



Annual Report
2014

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VISION

'Energising our Nation.'

MISSION

'We aim to provide clean and affordable energy solutions to Fiji with at least 90% of the energy requirements through renewable sources by 2025.'

VALUES

- Customer focus
- Honesty
- Courage to do what is right for FEA
- Team work
- Individual accountability
- Transparency
- Innovativeness

CONSTITUTION & FUNCTIONS

The Fiji Electricity Authority was established, incorporated and constituted under the provisions of the Electricity Act of 1966 and began operating from 1st August of that year.

The Board Members of the Authority are appointed by the Government. The Chief Executive Officer is an ex-officio Member of the Board and is responsible to the Members for the Authority's management and for the execution of its policies. The powers, functions and duties of the Authority under the Electricity Act are for the basic purpose of providing and maintaining a power supply that is financially viable, economically sound and consistent with the required standards of safety, security and quality. A uniform tariff rate is charged for electricity used by each consumer group. The tariffs are determined according to government policy and are designed to meet specified targets while achieving a reasonable rate of return for the Shareholder.

The Authority is entrusted with enforcing the Electricity Act and regulations, setting standards, examining and registering electricians, and is empowered to approve and license suppliers to serve certain areas. The Authority is also governed by the requirements under the Public Enterprises Act.



The front and the back cover images depict some of the 40MW containerized diesel generator sets at Rokobili in Suva. These sets were purchased, installed and commissioned by FEA at Rokobili, Sigatoka, Qeleloa and Nadi Power Stations as part of its Contingency Plan. FEA activated its Contingency Plan in the second half of 2014 as a result of the prolonged spell of dry weather that affected the performance of the Monasavu and Nadarivatu Hydro Power Projects and to ensure reliability and security of power supply to its customers.



Letter to the Minister

29 May 2015

The Honourable Minister for Infrastructure and Transport,
Level 4, Nasilivata House
Ratu Mara Road
Samabula
Suva.

Dear Minister,

Annual Report 2014

I am pleased to present the Fiji Electricity Authority's Annual Report for 2014. The report provides a detailed summary of FEA's performance in accordance with Section 25 of the Electricity Act Cap 180.

This year was a difficult and challenging year for the Authority as it withstood one of the toughest tests in its history by overcoming a financial crunch as a result of the prolonged spell of dry weather that prevailed throughout Fiji resulting in the Monasavu and Nadarivatu hydros receiving below average rainfall for most of the months in 2014. This situation forced FEA to implement its contingency plan of purchasing, installing & commissioning additional 40MW of containerized diesel gensets in the second half of 2014 which contributed to an all-time high fuel cost of \$180M against a budget of \$137M resulting in FEA recording a profit after tax of just \$0.97M.

The high fuel cost incurred by FEA in 2014 was not passed onto its customers but was absorbed by FEA. However, FEA had to carry out a reprioritization of all its expenditures and focused on critical "do or die" expenditures only in 2014 to mitigate against the high fuel cost.

The significant impact of such hydrology events which place unacceptable demands on the Authority's operational costs, plus the urgent need to replace aging assets and to build new capital-intensive power generation and transmission facilities, has brought home the fact that the Authority's existing electricity tariff is woefully inadequate to address these challenges. The Authority needs to plan and develop new facilities to an estimated capital cost of \$1.5Billion. It needs to restructure its tariff to meet both the operational as well as the capital development costs to allow it to meet its service imperatives to its customers.

FEA progressed the construction of the \$40M Wainisavulevu Weir Raising Project in 2014 and by year end the project was almost complete. Further, FEA commissioned the Dreketi Electrification Project which was co-funded by FEA and Government and commenced with the development of a new 33kV Zone Substation off Knolly Street in Suva and installation of new 33kV underground cables which have been in service for more than 36 years.

The Authority continued to meet all its obligations and fulfill all its responsibilities whilst also continuing with the efficient operation of the entire power system.

On behalf of the Members of the Authority, I take this opportunity to thank the Government for its continued support and look forward to the same in 2015 and beyond.

Sincerely,

Nizam-ud-Dean
Chairman





The Honourable Prime Minister, Josaia Voreqe Bainimarama at the opening of the Dreketi Electrification Project in Vanualevu which is part of the Government's "Look North" policy. The FEA and Government equally funded this project as part of its plan to make electricity available to the rural communities in Fiji.



Key Outcomes 2014

- ❖ FEA achieved a positive financial result in 2014 recording a profit of \$0.97M after tax. The profit declined substantially compared to 2013 largely due to the increase in fuel cost of around \$57M as a result of FEA implementing its contingency plan of purchasing, installing and commissioning additional 40MW of containerized diesel generating sets. The increase in the Independent Power Producers' (IPP) fee of around \$5M also contributed to the decline in profit recorded in 2014.
- ❖ The shareholder value of FEA increased from \$588M as at the end of 2013 to \$601M at the end of 2014. The total loans & bonds as at 31st December 2014 was \$355M and have increased by \$52M compared to 2013.
- ❖ FEA carried out Capex work totalling around \$114.1M in 2014, repaid matured bonds and loans aggregating to F\$25.2M and funded around F\$1.5M of the Monasavu Hydro Scheme half-life repair & maintenance work despite 2014 being a tough financial year.
- ❖ FEA borrowed \$60M from FNPF to fund the purchase and installation of the new 35MW HFO Generator Sets at Kinoya Power Station. FEA further borrowed an additional \$10M from ANZ bank in 2014 to fund the Wainisavulevu Weir Raising project and obtained another \$35M from ANZ Bank in June 2014 to fund FEA's contingency plan of purchasing, installing and commissioning additional 40MW of containerised diesel generator sets around Viti Levu to supplement the low output from the Hydro Schemes.
- ❖ FEA achieved all of the Financial Covenants signed with the financial institutions ANZ Bank and FNPF except one despite 2014 being a tough financial year. This ensured that Government, being the sovereign Guarantor of the FEA loans, was not exposed.
- ❖ FEA successfully refinanced the BSP, CDB and WBC loans with ANZ Bank at a lower interest and this contributed to an interest savings of around \$6.3M recorded for the year.
- ❖ FEA's total asset value exceeded F\$1.1Billion at the end of 2014. FEA has added significant shareholder value in recent years.
- ❖ FEA's gearing ratio at the end of December 2014 was 32.1% (2013-29.6%) which is within the international benchmark for power utilities of not more than 45%. The increase in gearing recorded in 2014 was due to additional borrowings of around \$50.8M (net) to fund critical capital projects.
- ❖ Successfully renewed the Government Guarantee facility for all FEA borrowings with the Ministry of Finance till December 2015.
- ❖ FEA awarded and signed the contract for the supply and installation of the 35MW Heavy Fuel Oil (HFO) Generator Sets with Pernix Fiji Limited. These Heavy Fuel Oil Generators will be operated to replace the gensets consuming the more expensive Industrial Diesel Oil (IDO). Furthermore, this HFO Generators will serve as security for the Central Division in the event that power supply from the the Hydro Power Stations located in the interior of Viti Levu is not available due to circumstances outside the control of FEA. FEA commenced with the site preparatory works in August 2014. By the end of the year, site improvements and foundation works were completed. The project is expected to be completed by September 2015.
- ❖ Awarded the turnkey contract to Pernix (Fiji) Limited for the construction of a 11kV/33kV substation at a cost of around \$9M to enable the evacuation of power from the new 35MW HFO Power Plant in Kinoya.
- ❖ The construction work on the \$40M Wainisavulevu Weir Raising Project progressed according to work schedule for 2014. The project is expected to be commissioned around mid 2015. This project when completed will benefit the energy output from the two existing hydros namely Wainikasou and Monasavu Hydro-electric Schemes and is expected to achieve a fuel savings of around \$4M per annum.
- ❖ FEA spent a total sum of \$13M on the rural electrification schemes, commercial/industrial projects, system reinforcement works and contract jobs. Of this amount \$1.8M was authorized for construction of forty (40) rural electrification projects, \$7.8M was authorized for seventy (70) General Extension projects for commercial and industrial customers and \$1.6M was utilized for eighteen (18) contract jobs. A total amount of \$0.8M was authorized for two (2) power system reinforcement projects. Further, three (3) rural electrification projects, with the cost being shared between FEA and Government, were processed for implementation. A total of \$0.6M was allocated for the grid extension works from Tavua to Volivoli and \$0.4M was allocated for grid extension from Naiyala to Nayavu.
- ❖ Phase Two of the SCADA project was successfully commissioned in December 2014 with the integration of the Major Viti Levu Interconnected System to operate alongside those integrated in Phase One. This will improve the daily operation of the entire power system from the Authority's National Control Centre in Vuda.
- ❖ FEA implemented Stage 3 of the Electrical Protection Review Program of the entire FEA power system in 2014 to ensure safe and reliable system operation.
- ❖ Achieved a System Average Interruption Duration Index (SAIDI) for unplanned power outages of 490 minutes against a target of 700 minutes.
- ❖ Achieved a System Average Interruption Frequency Index (SAIFI) for customer's power supply interruption of 8 times against a target of 15 times.
- ❖ Achieved a record high ICT up-time system performance of 99.94% against a target of 99.8%.
- ❖ The 40MW Nadarivatu Renewable Hydro Power Project was registered for carbon credits under the Clean Development Mechanism (CDM) with The United Nations Framework Convention on Climate Change (UNFCCC) in 2013. In 2014, FEA worked towards getting the UNFCCC to approve its request for issuance of CERs (Carbon Credits) for the Nadarivatu Hydro Project.
- ❖ FEA completed the review of its 10 year Power Development Plan ending 2025. The ten (10) year power development plan contains the load forecasting and generation planning scenarios up to 2025 for Viti Levu, Vanua Levu and Ovalau power systems with associated network assets to be developed and the investment plan required to augment the 132kV and 33kV transmission and sub-transmission power networks.
- ❖ Completed a comprehensive review of the Organisation's Top Business Risks and implemented strategies to mitigate the risks. This reduced the ratings of our top 20 business risks by 20%.
- ❖ FEA acquired the land for the zone substation off Knolly Street, Suva and commenced construction of the new 33kV/11kV Substation. Further, the work on the replacement of the 12km of old 33kV underground cables that supply Suva City and the nearby suburbs commenced and is scheduled for completion in stages by 2016. The total cost of both these projects is around \$17M.
- ❖ Completed the augmentation work at Vuda and Waqadra 33kV Substations to accommodate the new 33kV double circuit transmission line from Vuda to Waqadra. This project will enhance the security and reliability of power supply in Nadi, Sigatoka and Korolevu areas.
- ❖ Successfully completed work to relocate tower number 9 and tower number 98 on the 132kV Wailoa to Cunningham Road-Suva transmission line. The existing towers required replacement to ensure security and reliability of Power Supply from Wailoa Power Station to the Central division of Vitilevu.
- ❖ Commenced work on the project to electrify the Korovou to Rakiraki corridor with the commissioning of the 11kV grid from Naiyala to Nayavu. Work is currently in progress on the construction of a new 33kV transmission line from Tavua to Volivoli and the establishment of a 33kV/11kV substation at Volivoli.
- ❖ Commissioned the Dreketi Electrification Project in early 2015. This project is part of Government's "Look North Policy" and was equally funded by FEA and Government, each contributing \$7.15M.
- ❖ FEA signed the "Early Works" Contract Agreement with Hawkins Infrastructure Limited (HIL) to carry out the detailed site investigation of the Qaliwana/Upper Wailoa Diversion Hydro Project. On completion of these works, FEA will be in a better position to negotiate a deal with HIL for the development of this Hydro Scheme on a Public Private Partnership model.
- ❖ FEA signed two Power Purchase Agreements in 2014 with Pacific Renewable Energy Limited and Tropik Gimco for the development of a 17MW Power Plant and a 10MW Power Plant respectively. Both are biomass Power Plants to be constructed in the Western Division of Viti Levu.
- ❖ The FEA Team received the Silver Award in Organization Development & Leadership of the year in the 8th Fiji Human Resources Institute (FHRI) Awards Program.
- ❖ The FEA Team further received the Gold Award for the most outstanding and innovative organization at the NTPC's 19th National Convention on Quality in 2014.



