report & Accounts 2010/11 to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 March 2011 and of its profit for the year then ended;
- are in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice); and
- comply with the Companies (Guernsey) Law, 2008.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies (Guernsey) Law 2008 requires us to report to you if, in our opinion:

- the Company has not kept proper accounting records; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations, which to the best of our knowledge and belief are necessary for the purpose of our audit.

KPMG Channel Island Limited

Chartered Accountants
Guernsey

2 June 2011

**These page numbers refer to the original Financial Statements document approved by the auditors.*

Profit and Loss Account

for the year ended 31 March 2011

<i>Note</i>		2011 £'000	2010 £'000
2	Turnover	50,380	45,503
	Cost of sales	(36,994)	(35,556)
	Gross profit	13,386	9,947
	Net operating expenses	(11,365)	(10,199)
4	Operating profit/(loss)	2,021	(252)
	Loss on disposal of assets	(239)	(297)
	Profit/(loss) on ordinary activities before interest, other finance cost and other income	1,782	(549)
5	Interest receivable	355	316
5	Interest payable	(1)	(2)
	Other finance cost	(335)	(391)
	Profit/(loss) on ordinary activities before taxation	1,801	(626)
6	Taxation	(334)	607
	Profit/(loss) for the financial year	1,467	(19)

All activities derive from continuing operations.

The notes on pages 31 to 42 (*12 to 28) form an integral part of these financial statements.

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Statement of Total Recognised Gains and Losses

for the year ended 31 March 2011

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<i>Note</i>	2011 £'000	2010 £'000
Profit/(loss) for the financial year	1,467	(19)
25 Actuarial gain/(loss) recognised in the pension scheme	5,198	(7,188)
15 Movement on deferred tax relating to pension deficit	(1,001)	1,427
Total recognised gain/(loss) for the year	5,664	(5,780)

The notes on pages 31 to 42 (*12 to 28) form an integral part of these financial statements.

Balance Sheet

at 31 March 2011

Note		2011 £'000	2010 £'000
8	Tangible fixed assets	93,182	93,332
9	Investment	1	1
	Current assets		
10	Stocks and work in progress	5,998	5,691
11	Debtors and prepayments	10,275	8,728
12	Balances with States Treasury	13,779	11,365
	Cash at bank and in hand	433	943
		30,485	26,727
13	Creditors: amounts falling due within one year	(8,320)	(7,233)
	Net current assets	22,165	19,494
	Total assets less current liabilities	115,348	112,827
14	Creditors: amounts falling due after more than one year	(3,672)	(3,307)
15	Provision for liabilities and charges	(98)	224
25	Net pension deficit	(7,076)	(10,906)
	Net assets including pension deficit	104,502	98,838
16	Share capital	109,209	109,209
20	Reserves	(4,707)	(10,371)
21	Shareholders' funds	104,502	98,838

The financial statements on pages 27 to 42 (*8 to 28) were approved by the Board of Directors on 2 June 2011.

Signed on behalf of the Board of Directors.

IH Beattie, Director

IJ Limond, Director

The notes on pages 31 to 42 (*12 to 28) form an integral part of these financial statements.

*These page numbers refer to the original Financial Statements document approved by the auditors.

Cash Flow Statement

for the year ended 31 March 2011

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<i>Note</i>	2011 £'000	2010 £'000
17 Net cash inflow from operating activities	6,566	2,189
Returns on investments and servicing of finance		
Interest received	367	306
Interest paid	(1)	(2)
Net cash inflow from returns on investments and servicing of finance	366	304
Capital expenditure and financial investment		
Payments to acquire tangible fixed assets	(5,439)	(5,509)
(Costs)/proceeds of disposal of tangible fixed assets	(20)	15
Customers' contributions towards capital expenditure	431	402
Net cash outflow from capital expenditure and financial investment	(5,028)	(5,092)
Net cash inflow/(outflow) before use of liquid resources and financing	1,904	(2,599)
Management of liquid resources		
Net cash movements with States Treasury	2,414	(2,353)
18&19 Decrease in cash	(510)	(246)
Net cash inflow/(outflow)	1,904	(2,599)

Movements in balances with States Treasury and the other income are deemed liquid resources in accordance with Financial Reporting Standard 1, "Cash Flow Statements", ("FRS1") (as revised).

The notes on pages 31 to 42 (*12 to 28) form an integral part of these financial statements.

Notes to the Financial Statements

Year ended 31 March 2011

1. Principal accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements:

Basis of preparation

The financial statements have been prepared under the historical cost convention, they give a true and fair view, have been prepared in accordance with UK GAAP and are in compliance with the Companies (Guernsey) Law, 2008.

Transfer of undertaking

The company was established in accordance with the provisions of the States Trading Companies (Bailiwick of Guernsey) Law 2001 (Commencement) Ordinance and the States Trading Company (Bailiwick of Guernsey) Ordinance 2001 to take over the generation, importation and distribution of electricity previously carried out by the States of Guernsey Electricity Board with effect from 1 February 2002.

Sales of electricity

Sales of electricity are accounted for on an accruals basis and include the estimated value of unbilled units at the year end. The unbilled units are valued at current tariff rates.

Hire purchase

The company provides hire purchase facilities on the provision of goods and services ancillary to the principal activities of the company. The sales value is included in turnover at the inception of the hire purchase transaction and interest is included in interest receivable over the finance period of the transaction.

Interest

Interest receivable and payable are accounted for on an accruals basis.