MEMBERS OF THE AUTHORITY



Gardiner Whiteside
Deputy Chairman



Nizam-ud-Dean
Chairman



Francis Kean
Member



Isikeli Vocedua
Member



Aseri Radrodoro
(Resigned July 2014)
Member



Hasmukh Patel
Chief Executive Officer
Ex-Officio Member

EXECUTIVE MANAGEMENT TEAM



Hasmukh Patel
Chief Executive Officer



Fatiaki Gibson
General Manager
Major Projects



Om Dutt Sharma
General Manager System
Planning & Control/
Acting CIO (Telecom)



Bobby Naimawi
Chief Financial Officer/
Board Secretary/
Acting CIO (IT)



Tuvitu Delairewa
General Manager
Commercial



Jitendra V. Kumar
General Manager
Network



Eparama Tawake
General Manager
Generation



Naveen Lakshmaiya
General Manager
Human Resources



Annabel Ducia
General Manager
Customer Services



Corporate Governance

Overview

In order to meet the standards of our clients, shareholders and our own people, responsible and sustainable business practices are central to the way FEA achieves its goals.

The Board strongly supports these practices and recognizes the importance of a consistent, strong culture of integrity and ethical leadership demonstrated at all levels across the company starting with the Board and reinforced by senior management.

Risk Management is an important responsibility of the Board and FEA is confident that a robust governance structure is in place and appropriately monitored. In addition to the formal meetings of the Board and the Board sub-committees, the Directors also test the governance structure through regular discussions with relevant senior management as well as make visits to selected sites and operations where the Board has the opportunity to discuss business issues with the FEA team.

Board of Directors

The Board is governed by the principles set out in the Board Charter. The Board Charter clearly describes the functions and duties of the Board as a whole. The Board of Directors has a Code of Conduct which unequivocally sets out the standards of behavior required of them. The members of the Board are issued the Board Code of Conduct at the beginning of each financial year and the Board Chairman carries out a briefing on the same. The employees of the Authority also receive training on the Employee Code of Conduct upon recruitment as part of the induction process.

During the year, the appointments of the Board Chairman and the Deputy Chairman were renewed whilst one board member resigned in July 2014.

As at the 31st of December 2014, the Board composition was as follows:

Nizam-ud-Dean	Board Chairman
Gardiner Whiteside	Deputy Chairman
Francis Kean	Member - Permanent Secretary for Infrastructure and Transport
Isikeli Voceduaadua	Member - Representative from the Ministry of Finance
Aseri Radrodoro	Member - Private Sector (resigned in July 2014)
Hasmukh Patel	Ex-Officio Member - Chief Executive Officer

In 2014, Board meetings were held 12 times and the attendance of each member was as follows :

Director	Number of Meetings Attended
Nizam-ud-Dean	12
Gardiner Whiteside	12
Francis Kean	12
Isikeli Voceduaadua	11
Aseri Radrodoro	6
CEO/Acting CEO	12



The General Manager Major Projects, Mr Fatiaki Gibson updates the FEA Board on the progress of the Wainisavulevu Weir Raising Project during a site visit by the Board in 2014 to the project site.



The Construction of the Wainisavulevu Weir Raising Project progressed according to work schedule for 2014. The project is expected to be completed in 2015. When completed it will produce additional 10 million units of electricity per year equivalent to a diesel savings of around \$4M per annum. FEA invested around \$40M to increase the height of the existing Wainisavulevu Weir.



Chairman's Report



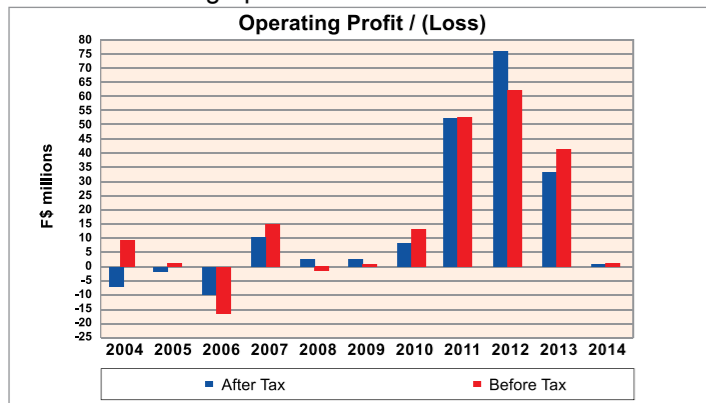
The year 2014 was one of some difficulty for the Authority in terms of its cash position. Faced with a year of prolonged dry spell, the Authority had to recourse to scaling down its hydro operations, which normally supplies about half of the power generation in Viti Levu, and increase its diesel generation to meet the ever increasing power demand. Since there was insufficient diesel capacity available for this purpose, additional containerised diesel plant was brought in on an emergency basis at a cost of some \$35M for this exercise. The net result was a fuel cost of \$180M for the year which reduced the operating profit for the year to less than \$1M. This has served as a wake-up call to the Authority to re-examine its tariff structure to ensure long-term sustainability for both the operational demands as well as it projected \$1.5Billion power development.