Deferred income

Customers' contributions towards capital expenditure are credited in equal annual amounts to the profit and loss account over the estimated life of the assets to which they relate.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Assets transferred from the States of Guernsey Electricity Board as at 1 February 2002 are being depreciated over their residual estimated useful lives from that date applying the periods noted below.

Depreciation is calculated so as to write off the cost of tangible fixed assets over the period of their estimated useful lives using the straight line method. The estimated life of each class of fixed asset is set out below. Depreciation commences in the year of acquisition or on completion of construction. Any shortfall of depreciation arising on the disposal or write-off of fixed assets is charged to the disposals account and any proceeds arising from the disposal are credited to that account. Land is not depreciated. The estimated lives are as shown below:

	Estimated life in years
Buildings	40
Buildings Equipment	10
Cable Link	25
Plant and machinery - Generation	25 - 35
- Distribution	35
- Street Lights	20
Distribution network comprising:	
Distributors	35
Meters	5 - 15
Cyclocontrol receivers	5
Motor vehicles	5
Furniture and equipment	3 - 10
Minor plant	5 - 10

Notes to the Financial Statements (continued)
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1. Principal accounting policies - continued

Investments

Investments held as fixed assets are stated at cost less provision for any impairment.

Stocks and work in progress

Stocks and work in progress are valued at the lower of cost and net realisable value. In respect of goods held for resale a provision is made based on the time elapsed since the goods were purchased. Provision is made for other stocks relating to strategic plant based upon the remaining useful economic life of the assets to which they relate.

Leases

Operating lease rentals are charged to profit and loss in equal annual amounts over the lease term.

Deferred taxation

Provision for deferred tax is made in full on timing differences which result in an obligation at the balance sheet date to pay tax at a future date, at rates expected to apply when they crystallise based on current tax rates and laws. Deferred tax assets are only recognised to the extent that it is regarded as more likely than not that they will be recovered. The pension scheme deficit shown in the accounts is net of the deferred tax asset. Deferred tax assets and liabilities are not discounted.

Foreign exchange

Transactions denominated in foreign currencies are translated into sterling at the rates ruling at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the rates ruling at that date. Foreign currency profits and losses are dealt with in the profit and loss account.

Financial instruments

The company enters into forward exchange contracts to mitigate a large percentage of the risk of fluctuations in the currency rate between the Euro and the Pound Sterling in meeting its financial obligations for the import of electricity units from the European grid. Gains and losses on these contracts are deferred and recognised in the profit and loss account only when the delayed transaction has itself been reflected in the company's account. The company does not hold or issue financial instruments for speculative purposes. The company also hedges against the fluctuation in the price of heavy fuel oil including the movement in the US Dollar which is inherent in the pricing. Gains and losses are recognised in the profit and loss account when realised.

Pension costs

The employees' pension scheme is a defined benefits scheme. The company applies Financial Reporting Standard 17, "Post retirement benefits", ("FRS17"). In so doing current service cost and any past service cost is charged to the profit and loss account together with finance costs/income for the scheme which are charged/credited to the profit and loss account. The difference between the expected and actual actuarial gains and losses are charged to the statement of total recognised gains and losses. Full actuarial valuations are carried out on a triennial basis and annual updates are carried out to disclose the values and assumptions in accordance with FRS17.

Joint arrangements

The Channel Islands Electricity Grid Limited is a joint arrangement between Jersey Electricity plc and Guernsey Electricity Limited. The company was formed to manage the project and the ongoing operation of the cable link between Guernsey, Jersey and France. In accordance with Financial Reporting Standard 9, "Associates and Joint Ventures", ("FRS9") these financial statements include the company's entitlement to the assets, liabilities, cash flows and the shared items of this joint arrangement where the company's entitlements are fully determined by contracts with the other party to the joint arrangement.

2. Turnover

	2011 £'000	2010 £'000
Sales of electricity	46,292	41,633
Other sales	4,088	3,870
	50,380	45,503

All sales of electricity arise from customers in the Island of Guernsey. Other sales are made to customers throughout the Bailiwick of Guernsey. As stated in the accounting policy for sales of electricity, each year an estimate of the unbilled units as at 31 March is determined. One of the significant advantages of the company's new automatic metering system (AMR) is that a very high proportion of customer's meter readings can now be collected at the balance sheet date. With this new and more accurate information, sales of electricity includes a higher value of unbilled units of £1,149,000 more than the traditional method of calculation.

3. Cable link

For the import of power from the European Grid, the company has a contract with Electricité de France ("EdF"). The company retains its commitment to contribute towards the reinforcement of the French network. This liability is being satisfied by a revenue payment of approximately £244,000 per annum over the period of the contract.

4. Operating Profit/(loss)

Operating profit/(loss) is after charging/(crediting):

	2011 £'000	2010 £'000
Depreciation (note 8)	5,340	5,076
Rentals under operating leases	12	11
Auditors' remuneration - statutory audit	33	32
- non-audit services	–	4
Bad debts	57	33
Emoluments - non-executive directors	40	42
- executive directors		
- basic remuneration	346	326
- other benefits (including pension costs under FRS17)	163	103
Regulatory costs - external (excluding non-audit services)	423	342
- internal	178	206
Other operating income	(620)	(583)

5. Interest

	2011 £'000	2010 £'000
Interest receivable: Deposits with banks and States Treasury	215	180
Hire purchase	140	136
	355	316
Interest payable: Bank overdraft	–	1
Security deposits	1	1
	1	2

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6. Taxation

The company's profits or losses from the activities subject to licence from the Office of Utility Regulation will be chargeable to tax at the company higher rate of 20%, as will rental income from Guernsey properties. For all other company activities the company standard rate of 0% is applicable. The tax adjusted profits of the company have been determined so that the appropriate amounts are taxed at the applicable rate.