2014 Profitability

FEA made a financial profit of \$0.97M after tax in 2014 as compared to an audited profit after tax of \$32.5M in 2013. This equates to a Return on Shareholder Funds (ROSF) of positive 0.16%. The reduction in profit recorded in 2014 as compared to 2013 was due to the following:

- El-nino weather pattern causing a prolonged spell of dry weather in 2014, forcing FEA to implement its contingency plan by purchasing, installing & commissioning additional 40MW of diesel gensets.
- FEA burning huge quantities of expensive thermal fuel which contributed to an all-time high fuel cost of \$180M recorded in 2014 which was \$57M more than the fuel cost incurred in 2013.
- Increase in Independent Power Producers' (IPP) feed-in tariff from 23cents/unit to 33.08cents/unit from June 2014 as determined by the Fiji Commerce Commission (FCC). This resulted in an increase in the IPP cost by around \$5M in 2014.

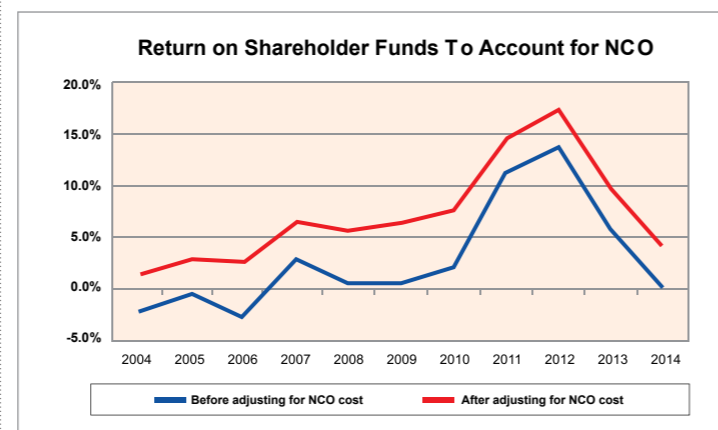
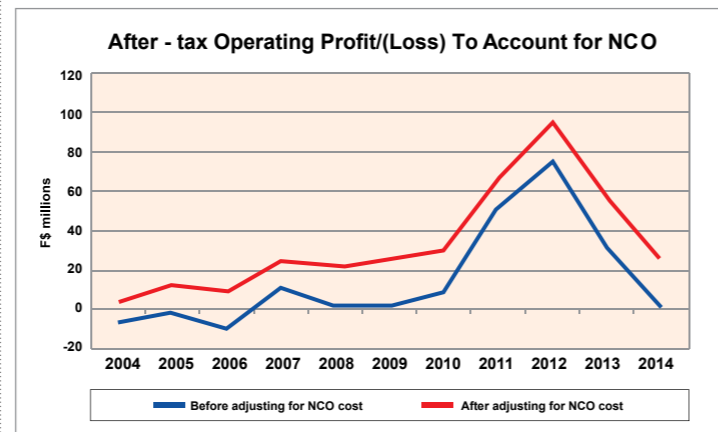
The profitability of FEA for the period 2004 to 2014 is illustrated in the graph shown below.



FEA incurs significant non-commercial obligation (NCO) cost each year when supplying subsidised electricity to rural Viti Levu and to the whole of Vanua Levu and Ovalau. Furthermore, another contributing factor to the NCO cost is the levying of unrealistic fees and charges that were established way back in 1966 and are still applicable today. FEA incurred around \$27.4M of NCO cost after tax when fulfilling its social obligations in 2014. Although the Public Enterprises Act requires the Government to reimburse the NCO cost to FEA, such cost is not refunded.

Instead, the Government has accepted, via Cabinet decision CR2002 18th Meeting dated 10th September 2002 that FEA's non-commercial contribution to social and community services through its electricity subsidies is to be recognised as its annual dividend to the Government. Therefore, the deemed dividend paid to the Government by FEA for 2014 is a notional adjustment to account for the NCO cost which would have resulted in an after tax financial profit of \$28.3M and a ROSF of positive 4.50% for the year.

The adjusted profitability numbers and ROSF are shown below for the period 2004 to 2014.



FEA appreciates the support provided by the Government through granting of duty concessions for its Renewable Energy Projects and guaranteeing FEA's borrowings. It is essential that the Government continues to support FEA to ensure the long term financial sustainability of the organisation and achievement of its long term Power Development Plan.

Financial Strength

FEA's gearing ratio, as measured by Debt to Debt plus Capital and Reserves excluding cash-in-hand, was 32.1% as at 31st December 2014 and has increased from the 29.6% reported for 2013. This is well within the international benchmark for power utilities of about 45%, despite the debt level increasing by \$50.8M (net) in 2014 and FEA spending around \$114M on Capital Expenditure projects in 2014. The positive gearing level provides opportunities for additional borrowing by FEA to fund its long term Power Development Plan. The increase in gearing level is due to the low profit recorded in 2014 and due to the increase in borrowings to fund critical capital projects.

The shareholder value of FEA was \$601M at the end of 2014 which has increased from \$588M at the end of 2013 and \$324.9M at the end of 2002. FEA's total assets are worth \$1.12B, an increase from \$1.04B in 2013 and \$456.7M in 2002. This shows that FEA has added significant shareholder value over the last 10 years since the implementation of organisational reforms.

FEA Restructure

The restructure process for the Initial Public Offering (IPO) of the Fiji Electricity Authority with the intention to partially privatize the Company continued in 2014.

Progress on Renewable Energy Projects

The 40MW Nadarivatu Renewable Hydro Power Project was registered for carbon credits under the Clean Development Mechanism (CDM) with the United Nations Framework Convention on Climate Change (UNFCCC) in 2013. In 2014, FEA worked towards getting the UNFCCC to approve our request for issuance of CERs (Carbon Credits) for the Nadarivatu Hydro Project.

Hawkins Infrastructure Limited of New Zealand was selected to take the Qaliwana/Upper Wailoa Scheme and the Wailoa Downstream Scheme from full feasibility to detailed investigation stage. An exclusivity agreement was signed between Hawkins and FEA for a one year period for the detailed investigations. This allowed for commencement of technical works which includes the design development, Environmental Impact Assessment work and the dam site geotechnical investigations. Two rain gauges were installed and an area for a third gauge was being worked on for access and installation. This will ensure that the detailed study phase is being supplemented with update and current rainfall data for more accurate hydrological assessments to be carried out.

FEA further carried out a feasibility study to determine the viability of setting up a waste to energy power generating plant at the Naboro Landfill. A concept paper was forwarded to the Minister for Local Government and Environment and Expressions of Interest for the development of the project will be called once approval is granted from the responsible Ministry and an agreement is reached with all stakeholders. In addition,

FEA in conjunction with the Department of Energy are collaborating with JICA to carry out detailed feasibility studies on potential hydropower developments in Vanua Levu, Western Viti Levu and Central Viti Levu. JICA has identified one hydro project each from these three regions based on their pre-feasibility studies and has presented their findings to all the stakeholders. They are recommending that a potential hydropower development on Waivaka River in the Namosi area be taken into the next phase of investigations.

Thermal Power Generation Expansion Plan

The FEA awarded the establishment of the New Kinoya 35MW Heavy Fuel Oil (HFO) Power Plant to Pernix Fiji Limited. These HFO Generators will be operated to replace energy output from the Industrial Diesel Oil (IDO) Generators to reduce overall fuel cost as the HFO fuel is cheaper than the IDO fuel. Furthermore, this HFO Generators will serve as security for the electricity supply to the Central Division in the event that power supply from the Hydro Stations located in the interior of Viti Levu was disrupted for any reason and will assist in catering for the future growth in electricity demand.

The contract was signed in February 2014 and site works commenced in August 2014. By the end of the year, site improvement and foundation works were complete. The project is expected to be completed by September 2015.

Productivity Improvements

FEA has achieved significant productivity improvements since 2000. The number of employees has been reduced by 27%, from 960 in 2000 to 703 in 2014, at a time when:

- Number of customers has increased by around 42%, from 117,315 in 2000 to 167,017 in 2014
- Electricity Generation output has increased by around 70%, from 523 gigawatt-hours (GWh) in 2000 to 891GWh in 2014;
- Route Length of power lines and underground cables has increased by around 41%, from 7,124 km in 2000 to 10,064 km in 2014;
- Total assets have increased by around 137% from \$473M in 2000 to \$1.12B in 2014;
- Total shareholder funds have increased by around 90% from \$316M in 2000 to \$601M in 2014.