The basis of assessment to Guernsey tax continues to be on an actual current year basis. The assessable profits for the current year have been offset against the unrelieved trading losses and excess capital allowances carried forward from prior years. Consequently, all tax is deferred and there is no tax payable for the current year.

Deferred tax in the financial statements is measured at the actual tax rates that are expected to apply to the income in the periods in which the timing differences are expected to reverse. Various rates of income tax are applied depending on the activity of the company. The rate applied in relation to the company's activities is a combination of the company standard rate and the company higher rate. Deferred tax has been provided on timing differences depending on which rate they are expected to reverse out in the future. Where deferred tax balances relate to items which may be taxed at either 20% or 0% a blended rate of 19.2619% (2010: 19.8531%) has been used to provide for deferred tax. The blended rate has been calculated by reference to the company's effective rate of tax in the year ended 31 March 2011.

The deferred tax charge/(credit) in the profit and loss account for the year is:

	2011 £'000	2010 £'000
Timing differences on capital allowances and depreciation	69	222
Short term timing differences (pension)	12	(430)
Short term timing differences (other)	(37)	(22)
Movement on unrelieved trading losses	290	(377)
	334	(607)

7. Dividend

	2011 £'000	2010 £'000
Paid in the year, £Nil per share (2010: £Nil per share)	–	–

8. Tangible fixed assets

	1 April 2010 £'000	Additions £'000	Written off/ disposals £'000	31 March 2011 £'000
Cost				
Land and buildings	29,658	390	–	30,048
Cable link	28,849	7	–	28,856
Plant and machinery:				
Generation	33,762	1,415	207	34,970
Distribution	9,961	1,205	1	11,165
Distribution network	26,200	1,967	198	27,969
Motor vehicles, furniture and equipment, minor plant	4,716	424	302	4,838
	133,146	5,408	708	137,846
	1 April 2010 £'000	Charge for the year £'000	Written off/ disposals £'000	31 March 2011 £'000
Depreciation				
Land and buildings	6,742	880	–	7,622
Cable link	10,060	1,267	–	11,327
Plant and machinery:				
Generation	12,864	1,361	28	14,197
Distribution	1,775	291	1	2,065
Distribution network	6,011	966	159	6,818
Motor vehicles, furniture and equipment, minor plant	2,362	575	302	2,635
	39,814	5,340	490	44,664
Net book value	93,332			93,182

Included above are assets in the course of construction of £4,896,000 (2010: £2,104,000), which are not depreciated.

9. Investment

The company invested £250,000 in Marine Current Turbines Limited as part of its initiatives to keep abreast of the research and development of alternative energy sources. This investment is a minority interest and the holding is less than 5%. The benefits of this investment are spread over more than one year, and £Nil has been charged to the profit and loss account for impairment (2010: £Nil).

Notes to the Financial Statements (continued)
for the year ended 31 March 2011

10. Stocks and work in progress

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	2011		2010	
	£'000	£'000	£'000	£'000
Fuel stocks		3,377		3,247
Purchased goods for resale	351		344	
Provision	(7)	344	(6)	338
Other stocks	3,405		2,998	
Provision	(1,331)	2,074	(1,106)	1,892
Work in progress		203		214
		5,998		5,691

11. Debtors and prepayments

	2011 £'000	2010 £'000
Estimated value of unbilled units	5,458	4,669
Customer accounts outstanding	3,973	3,393
Other debtors	450	266
Prepayments	394	400
	10,275	8,728

Included in "Customer accounts outstanding" is an amount of £327,000 (2010: £325,000) due after more than one year.

12. Balances with States Treasury

The treasury department of the States of Guernsey is engaged to invest the company's liquid funds in excess of its daily requirements.

13. Creditors: amounts falling due within one year

	2011 £'000	2010 £'000
Trade creditors	3,328	2,354
Customer payments received in advance	3,829	3,578
Employee taxes and Social Security	161	160
Deferred income	127	112
Accruals and other creditors	875	1,029
	8,320	7,233

The company has a £750,000 overdraft facility with Barclays Bank Plc (2010: £750,000), and interest is payable quarterly at 1.75% over UK base rate. This facility is unsecured, is repayable on demand and is reviewed and approved by the Board annually. The facility is due for review on 30 August 2011.

14. Creditors: amounts falling due after more than one year

	2011 £'000	2010 £'000
Deferred income	3,672	3,307

15. Provision for liabilities and charges

	2011 £'000	2010 £'000
<i>Deferred taxation:</i>		
Balance at 1 April	(2,926)	(892)
Profit and loss account charge	334	(607)
Statement of total recognised gains and losses	1,001	(1,427)
Balance at 31 March	(1,591)	(2,926)
<i>Which comprises:</i>		
Capital allowances in excess of depreciation	7,588	7,519
Short-term timing differences (other)	(112)	(75)
Unrelieved trading loss for tax purposes	(7,378)	(7,668)
Provision for liabilities and charges	98	(224)
Deferred tax asset on pension deficit (note 25)	(1,689)	(2,702)

16. Share capital

	2011 £'000	2010 £'000
<i>Authorised:</i>		
125,000,000 ordinary shares of £1 each	125,000	125,000
<i>Issued and fully paid:</i>		
109,208,844 ordinary shares of £1 each	109,209	109,209

Two shares were issued on formation of the company and the remaining 109,208,842 shares were issued to equate to the consideration of £109,208,844 for the net assets acquired by the company from the States of Guernsey with effect from 1 February 2002.