As a result, the following productivity improvements have been achieved between 2000 and 2014:

- Customers per employee have increased by 94%;
- Electricity Generation output per employee has increased by 133%;
- Route Length of power lines and underground cables per employee has increased by 93%; and
- Asset value per employee has increased by 225%.

Acknowledgement

I wish to convey my sincere appreciation and thanks to the fellow Board Members for their continuous support and contribution throughout the year. Their commitment and direction was instrumental in ensuring that FEA remained focused and on-track to achieve its strategic goals and objectives.

I wish to thank the Cabinet, especially the Honourable Minister for Infrastructure and Transport and the Honourable Minister for Public Enterprises, for their invaluable support provided to FEA during the year.

To our valued customers, we will continue to explore and implement ways in which we can further improve our services to meet or exceed your expectations.

To our Management Team and employees, I am highly appreciative of your efforts and contribution during the year. The level of dedication and commitment that you and our outsourced service providers showed throughout the year has enabled us to energise our nation under very challenging conditions.

Nizam-ud-Dean
Chairman



FEA Chairman and CEO with JICA consultants during a visit by them to the FEA Head Office to discuss potential Renewable Energy Schemes in Fiji.

Achievement of Board Key Performance Indicators

The FEA Board developed eight Key Performance Indicators (KPIs) for 2014 to enable Government to measure the performance of the FEA Board. The KPIs were included as part of the FEA's Statement of Corporate Intent (SCI) for 2014. The actual achievement of the KPIs is detailed below:

Key Performance Indicators	Final Outcome
1. Achieve a Return on Shareholder's Funds of at least 10% subject to assumptions outlined in the Corporate Plan becoming a reality and is inclusive of the Non Commercial Obligation (NCO) Costs for 2014 after tax.	NOT ACHIEVED. The audited Return on Shareholder Funds for the year was positive 4.50% and is inclusive of the Non-commercial obligation (NCO) costs for 2014 of \$34.2M before tax. This is due to FEA implementing its contingency plan of purchasing, installing and commissioning 40MW of containerized diesel gen sets in light of the prolonged spell of dry weather that adversely affected the performance of the Nadarivatu and Monasavu Hydro Schemes in 2014. This resulted in FEA incurring an all time high fuel cost of around \$180M in 2014, which was \$57M more than the cost incurred in 2013. Had this additional fuel cost passed through to the customers, and recovered by FEA, then FEA would have recorded a ROSF of around 11% inclusive of NCO cost for 2014.
2. Fully comply with the following statutory requirements: <ul style="list-style-type: none"> • Submission of 2015 to 2017 Corporate Plan, SCI and EIRP by 30 September 2014 • Submission of half year report for 2014 financial year by 01 August 2014 • Submission of draft un-audited financial accounts for 2013 by 31 January 2014 • Submission of draft 2013 annual report by 31 March 2014 • Submission of the annual report and audited financial accounts for 2013 by 31 May 2014 	<p>ACHIEVED. Submitted on 30th September 2014.</p> <p>ACHIEVED. Submitted on 29 July 2014.</p> <p>ACHIEVED. Submitted on 31st January 2014.</p> <p>ACHIEVED. Submitted on 28th March 2014</p> <p>ACHIEVED. Submitted on 29th May 2014.</p>
3. Finalise the refinancing of the remaining balance of the China Development Bank (CDB) Loan with a lower interest rate alternate funding subject to Reserve Bank approval if loan is obtained from a local financial institution.	ACHIEVED. Refinanced the entire CDB loan with ANZ Bank at a lower interest rate on 21 February 2014.
4. Implement all FEA Action Items as per the Agreed Timetable with Minterellison and Ministry of Public Enterprises.	ACHIEVED. FEA signed with the Ministry of Public Enterprises the contract for the Independent Accountant and currently reviewing with the Ministry of Public Enterprises the contract for the Investment Advisor.
5. Ensure that the construction of the 35MW HFO Generator Sets at Kinoya progresses according to the project schedule for the year 2014.	ACHIEVED. Project progressed according to work schedule for 2014. The project cost is within budget and is on target for completion by end of September 2015.
6. Ensure that the construction of the Wainisavulevu Weir Raising Project progresses according to the project schedule for the year 2014.	ACHIEVED. The project is on schedule and good progress was attained during the dry months of 2014. The project is within budget and is on target for completion by the second half of 2015.
7. Commence the development of the new 33kV/11kV Zone Substation off Knolly Street and installation of new 33kV underground cables.	<p>ACHIEVED. Acquired the land for the zone substation off Knolly Street, Suva.</p> <ul style="list-style-type: none"> • Awarded the turnkey contract to EPC (Fiji) Limited for the construction of the substation (SS). Civil works commenced by the end of 2014. • Trenching work for the replacement of the old 33kV underground cables (XLPE Al 630mm²) of length about 12 km from Suva SS to Vatuwaqa SS, from Vatuwaqa SS to Cunningham SS and from Suva SS to Hibiscus Park SS commenced in 2014 as per work schedule. • Work on the installation of these new 33kV cables progressed according to work schedule for 2014.
8. Make a firm recommendation on the way forward for the development of the Qaliwana Hydro and Wailoa Down stream Hydro together with the associated transmission network development.	<p>ACHIEVED. FEA has signed the "Early Works" Contract Agreement with Hawkins Infrastructure Limited (HIL).</p> <ul style="list-style-type: none"> • Geotechnical drilling commenced in late July 2014. First key milestone "Go/No Go" date was 15 September 2014. • Consent from most of the Land Owning Units (LOU) have been received except for Mataqali Navinoji where the power station will be located but this is within our current lease and is not critical for this first phase. We can seek their consent once development progresses. • Conceptual designs and drawings for Wailoa Downstream Hydro Project is ongoing and will be submitted in due course. • Associated Transmission Line development is part of the Power Development Plan.

Chief Executive Officer's Report



2014 will go down in the history of FEA as one of the most challenging years for the Authority. FEA recorded below average rainfall for nine months in 2014 which resulted in the Monasavu Hydro Scheme generating one of the lowest energy output to date. The Hydro Scheme generated 314M units of electricity against a long term average of 400M units per annum. The generation output from the Monasavu Hydro Scheme had to be managed diligently by FEA to ensure that water in the dam was available for generation to meet the daily peak demand throughout the year. Consequently, the Authority had to implement its contingency plan of purchasing, installing and commissioning additional 40MW of containerised diesel gensets around Viti Levu which contributed to an all-time high fuel cost of \$180M for the year 2014. FEA recorded monthly financial losses from April to October 2014 and were only able to turn the loss situation around in the months of November and December to finally record a profit before tax of around \$1M for 2014. It is a tribute to the robust business model of FEA that it sustained financial losses for some seven months and yet managed its cash position smartly despite no pass through of the additional fuel cost of \$57M it incurred in 2014 to its valued customers.

FEA withstood one of the toughest tests in its history by overcoming a financial crunch resulting from implementing its contingency plan of purchasing, installing and commissioning 40MW of containerized diesel gen sets due to the prolonged spell of dry weather experienced in 2014 which resulted in a lower generation output from both the Monasavu and Nadarivatu Hydro Schemes. This contributed to an all-time high fuel cost of \$180M recorded by FEA in 2014 against a budget of \$137M, the highest ever in its history. This adversely impacted the Authority's financials and its operations.

The Authority had to review its operations by deferring most of its Capital expenditure program planned for 2014 and implemented cost cutting measures across the business to ensure that the company remained afloat. FEA adopted the strategy to conserve water at the Monasavu Dam from mid April 2014 by reducing the generation output from the Wailoa Power Station to around 32% of the total Viti Levu demand so that the water at the catchment could last till the end of the year. As a result, FEA generated around 62% of the total Viti Levu demand by burning expensive thermal fuel and recorded monthly financial losses from April to October 2014. FEA had carefully adopted the above strategy considering the worst case scenario if the Monasavu Hydro Scheme had to be shut down. FEA implemented its contingency plan which was approved by Cabinet of installing and commissioning additional 40MW of containerized diesel gensets around Viti Levu from June onwards in stages to supplement the shortfall in the Monasavu and Nadarivatu hydro generation to avoid a rotating black out scenario in Viti Levu. This substantially impacted the Authority's financials in 2014. If FEA had passed this increase in cost brought about by circumstances beyond its control to customers, then FEA would have recorded a reasonable profit.