17. Reconciliation of operating profit/(loss) to net cash inflow from operating activities

	2011 £'000	2010 £'000
Operating profit/(loss)	2,021	(252)
Depreciation charge	5,340	5,076
Pension service cost	1,697	978
Employers' pension cash contributions	(1,678)	(1,612)
Deferred income	(127)	(112)
Increase in stocks and work in progress	(307)	(993)
Increase in debtors and prepayments	(1,558)	(1,529)
Increase in creditors	1,178	633
	6,566	2,189

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18. Reconciliation of net cash flow to movement in net funds

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	2011 £'000	2010 £'000
Decrease in cash in the year	(510)	(246)
Cash used to increase/(decrease) liquid resources	2,414	(2,353)
Change in net funds	1,904	(2,599)
Net funds at 1 April	12,308	14,907
Net funds at 31 March	14,212	12,308

19. Analysis of changes in net funds

	At 1 April 2010 £'000	Cash flows £'000	At 31 March 2011 £'000
<i>Cash</i>			
Cash at bank and in hand	943	(510)	433
Balances with States Treasury	943	(510)	433
	11,365	2,414	13,779
	12,308	1,904	14,212

20. Reserves

	2011 £'000	2010 £'000
Balance at 1 April brought forward	(10,371)	(4,591)
Profit/(loss) for the financial year	1,467	(19)
Actuarial gain/(loss) recognised in the pension scheme, net of movement in deferred tax relating to pension deficit	4,197	(5,761)
Balance at 31 March carried forward	(4,707)	(10,371)

21. Reconciliation of movements in shareholders' funds

	2011 £'000	2010 £'000
Shareholders' funds at 1 April brought forward	98,838	104,618
Profit/(loss) for the financial year	1,467	(19)
Actuarial gain/(loss) recognised in the pension scheme, net of movement in deferred tax relating to pension deficit	4,197	(5,761)
Shareholders' funds at 31 March	104,502	98,838

22. Commitments

Capital commitments for which no provision has been made in these financial statements amounted to £2,859,000 as at 31 March 2011 (2010: £4,808,000). These relate to outstanding commitments on capital projects across a range of asset categories.

Operating lease commitments

Commitments to make payments during the next year in respect of an operating lease are as follows:

	2011 £'000	2010 £'000
<i>Land and Buildings</i>		
Lease which expires: Within one year	–	–
Within two to five years	12	12

23. Financial instruments

(a) Import Financial Hedge

Our import contract with EdF is denominated in Euros. The company has entered into participating forward currency exchange contracts to manage the currency risk. The company's commitment to forward contracts at the balance sheet date was as follows:

	€'000	€'000	€'000	€'000	2011 €'000 Total	2010 €'000
Forward contracts to purchase Euro	4,616	2,355	2,635	834	10,440	9,163
	£'000	£'000	£'000	£'000	£'000	£'000
Contracted prices	4,101	2,085	2,271	740	9,197	8,406
Closing value at 31 March	4,080	2,082	2,329	737	9,228	8,153
Unrecognised and unrealised gain/(loss)	(21)	(3)	58	(3)	31	(253)

If the spot exchange rate falls below the forward rate, the company is protected by forward contracts to purchase Euros as follows:

	€'000	€'000	€'000	€'000	2011 €'000 Total	2010 €'000
Forward contracts to purchase Euro	6,594	3,365	2,635	1,191	13,785	13,090
Forward exchange rate	1.1254	1.1300	1.1600	1.1270		1.0900

The sterling/euro rate at 31 March 2011 was 1.1313 (2010: 1.1238).

(b) On-island Generation Financial Hedge

The company has entered into a financial hedge on the commodity price of heavy fuel oil used for its on-island generation. The commitment to this is for an annual volume for financial year 2011/12 of 18,000 metric tonnes. This is priced at £345.50 per tonne for 9,000 metric tonnes and £339.00 per tonne for the remaining 9,000 metric tonnes.

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24. Contingent liability

The company has completed a technical assessment of noise and/or ground borne vibration claimed to be caused by some operations within the power station site. A potential engineering solution was fully investigated during the year but regretfully has now concluded that the potential solution will not be effective. The company is now considering its next step to determine alternative solutions to mitigate this risk. There is still significant uncertainty surrounding the potential cost of resolving the matter but it is estimated to be in the range £0 to £371,000. The Board is seeking to achieve resolution at minimum cost.

25. Pension Scheme

Employee benefit obligations for Guernsey Electricity Limited

The employees of the company are members of the States of Guernsey Public Servants Pension Scheme (PSPS). This is a defined benefits pension scheme funded by contributions from both employer and employee to the PSPS at rates which are determined on the basis of independent actuarial advice, and which are calculated to spread the expected cost of benefits payable to employees over the period of those employees' expected service lives.