The \$0.97M profit after tax recorded for 2014 was due to FEA burning huge quantities of expensive thermal fuel to the tune of around \$180M which was \$57M more than that incurred in 2013. The increase in the Independent Power Producers' (IPP) feed-in tariff from 23 cents/unit to 33.08 cents/unit from June 2014 as determined by the Fiji Commerce Commission (FCC) also adversely impacted the profitability by around \$5M in 2014.

The next three years will bring a lot of challenges to the Authority. FEA's business will continue to be vulnerable to the changing weather pattern as a result of climate change as well as the fluctuating global fuel prices. Despite having two uncontrollable factors directly affecting FEA's day to day business, FEA will continue to adopt a robust business model to ensure that the following key objectives are achieved in the short, medium and long term.

- Repayment of bonds and loans on time when they fall due without defaulting;
- FEA meeting its debt covenants signed with lenders ensuring that the Government being the sovereign guarantor of FEA's borrowings is not exposed;
- Continue with the repairs and maintenance of FEA's ageing assets considered its "strategic assets" when they are due for maintenance to ensure reliability and security of power supply;
- Successful implementation of FEA's 10 year optimum power development plan involving substantial investment in the transmission network and power generation sector to meet the ever growing demand of electricity;
- Assist achieve Government's social-economic objectives and economic growth; and
- Ensuring that FEA remains financially sustainable in the short, medium and long term.

FEA invested around \$73M to purchase and install 35MW of Heavy Fuel Oil (HFO) generating plant at Kinoya Power Station together with the associated transmission network to successfully evacuate the power generated out of this new power station. This project is on target for completion by the second half of 2015. FEA will be installing new 33kV underground cables in Suva CBD and construct a new 33kV Zone Substation off Knolly Street to improve reliability of power supply and meet the future demand of electricity in the Suva

CBD and surrounding areas. This investment is expected to cost around \$17M which is projected to be internally funded by FEA. This will be another huge investment by FEA. Therefore, it is imperative that FEA adopts a business model that will achieve the desired profitability level to ensure that it is able to fund these critical projects and remain financially sustainable. However, this will depend on a large extent to the amount of rainfall received at the Monasavu and Nadarivatu hydro schemes in 2015, the global fuel prices for IDO and HFO and the electricity tariff as we go forward.

Finally, I thank the Chairman and the Board Members for their valuable guidance and constructive support throughout the year. I wish to record my thanks and appreciation to my colleagues in the Executive Management team and to all the employees of our organisation and other external service providers for their continuing support, dedication and patience throughout 2014.

I also record my sincere thanks and appreciation to the Honourable Prime Minister and his Cabinet Ministers, Permanent Secretaries and Government officials, the Reserve

Bank of Fiji, the Fiji Commerce Commission, the Fiji Revenue & Customs Authority and the executives of the FEA Bargaining Units for their kind assistance, support and cooperation rendered in 2014.

The invaluable contribution of one and all mentioned above made it easier for FEA to rise above the challenges it faced during the year and end the year with a small profit.

I look forward to their continued support in delivering increased value to our Shareholder and Stakeholders in the coming year.

Hasmukh Patel
Chief Executive Officer



Head Teacher Pita Nagusuca and students of Naboubuco District School receiving computers from FEA CFO and Acting CIO (IT) Mr Bobby Naimawi during the handover ceremony at the school. This was part of FEA's corporate social responsibility program.



A Customer Services Representative provides services to customers during the week days.



FEA Contact Centre located at the Head Office in Suva continues to address the concerns of customers with urgency Fiji wide.

2014 - Year in Review

CUSTOMERS

Customer Service

The number of customer accounts increased by 2.68% from 162,656 in December 2013 to 167,017 in December 2014. The customer accounts are made up of: Industrial 99 (0.06%); Commercial 16,082 (9.63%) and Domestic and Institutional 150,836 (90.31%). The increase in customer accounts was mostly in the Domestic Sector recording a growth of 2.53%, most of which were in remote rural areas as a result of the Rural Electrification projects funded by the Government and FEA. There was an increase in demand for electricity by an overall 1.90% from 780.07 million units in 2013 to 794.89 million units in 2014. The main increase in electricity consumption was in the Domestic sector, with demand increasing by 2.23% from 228.8 million units in 2013 to 233.9 million units in 2014. Demand also increased by 1.89% in the Commercial sector as well as in the Industrial (Maximum Demand) sector which increased by 1.53%. The increase in electricity consumption in the Domestic, Commercial and Industrial sectors is attributed to the growth in the economy. Furthermore, the power supply in the Central, Western and Northern divisions was not affected by any natural disasters in 2014.

Contact Centre

The Contact Centre continued its good performance in 2014. The Grade of Service (GOS) achieved for the year was 90.4% with Calls Abandoned at 5.8%. This was a good result in a challenging year where the Contact Centre was required to manage information flow to customers on the review in consumer security deposit, disconnection and reconnection of electricity accounts, prepayment issues, and planned and unplanned power outages. Total calls received as at 31st December 2014 were 377,445, an average of 31,454 calls a month. This was a decrease of around 12% from 2013 when a total of 428,756 calls were received. The decrease in call volume was the result of fewer enquiries made regarding power restoration as no natural disasters were experienced in 2014. With a concentrated and coordinated approach in 2015, it is anticipated that the call volume will be managed more effectively. The focus continues to be on the quality of service delivered to the individual customers by Contact Centre staff when answering the calls. The Contact Centre continues to operate 24 hours, 7 days a week with the main Contact Centre in Suva closing at 9.00pm and the services then taken over by Contact Centre staff at the National Control Centre in Vuda.

Usage of the emergency 913 number for non-emergency calls by customers continues to be a concern with a total of 26,242 calls received on this number of which only 6,135 were genuine emergency calls.

For the 2014 Customer Services Survey, six survey questions were prepared and survey forms sent out to customers with their electricity bills in December 2014. The completed forms were received and analysed. Unfortunately only some 3,700 customers responded out of the 167,000 customers.

Whilst FEA was pleased with the improvement in its overall customer satisfaction level for domestic customers, it wishes to improve on its level of service to commercial and industrial customers. Accordingly, it will put in place appropriate action plans to address the areas of improvement highlighted in the survey. In the meantime, FEA is also investigating how it could improve on the overall customer response in future years by obtaining views from a majority of its customers.

FEA Contact Centre located at the Head Office in Suva continued to address the concerns of customers with urgency Fiji wide.

Prepay Customers

The On-Line Syntel prepayment vending system is now being used by all prepayment vendors and there is a total of 34 such vendors located in the Central, Western and Northern divisions. Prepay customers can buy their tokens from any of these vendors. Through this online vending system, the Authority is able to manage its prepay customers better.

There is a total of 22,425 rural customers on prepayment meters as at December 2014, an addition of 1,811 new prepayment customers in 2014. Some 207 new customers were connected in Dreketi Labasa via prepay meters.

Product Awareness

Awareness on energy savings and electrical safety tips were the main focus of FEA's communication activities to its customers. Presentations were carried out in schools and communities to create awareness on energy savings and electrical safety. FEA made full use of its billing network to maximize the exposure of its safety messages by printing messages on the electricity bill itself and on bill inserts.

Visits were made to prospective rural customers in villages to complete customer documentation, provide information on energy conservation, electrical safety and training on how to use the prepayment meter prior to connection. Television interviews and participation in radio talkback shows were carried out for creating public awareness and dissemination of information regarding the Authority's operations.

Demand Side Management

FEA carried out energy meter re-calibration of its third lot of top 150 customers and scanned 16 two-transformer fed installations to ensure that the Customers' meters were functioning properly and recording correct consumption.

FEA also replaced 6,127 old energy meters installed at customers' premises and will continue with this replacement of old energy meters during the next 2 years to ensure correct recording and billing of electricity consumption.

FEA continues to assist its customers to become more energy efficient by providing technical advice and billing data to those customers who request for such data.

FEA's Reactive Energy Metering Policy was strictly enforced during 2014 with penalties imposed on those customers using excessive reactive energy and not complying with the power factor requirements as stipulated in the Electricity Act.

Customers' excessive reactive energy usage increased by around 15.97% in 2014 when compared to 2013.

Electricity Tariff

The new electricity subsidy threshold of 85kWh per month will be effective from 1st January 2015 for residential customers. Units consumed by residential customers in January 2015 will be considered for subsidy in February 2015 at a rate of 15.90 cent per unit (VEP) which will be paid by Government. The customers will pay 17.20 cents per unit (VEP).

The review of the consumer security deposit is ongoing, based on the consumption pattern changes. Customers have the option to pay the required consumer security deposit either in cash or by providing a Bank Guarantee.



FEA Metering Technician carrying out metering system re-calibration at Water Authority of Fiji in Lautoka. This is to ensure that the customer's meters were functioning properly and recording correct consumption.



The FEA staff and the Management welcomed the newly appointed Honourable Minister for Infrastructure and Transport, Mr. Pio Tikoduadua at FEA Head Office in Suva.



FEA Chief Financial Officer presenting quarterly performance report of FEA to the Minister for Works, Transport and Public Utilities, Mr Timoci Natuva during FEA's quarterly presentation at FEA Head Office in Suva.

HUMAN RESOURCES

Best practice Human Resources initiatives are something that emerging Human Resources practitioners aspire to develop and implement. 2014 saw some positive outcomes from our various initiatives and processes implemented. Some of the major achievements in 2014 are a reflection of the enormous effort put in by Management and Staff to ensure FEA is recognized as an exemplary organization with Human Resources policies designed to foster productivity and learning throughout the organization.

Milestone achievements for FEA in 2014 are;

19th National Convention on Quality 2014

- **Competitive Gold Award Winner**
 - Team Kaizen - 4 Member Team will attend International Exposition on Team Excellence (IETEX) in Singapore in 2015
- **Most Innovative Team**
 - Team Kaizen
- **Outstanding QC Organization**
- **Outstanding QC Manager**
 - Samuela Naisua will attend International Exposition on Team Excellence (IETEX) in Singapore in 2015.

Quality Circles Influence within FEA

2014 saw 28 Quality Circles formed in FEA which involved Quality Circle projects. Target for 2015 is to actively engage 60% of FEA's total workforce in Quality Circles. These project teams involve every employee to innovatively contribute ideas for the betterment of the organization. It provides an innovative platform for an employee to grow.

- The Human Resource SBU (Strategic Business Unit) for the very first time in the history of FEA entered in the **8th Fiji Human Resources Institute (FHRI) Awards Program**. This was a two year calculative wait to ensure that our human resources processes are aligned to best practice. The participation augured well with our preparation for the Fiji Business Excellence Awards retention in 2015.

Young HR Practitioner of the Year Award

Prabhashni Singh - Gold Award

Senior HR Practitioner of the Year Award

Manasa Saraqia - Silver Award

Organization Development & Leadership of the Year Award - Silver Award

The Fiji Electricity Authority received the Silver award in Organization Development and Leadership category in 2014.



Job Evaluation exercise for all positions in FEA

FEA engaged PricewaterHouseCoopers to carry out an independent and market researched review of all positions within FEA. The report provides a detailed framework for re-aligning positions relative to the market value of the positions. The report revealed that overall, the positions in FEA are remunerated very competitively though some positions are remunerated higher than the market rate to maintain a high quality of staff.

Employee Recognition/Welfare Programmes introduced in 2014.

Employee of the Quarter / Employee of the Year and Zero Sick Leave award

The FEA Employee Awards program seeks to acknowledge those personnel whose efforts have inspired and supported the performance and achievement of others. The FEA Employee Awards program will provide awards to such employees by means that is fair, with equal consideration of all eligible staff in the SBA. The purpose of the FEA Employee Awards program is to recognize outstanding employees of the respective SBUs who embody the division's standards for excellence and innovativeness, taking into account the Fiji Business Excellence Award framework.

Employee of the Quarter Winners

The Employee of the Quarter winners from each SBU receives an insignia plaque, certificate and \$100 cash. The Employee of the Year received an insignia plaque, certificate and \$1,000 cash, while the runner up received \$500 cash and the Zero Sick Leave recipients for the year received an insignia plaque and certificate of recognition.

Key challenges for the next 12 months are;

- Utilization of the Fiji Business Excellence Awards Framework to further improve our organizational systems and processes, planning, service delivery, product quality and bottom-line results. We are committed to utilize the guidelines of the Fiji Business Excellence Award Framework as a benchmark in our operational services for continuous improvement and continuous learning.
- Building on the existing foundation of the Fiji Business Excellence Awards Framework via strong leadership and commitment.
- Motivating employees to think "BIG" in creating Value. Establishing a much wider scope and bigger cross sectional customer survey leading to indicators of success.
- Engaging all to ensure every employee has the mindset to lead, innovate and achieve the strategic objectives of the organisation.

Safety Team of the Year

The purpose of the HSE Awards program is to recognize outstanding employees of the SBA who embody the department's safety standards and promote safety excellence taking into account the Fiji Business Excellence Award framework. FEA Safety Team of the Year received \$3,000 cash as their reward.

Hospitalization visitation

This initiative is designed to foster goodwill and actively engage FEA with its employees especially in times of employee needing medical attention. Hospital visitations by the respective SBU and HR personnel are in two categories and have appropriate monetary allocations in this regard; Inpatient Hospitalization visit - \$50 value of items i.e. fruit basket, toiletries etc. and Inpatient Hospitalization Maternity visitation - \$100 value of items i.e. fruit basket, toiletries and baby care products. In 2014 a total of 33 visits were conducted for 18 Inpatient Hospitalization cases and for 15 Inpatient Hospitalization Maternity cases.



FEA Chairman and Acting CEO with the Attorney-General and Minister for Public Enterprises, Mr Aiyaz Sayed-Khaiyum at the launching of FEA's 2013 Annual Report at the FEA Head office in 2014.

Training & Development

The mission of the Fiji Electricity Authority Training Centre is based on building partnerships with various institutions in our human resources development and support development programs. We always prioritize to treat the workforce of our growing economy in a remarkable and unique way. Our distinctive training programs will always thrive to provide exceptional experiences to both our customers and our Staff in their development.

Grant Claim

FEA under the Method "A" grants scheme achieved a score of 94.16% for the 2013 assessment period. This represents the highest level of grants assessment score received by FEA to date.

FEA was also engaged in providing external Training in collaboration with Pacific Power Association and JICA, not only to organizations in Fiji but to other Pacific Island countries. 24 sessions of various technical training were conducted for external organizations and the total revenue derived from these training programmes was FJ\$120,800 for 2014.

FEA provided work attachments and training to the neighbouring Pacific Island Electricity Utilities in Technical and Non – Technical areas. In 2014 FEA provided work attachment and training for the Nauru Electricity Utility and the Solomon Islands Electricity Authority.

A total of 293 Training courses were conducted in 2014 with a total number of 41,315 training hours as compared to 2013 in which 285 Training courses were conducted with a total number of 39,118 training hours.

Partnership with the University of the South Pacific Towards the Bachelor of Engineering Programme.

FEA and USP signed a Memorandum of Understanding (MOU) that allows USP Bachelor of Engineering students to gain valuable work experience in FEA to fulfill their programme work attachment requirements and after completion of their programme of study are eligible to be recruited by FEA as Graduate Engineers. Currently FEA has 7 Graduate Engineers (5 Electrical and 2 Mechanical Engineering graduates) who have been recruited pursuant to the MOU with USP.

The Authority continues to engage attachees for practical training from the Fiji National University (FNU), University of the South Pacific (USP) and University of Fiji (UOF) as part of their program requirements so that they are able to graduate. This is an opportunity for the Authority to ensure that these attachees receive the relevant practical training and development in-house in preparation for employment opportunities that may arise. There are currently 42 students from USP and FNU on attachment in FEA to gain valuable workplace experience and also to complete their programme requirements.

The Authority accepts that the staff turnover in the technical areas will continue due to employment opportunities abroad. The Authority also accepts that it will never be able to compete with overseas employers in the terms and conditions of employment offered to the Authority's employees.

Health, Safety & Environment(HSE)

The FEA Board and Management fully appreciate their moral, professional and legal obligations to translate their commitment, as reflected in our HSE Policy Statement, into tangible actions on the ground in order to improve FEA's



The newly constructed 33,000volts double circuit transmission line from Vuda to Waqadra to improve the security of power supply to Nadi, Sigatoka and Korolevu areas.

safety culture.

To articulate this commitment to the workforce, initiatives such as the FEA Safety Team of the Year Award program was introduced to generate interest amongst employees in taking personal responsibility for their safety. A special focus was also put on the Unit Leaders and Team Leaders to own the process of safety citizenship by creating a commitment and obligation towards their work in embedding the message that safety is valued.

A Safety Leadership workshop was organised where fifty two (52) Unit Leaders and Team Leaders discussed safety culture improvement strategies. A special program called 'Winning Hearts and Minds' was put in place as a result of the above safety leadership workshop with the Strategic Business Units closely monitoring the progress of the program. This program recognises the need for FEA management and workers to work in close partnership with one another in improving the safety culture within FEA through making safety a fully integrated part of working behaviour.