As the PSPS is a multi entity arrangement the States of Guernsey contracted the Scheme's qualified independent actuaries to identify the actuarial account for each entity and therefore the value of the pension fund assets and liabilities attributable to this company. The triennial valuation at 31 December 2007 recommended the increase of employer's contribution from 16.3% to 17.3% from 1 April 2009 and this was approved by the States of Guernsey. The value of these employer contributions to the Fund from 1 April 2011 to 31 March 2012 are estimated at £1,303,000. In recognising that further contribution was required to reduce the past service deficit, it was resolved by the Board of Directors to reduce the deficit by lump sums over a period of years. An additional sum of £400,000 has been contributed this year (2010: £400,000).

The triennial actuarial valuation of the PSPS as at 31 December 2010 is still in progress and consequently, the results of this latest valuation were not available at the time of reporting.

Description of the Guernsey Electricity Limited Actuarial Account of the States of Guernsey Superannuation Fund ("the Fund")

The Fund is a funded defined benefit arrangement which provides retirement benefits based on final pensionable salary.

The company recognises the requirements of Financial Reporting Standard 17 ("FRS17") Retirement Benefits on the following basis:

The valuation used for FRS17 disclosures has been based on a full assessment of the liabilities of the Fund. The present values of the defined benefit obligation, the related current service cost and any past service costs (if applicable) were measured using the projected unit method.

The amounts recognised in the balance sheet are as follows:

	2011 £'000	2010 £'000
Fair value of Fund assets	42,756	37,560
Present value of funded obligations	(51,521)	(51,168)
Deficit in scheme	(8,765)	(13,608)
Related deferred tax asset	1,689	2,702
Net pension liability	(7,076)	(10,906)

25. Pension Scheme (continued)

The amounts recognised in the profit and loss account are as follows:

	2011 £'000	2010 £'000
Current service cost	1,697	978
Interest on obligation	2,781	2,258
Expected return on Fund assets	(2,445)	(1,867)
Expense recognised in the profit and loss	2,033	1,369
Actual return on Fund assets	(4,304)	(7,935)

Changes in the present value of the defined benefit obligation are as follows:

	2011 £'000	2010 £'000
Opening defined benefit obligation	51,168	35,273
Service cost	1,697	978
Interest cost	2,781	2,258
Contributions by members	481	486
Actuarial (gains)/losses	(3,338)	13,256
Benefits paid	(1,268)	(1,083)
Closing defined benefit obligation	51,521	51,168

Changes in the fair value of Fund assets are as follows:

	2011 £'000	2010 £'000
Opening fair value of Fund assets	37,560	28,610
Expected return	2,445	1,867
Actuarial gains	1,860	6,068
Contributions by employer	1,678	1,612
Contributions by members	481	486
Benefits paid	(1,268)	(1,083)
Closing fair value of Fund assets	42,756	37,560

Analysis of amounts recognised in the statement of total recognised gains and losses (STRGL):

	2011 £'000	2010 £'000
Total actuarial gains/(losses)	5,198	(7,188)
Total gain/(loss) recognised in STRGL	5,198	(7,188)
Cumulative amount of loss recognised in STRGL	(12,957)	(18,155)

The major categories of Fund assets as a percentage of the total Fund assets are as follows:

	2011 %	2010 %
Equities	63	60
Gilts	4	12
Corporate bonds	14	15
Property	6	2
Other assets	13	11

Notes to the Financial Statements (continued)
for the year ended 31 March 2011

25. Pension Scheme (continued)

Principal actuarial assumptions at the balance sheet date (expressed as weighted averages where applicable):

		31 March 2011 % p.a.	31 March 2010 % p.a.
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Discount rate		5.5	5.5
Expected return on Fund assets at 31 March (for following year)		6.3	6.5
Rate of increase in pensionable salaries		4.7	5.15
Rate of increase in deferred pensions		3.7	3.9
Rate of increase in pensions in payment		3.7	3.9

Mortality Assumptions

The mortality assumptions are based on standard mortality tables which allow for future mortality improvements. The assumptions are that a member aged 65 will live on average until age 86 if they are male and until age 88 if female. For a member currently aged 45 the assumptions are that if they attain age 65 they will live on average until age 88 if they are male and until age 89 if female.

Description of the basis used to determine the expected rate of return on the assets

The company adopts a building block approach in determining the expected rate of return of the Fund's assets. Historic markets are studied and assets with high volatility are assumed to generate higher returns consistent with widely accepted capital market principles.

Each different asset class is given a different expected rate of return. The overall rate of return is then derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at the disclosure year end.

Amounts for the current and previous periods are as follows:

	2011 £'000	2010 £'000	2009 £'000	2008 £'000	2007 £'000
Defined benefit obligation	51,521	51,168	35,273	33,355	38,055
Fund assets	42,756	37,560	28,610	35,868	34,715
(Deficit)/surplus	(8,765)	(13,608)	(6,663)	2,513	(3,340)
Experience gains/(losses) on Fund assets	1,860	6,068	(10,805)	(2,515)	(933)
Experience gains/(losses) on Fund liabilities	504	1,208	426	659	(884)
Change in assumptions underlying the present value of Fund liabilities	2,835	(14,464)	355	6,927	1,256
Total Experience gains/(losses) on Fund liabilities	3,338	(13,256)	780	7,586	372

The Fund assets for the years ended 31 March 2007 and 2008 have not been restated to bid value (i.e. they are mid market value).

The balance sheet position in respect of the Actuarial Account has improved due to the effect of the changes in the economic assumptions derived from the market and the good investment return.