A total of thirty eight (38) employees who are members of the HSE committees in FEA were trained in OHS Module I & II where the roles and responsibilities of the HSE committee members were discussed. A fatigue management training program was conducted for all drivers to educate them of the risks of driving while tired and how to recognise symptoms of fatigue. A total of two hundred and fifty seven (257) drivers were trained.

A total of four thousand, one hundred and ninety seven (4,197) HSE corrective actions were identified through safety visits, hazard reports and HSE Committee meetings. These corrective actions were registered in the HSE database and followed up until all of them were rectified.

In their bid to further strengthen the Health and Safety Unit, the FEA Board and Management have decided to expand the Unit with another Health and Safety Officer (HSO) to be based in Labasa, in addition to the ones based in Navutu and Kinoya. This Unit will be led by the Unit Leader Health & Safety.

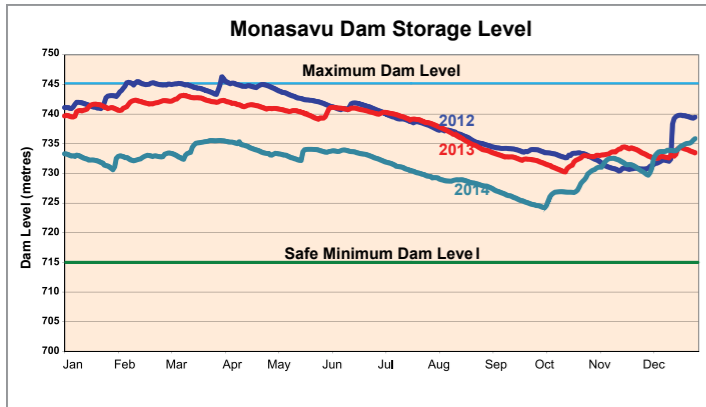


FEA acquired the land for the zone substation off Knolly Street, Suva and commenced construction of the new 33kV/11kV Substation. The total cost of this project is around \$17M.

PRODUCTION OF ELECTRICITY

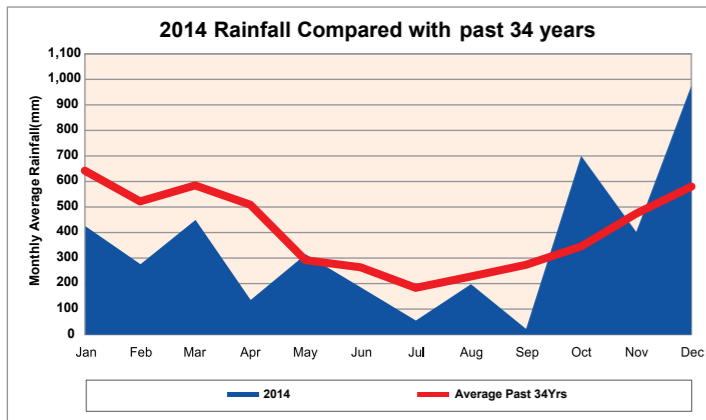
Water Management

The water level at the Monasavu Dam at the beginning of January 2014 was 733.51 metres above mean sea level (AMSL), which was 18.51 metres above the minimum safe operating level of 715 metres. At the end of December 2014 the water level was 736.04 which was 21.04 metres above the minimum safe operating level.

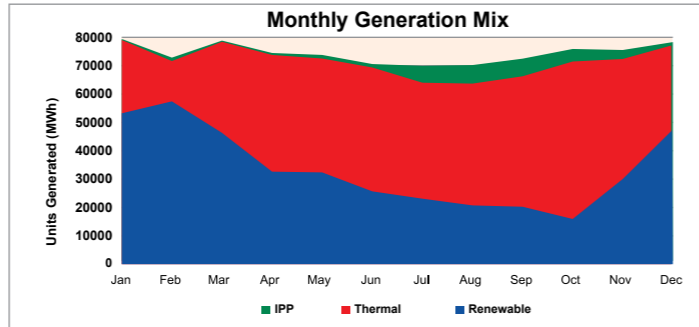


The months of January, February, March, April, June, July, August, September and November received below long term average rainfall while May, October and December received long term average rainfall. The below average rainfall for nine (9) months in 2014 resulted in the lowest ever power production from Wailoa Power Station in twenty-one (21) years generating only 314.34 million units of electricity. Typically, some 400 million units of electricity generation is expected annually.

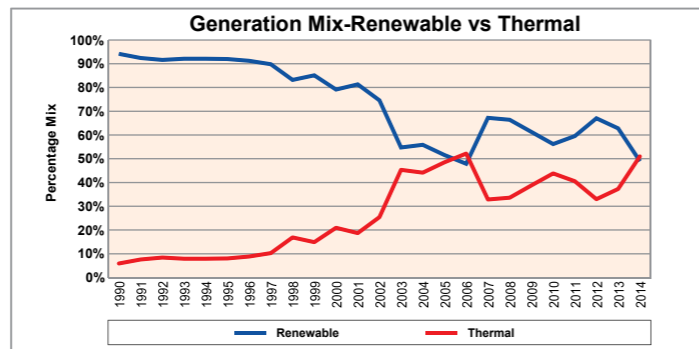
Total rainfall received at Monasavu in 2014 was 4,137 mm compared with 4,212 mm in 2013. The lowest ever rainfall recorded was 3,540 mm in 2004.



The power generation mix for 2014 was 44.96% hydro, 50.91% diesel and heavy fuel oil, 0.48% wind with the remaining 3.65% provided by the Independent Power Producers (IPPs), namely Tropik Wood Industries Limited (TWIL) and Fiji Sugar Corporation (FSC). In comparison, 61% was generated from hydro in 2013, 37% from diesel and heavy fuel oil, 1% from wind with the remaining 2% from TWIL and FSC.



In 2014, the FEA renewable power stations generated 405.24 million units of electricity (45.44%), thermal power stations generated 454.03 million units of electricity (50.91%) and Independent Power Producers (IPPs) generated 32.51 million units of electricity (3.65%).



Power System Reliability

Three internationally accepted performance indicators are used each year to measure FEA's power system reliability:

- The average total length of time that a customer is without power over a year is measured by the System Average Interruption Duration Index (SAIDI). Against a target of maximum 700 minutes, the Authority achieved a SAIDI of 490 minutes in 2014.
- The average number of times that a customer's power supply is interrupted in a year is measured by the System Average Interruption Frequency Index (SAIFI). Against a target of 15 times, the Authority achieved a SAIFI of 8 times in 2014.
- The average time that a customer is without power per interruption is measured by the Customer Average Interruption Duration Index (CAIDI). This index was 61 minutes in 2014.
- The main reasons for the power interruptions that occurred in 2014 were:
 - Planned maintenance works on overhead power lines and underground cables;
 - Heavy rain, lightning, etc.;
 - Faults on power line hardware;
 - Vegetation interfering with power lines and
 - Transient faults.



FEA personnel carrying out repairs to damaged power lines at night to restore power supply to customers.

FEA needs to spend a substantial amount of money to reinforce its power system in order to improve the reliability and security of power supply to be in line with international benchmarks for power utilities of similar size and nature. Furthermore, most of the power distribution systems are old and obsolete which has been in service for more than 30 years and urgently require upgrading and repair works. FEA has incorporated these upgrades and repair works in its future development plan.

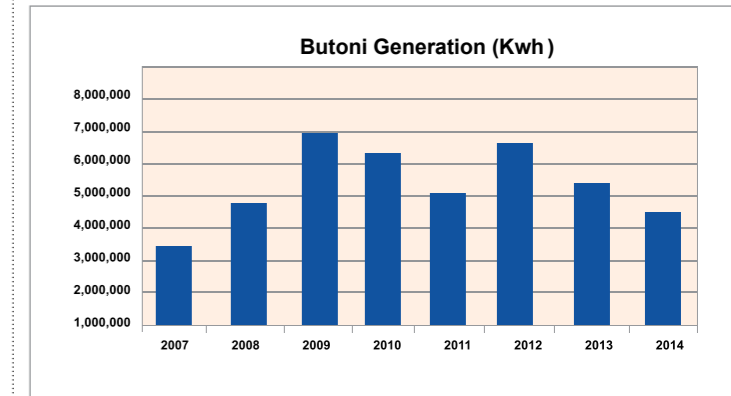
The initiatives FEA are currently pursuing include:

- Live-line maintenance of its power lines at all voltage levels;
- Effective vegetation management program;
- Use of appropriate technology to detect defects that can be fixed on time and equipment that can assist in restoring power supply quickly;
- Ensuring that adequate supply capacity is available to meet the demand for electricity at all times; and
- Ongoing program to replace ageing assets

Butoni Wind Farm

Butoni wind farm generated 4.3 million units of electricity in 2014. This is equivalent to a fuel cost saving of around \$1.87M in 2014.