A key impact on the change of assumptions item was the market derived assumption for future inflation. The discount rate remained the same whilst the inflation assumption decreased by 0.2%. In addition, the assumption regarding future salary increases was revised to inflation plus 1%. Overall this produced an increase of 0.45% in the net discount rate for pre retirement liabilities for actives and an increase of 0.2% in the net discount rate for pre retirement liabilities for deferred members and for post retirement liabilities. These changes have decreased the value placed on the liabilities by about £2.8m

In addition, there was a gain of about £1.9m as a result of the actual investment return being higher than expected. Also, contributions paid were more than the cost of accruing benefits which, along with other experience items, resulted in a gain.

The net position was a decrease of around £4.8m in the deficit (before deferred taxation) determined under FRS17.

26. Statement of control

The company is wholly owned and ultimately controlled by the States of Guernsey.

27. Related party transactions

There are no disclosable related party transactions in this financial year. Of the company's annual income and expenditure, less than 20% of their respective value is due to transactions with other States entities.

Key Statistics

	2010-11	2009-10	2008-09	2007-08	2006-07
COMMERCIAL					
Number of Customers	29,280	29,099	28,934	28,791	28,685
GENERATION					
Generating Capacity (MW)	115.30	115.30	115.30	115.58	115.58
Electricity Generated (MWh)	84,633	152,243	173,523	110,655	158,175
Maximum Demand (MW)	85.0	84.0	78.6	76.3	71.3
Minimum Demand (MW)	22.9	22.9	22.0	21.7	20.8
CABLE LINK					
Cable Link Capacity (MW)	60.00	60.00	60.00	60.00	60.00
Electricity Imported (MWh)	308,600	239,332	210,440	257,093	197,020
DISTRIBUTION					
Transformer Capacity (kVA)	222,090	217,945	208,320	201,500	192,000
Number of Transformers	426	420	409	403	398
FINANCIAL					
Units Sold (MWh)	365,755	362,362	355,045	340,898	327,119
Sales of Electricity (£000's)	46,292	41,633	35,112	34,197	28,996
Operating Contribution (£000's)	1,782	-549	-3,084	-1,027	-1,501
Capital Expenditure (£000's)	5,408	5,458	5,081	6,760	4,001
Total Expenses (£000's)	49,311	46,736	43,027	39,688	34,571
PERSONNEL					
Employees (Average FTE)	230.7	232.7	228.7	232.9	233.1

Abbreviations used

kW - kilowatt or 1,000 watts
 MW - Megawatt or 1,000 kilowatts
 kVA - 1,000 volt amperes

kWh - 1 kilowatt for 1 hour or 1 unit
 MWh - 1,000 kilowatts for 1 hour or 1,000 units
 GWh - 1,000,000 kilowatts for 1 hour or 1,000,000 units

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	2010-11	2009-10	2008-09	2007-08	2006-07
TECHNICAL					
Thermal Efficiency (%)	42.1	41.5	41.2	41.3	42.5
System Demand Factor (%)*	52.8	53.2	55.8	54.9	56.9
Average Minutes lost per Customer	10	23	19	37	34
High Voltage Faults	9	17	10	17	19
Low Voltage Faults	139	143	138	159	159
PERSONNEL					
Employees per GWh Billed	0.63	0.64	0.64	0.68	0.71
Employees per 1,000 Customers	7.88	8.00	7.90	8.09	8.13
FINANCIAL					
Guernsey Retail Price Index**	110.2	107.1	103.5	104.8	100.0
Average Price per unit sold (pence)	12.04	11.21	9.64	9.76	8.63
- Average Price - INDEX	139.5	129.9	111.7	113.1	100.0
Generation/Import Cost per unit sold (pence)	7.92	7.85	7.09	6.49	5.43
- Generation/Import Cost - INDEX	145.7	144.5	130.5	119.4	100.0

* System Demand Factor = $\frac{\text{Avg. Load}}{\text{Max. Demand}}$

** Base March 2007 = 100

Generation Plant 2010/2011

	Engine Manufacturer	Engine Type	Rating (MW)	Speed (rpm)	No. of Cyls.	Bore (mm)	Stroke (mm)	Date of Commission
'C' STATION								
1 C	Sulzer	9RNF68	12.2	150	9	680	1,250	1979
2 C	Sulzer	9RNF68	12.2	150	9	680	1,250	1980
3 C	Sulzer	9RNF68	12.2	150	9	680	1,250	1982
4 C	Sulzer	9RTA58	14.2	125	9	580	1,700	1987
'D' STATION								
1 D	Sulzer	9RTA58	14.5	136	9	580	1,700	1993
GAS TURBINES								
GT 2	Thomassen	PG-5271	19.5	5,100				1996
GT 3	Thomassen	PG-5271	19.5	5,100				1997
GT 4	Alstom	Cyclone	11.0	9,500				2003

Technical (continued)

Power Station General 2010/2011

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Heavy Fuel Oil	B Tank	C Tank	K Tank	M Tank	N Tank	P Tank
BULK FUEL STORAGE						
Capacity (Tonnes)	540	2,100	2,315	2,310	2,220	2,220
Year Installed	1962	1963	2007	2007	2009	2009
Gas Oil	Tank 1	Tank 2	Tank 3	Tank 4	Tank 5	Tank 6
BULK FUEL STORAGE						
Capacity (Tonnes)	180	180	180	180	180	180
Year Installed	2007	2007	2007	2007	2007	2007
	Class	Density (kg/litre)	Viscosity (cSt@100°C)			Sulphur Content
FUEL SPECIFICATION						
Heavy Fuel Oil (H.F.O.)	G	0.963	40			<1.5%
				'C' Station	'D' Station	
CHIMNEYS						
Chimney Height (metres)				55	57	
Number of Flues				4	2	

Generation Plant Statistics 2010/2011

	'D' Station	'C' Station	Turbines	Total
Capacity (MW)	14.50	50.80	50.00	115.30
Running Hours	2,320.50	6,118.75	145.00	8,584.25
Units Generated (kWh)				
Heavy Fuel Oil	25,329,464	58,691,873	–	84,021,337
Gas Oil	0	25,474	585,700	611,174
Total	25,329,464	58,717,347	585,700	84,632,511
Lub. Oil Consumption (litres)				
Crankcase Oil	1,505	12,587		14,092
Cylinder Oil	43,166	67,700		110,866
Total	44,671	80,287		124,958
Specific Lub. Oil Consumption (grams per kWh)				
Cylinder Oil	1.60	1.08		
Fuel Consumption (litres)				
Heavy Fuel Oil	5,157,785	12,881,205	–	18,038,990
Gas Oil	0	2,072	368,862	370,934
Total	5,157,785	12,883,277	368,862	18,409,924
Specific Fuel Consumption (grams per kWh) Heavy Fuel Oil				
Engine 1	189.73	212.59		
Engine 2		215.41		
Engine 3		208.04		
Engine 4		189.17		
Net Thermal Efficiency (%)				
Engine 1	44.90	39.54		
Engine 2		39.03		
Engine 3		40.71		
Engine 4		44.62		
Station Total	44.90	41.67	15.87	42.10
Running Plant Load Factor (%)	75.28	74.22	30.14	73.78

Notes:

The efficiency figures are overall totals for the year so may include periods of no electricity generation. None of the efficiency figures take into account heat recovery. Only electrical output has been considered. The fuel properties are those that have been delivered to the Power Station during the monitoring period.

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Analysis of Energy Sold 2010/2011

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Tariffs	Meters on Circuit	Income (£'000)	Units Sold (000)	Avg. Price (pence)	Units per Meter on Circuit
Standard Tariff	9,131	11,429	79,648	14.35	8,723
Super Economy 12	20,578	18,690	174,503	10.71	8,480
Heat Pumps & Off Peak Tariffs	1,110	939	11,405	8.23	10,275
Non Peak	10	10	148	7.03	14,797
Maximum Demand HV	7	683	5,144	13.27	734,894
Maximum Demand LV	140	6,360	47,211	13.47	337,224
Industrial Economy HV	5	1,282	10,807	11.86	2,161,488
Industrial Economy LV	53	4,895	41,880	11.69	790,198
Public Lighting	2,176	106	729	14.51	335
Accrual for Unbilled Units	–	789	3,751	–	–
Total/Average	33,210	45,184	375,228	12.04	11,299

- Non unit related income not included.
- Figures for maximum demand and Industrial Economy tariffs include any kW, power factor and installed capacity charges.
- Total/Average price is calculated using exact unit and income statistics, not rounded as shown above.

Distribution Statistics 2010/11

CABLE NETWORK					
	CIEG		Guernsey Electricity Ltd		Total
	Submarine Cable (km)	Land Cable (km)	Overhead Land Cable (km)	Underground Land Cable (km)	(km)
90kV	65	3	–	–	68
33kV	–	–	–	30	30
11kV	–	–	–	335	335
415/240v	–	–	2	1,018	1,020
Total	65	3	2	1,383	1,453

Abbreviations used: CIEG - Channel Islands Electricity Grid

Generation Statistics 2006/2007 - 2010/2011

	2010-11	2009-10	2008-09	2007-08	2006-07
Total Units Generated (MWh)	84,633	152,243	173,523	110,655	158,175
Highest Daily Total (MWh)	1,567	1,533	1,446	1,390	1,311
Lowest Daily Total (MWh)	796	797	758	760	725
Maximum Demand (MW)	85.0	84.0	78.6	76.3	71.3
Minimum Demand (MW)	22.9	22.9	22.0	21.7	20.8
Specific Fuel Consumption (kWh per Litre)	4.60	4.60	4.57	4.57	4.69
Engine Hours:					
D Station	2,321	3,827	3,373	2,216	4,333
C Station	6,119	10,504	12,951	8,328	10,120
Gas Turbine	145	101	124	62	28

Service Standards

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Guaranteed Service Standards	Standard Met	% Achieved	Outside Standard
Replacement of GE main service fuse after failure (within 3 hours)	Yes	100.00%	0
Restoring supply after distribution fault (within 18 hours)	Yes	100.00%	0
Connecting a new customer to an existing supply (within 3 working days)	Yes	100.00%	0
Notice of planned interruption of supply (5 days for planned maintenance)	Yes	100.00%	0
Investigation of voltage complaint (within 7 working days)	Yes	100.00%	0
Responding to written or email queries on charges and payments (within 3 working days)	Yes	100.00%	0
Investigation of meter accuracy disputes (within 7 working days)	Yes	100.00%	0
Attend to pre-payment meter faults (within 4 hours)	Yes	100.00%	0
Change of meter due to tariff or method of payment change (within 7 working days)	Yes	100.00%	0
Making and keeping appointments (within 30 minutes)	Yes	100.00%	0
Payments owed under the standard (within 10 working days)	Yes	100.00%	0
Estimate of charge (within 5 working days)	Yes	100.00%	0

Overall Service Standards	Standard Met	% Achieved	Outside Standard
Restoration of supply after fault/damage (to 90% within 3 hours)	Yes	95.47%	159
Estimate of charge (provide 97% within 15 working days)	No	94.44%	1
Meter reading (annual for 99.5% of customers)	Yes	99.78%	68
Customer supply or distribution correspondence (answer 100% queries within 10 working days)	Yes	100.00%	0
Cable enquiries (reply to 97% single site within 1 hour or to 98% multiple site within 2 working days)	Yes Yes	99.47% 100.00%	10 0
Pollution (answer 98% complaints within 8 hours)	Yes	100.00%	0
Relocating Meter (within 15 working days)	—	—	0

For a full description of our standards please visit our website www.electricity.gg or call our **Customer Services Department on 200700**.

Tariffs

1/4/11 1/4/10 1 unit = 1kWh

STANDARD TARIFF			
Standing Charge (Primary Meter)	£17.11	£16.07	per quarter
Standing Charge (Secondary Meter)	£2.87	£2.70	per quarter
All Units	15.44p	14.50p	per unit

SUPER ECONOMY 12			
Standing Charge (Primary Meter)	£17.11	£16.07	per quarter
Standing Charge (Secondary Meter)	£4.43	£4.16	per quarter
Low Rate Units	6.69p	6.29p	per unit
Normal Rate Units	16.14p	15.16p	per unit
<i>Super Economy 12 Low Units: 10 hour period between 7.45pm & 8.15am 2 hour period between 12.00 noon & 4.40pm</i>			

HEAT PUMP TARIFF			
All Units	10.21p	9.59p	per unit
<i>Permanently connected heat pumps only. The supply may be disconnected without notice for periods not exceeding one hour in any day.</i>			

NON PEAK TARIFF			
Standing Charge	£17.11	£16.07	per quarter
All Units	7.61p	7.15p	per unit
<i>Supply available for a minimum of 20 hours. Disconnected for a total of 4 hours at the discretion of the Company.</i>			

SUPERHEAT TARIFF			
Standing Charge	£2.87	£2.70	per quarter
All Units	7.36p	6.92p	per unit
<i>Supply is available for 18 hours each day, with the remaining six unavailable supply hours split into three two hour sections with varying times between: 00.00 to 03.00, 07.00 to 10.00 and 16.00 to 20.00.</i>			

BUY BACK TARIFF			
All Units	6.62p	6.18p	per unit
<i>This tariff is available to customers with their own generating equipment, wishing to export power to Guernsey Electricity.</i>			

DOMESTIC BOILER TARIFF			
All Units	13.55p	12.73p	per unit
<i>This tariff is discontinued and is only available to existing customers for separately metered supplies to permanently connected central heating systems.</i>			


MAXIMUM RESALE PRICE			
<i>Guernsey Electricity Limited, in accordance with section 23(2)(b) of the Electricity (Guernsey) Law 2001, hereby gives notice that the maximum resale price at which electricity may be resold by persons to whom it is supplied is 15.63 pence per unit.</i>			
<i>The increase in the maximum resale price recognises the tariff increase effective from 1 April 2011.</i>			

Tariffs

1/4/11 1/4/10 1 unit = 1kWh

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INDUSTRIAL ECONOMY TARIFF				
High Voltage Supplies (Billed Monthly):	Low Rate (10 Hours)	6.69p	6.29p	per unit
	Normal Rate (14 Hours)	13.73p	12.90p	per unit
	kW Charge April-October	£0.00	£0.00	per kW
	kW Charge November-March	£12.01	£11.28	per kW
	Standby Charge (Installed Capacity)	£5.99	£5.63	per kW
<i>Power factor adjustment: kVAh in excess of 50% of kwh/month.</i>		1.01p	0.95p	
<i>The customer shall maintain the power factor of their connected load between 0.90 lagging and unity.</i>				
Low Voltage Supplies (Billed Monthly):	Low Rate (10 hours)	7.02p	6.60p	per unit
	Normal Rate (14 hours)	14.07p	13.22p	per unit
	kW Charge April-October	£0.00	£0.00	per kW
	kW Charge November-March	£12.01	£11.28	per kW
	Standby Charge (Installed Capacity)	£5.99	£5.63	per kW
<i>Power factor adjustment: kVAh in excess of 50% of kwh/month.</i>		1.01p	0.95p	
<i>The customer shall maintain the power factor of the supply between 0.90 lagging and unity.</i>				
MAXIMUM DEMAND TARIFF				
High Voltage Supplies (Billed Monthly):	All Units	12.35p	11.60p	per unit
	kW Charge April-October	£0.00	£0.00	per kW
	kW Charge November-March	£12.01	£11.28	per kW
	Standby Charge (Installed Capacity)	£5.99	£5.63	per kW
<i>Power factor adjustment: kVAh in excess of 50% of kwh/month.</i>		1.01p	0.95p	
<i>The customer shall maintain the power factor of the supply between 0.90 lagging and unity.</i>				
Low Voltage Supplies (Billed Monthly):	All Units	12.87p	12.09p	per unit
	kW Charge April-October	£0.00	£0.00	per kW
	kW Charge November-March	£12.01	£11.28	per kW
	Standby Charge (Installed Capacity)	£5.99	£5.63	per kW
<i>Power factor adjustment: kVAh in excess of 50% of kwh/month.</i>		1.01p	0.95p	
<i>The customer shall maintain the power factor of their connected load between 0.90 lagging and unity.</i>				



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