Graphically depicted below is the energy output from Butoni Wind Farm since commissioning in 2007:



Butoni Generation (units of electricity)

Statistics for the wind farm from the commencement of its operations in June 2007 are given below:

- Total Generation Output = 43 million units of electricity
- Total Diesel Fuel Cost Savings = F\$16.2M
- Total Foreign Exchange Savings = USD\$9.69M
- Total Diesel Fuel Saved = 9,040 tonnes of diesel
- Total Green House Gas Emission Reduction = 28,083 tonnes of Carbon Dioxide.



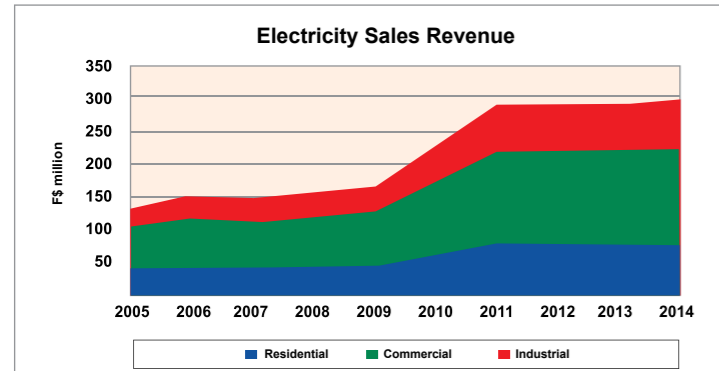
FEA personnel carrying out maintenance works on one of the diesel generators at Rokobili Power Station in Suva.

Profitability

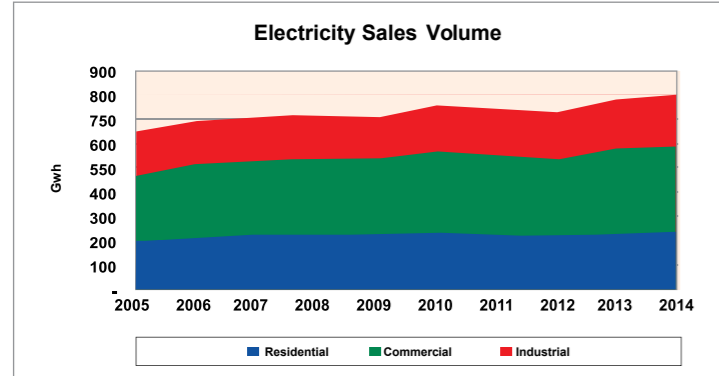
FEA made a financial profit of \$0.97M after tax in 2014. Furthermore, FEA incurred \$27.4M of Non-Commercial Obligation Cost (NCO) after tax when fulfilling its social obligation in 2014. Taking into account the NCO cost above, the Return on Shareholder Funds (ROSF) for 2014 is positive 4.50%. The reduction in profit recorded in 2014 was due to FEA burning huge quantities of expensive thermal fuel and an increase in Independent Power Producers' (IPP) feed-in tariff from 23cents/unit to 33.08cents/unit from June 2014 as determined by the Fiji Commerce Commission (FCC).

Earning before interest, tax, depreciation and amortization (EBITDA) for 2014 was \$49.8M. This provided a net interest coverage ratio of 4.4 times.

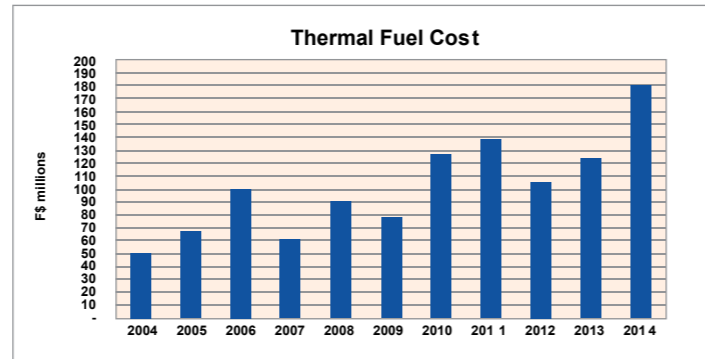
Revenue from electricity sales for 2014 was \$300.3M compared to \$292.9M in 2013, an increase of \$7.4M. This was a result of the increase in electricity demand for domestic, commercial and industrial customers recorded in 2014.



Other Operating revenue of \$7.1M in 2014 was more by \$2.2M compared to the \$4.9M earned in 2013 due to the increase in the contract income and realized gains made via special foreign exchange rates obtained from commercial banks.



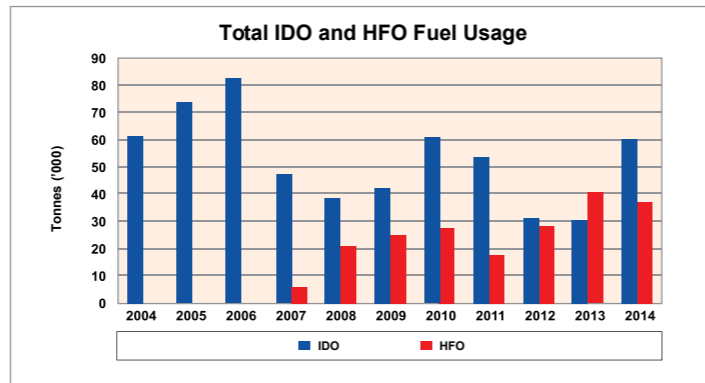
The total operating expense of FEA excluding fuel costs, depreciation and amortization was \$77.7M. This increased by \$0.3M when compared with the \$77.4M recorded in 2013. Depreciation and amortisation expense increased by \$0.18M in 2014 due largely to the capitalization of the 40MW contingency diesel gensets into the Fixed Asset Register.



The net thermal fuel cost increased substantially by \$57.4M in 2014, from \$122.6M in 2013 to \$180M in 2014. This was due to FEA burning huge quantities of fossil fuel to generate electricity in order to conserve water at the Monasavu Dam for operations throughout the year. Furthermore, the contingency plan was implemented from June onwards in stages resulting in an increase in fuel quantities burnt from 70,277 tonnes in 2013 to 97,205 tonnes in 2014. The thermal fuel cost accounted for around 61% of FEA's total operating expense of \$294M in 2014 compared with 52% in 2013.

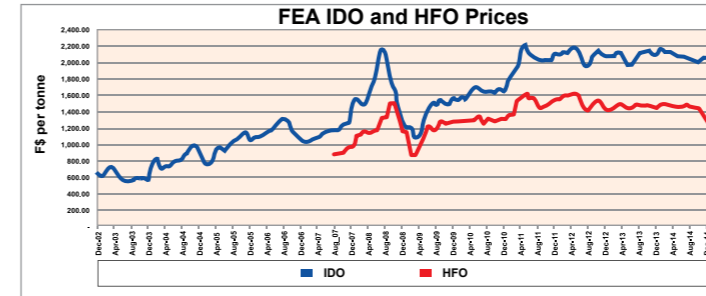
Electricity generated from the thermal power stations increased significantly by 129.3GWh in 2014 in comparison to 2013.

The Wailoa hydro power station generated 314GWh of energy in 2014, lower than the 420GWh that was recorded in 2013. Total quantity of Industrial Diesel Oil (IDO) fuel burnt in 2014 was 59,538 tonnes and Heavy Fuel Oil (HFO) fuel burnt was 37,667 tonnes, aggregating to 97,205 tonnes. In comparison, the total quantity of IDO fuel burnt in 2013 was 30,015 tonnes and HFO was 40,262 tonnes, aggregating to 70,277 tonnes.



Net financing costs decreased by around \$6.3M in 2014 from \$17.7M to \$11.3M in 2014. This was due to the full impact of the ANZ Bank loan portfolio which was refinanced in March 2014 at a lower interest rate and also refinancing of the China Development Bank (CDB), WBC and BSP loans at lower interest rates. This brought about interest savings of some \$1.6M per annum to FEA.

The average price of IDO fuel was \$2,076 VEP per tonne in 2014 compared to an average price of \$2,089 VEP per tonne in 2013. The IDO price peaked at \$2,191 VEP per tonne in January 2014. The average price for HFO was \$1,494 VEP per tonne in 2014 compared with an average price of \$1,460 VEP per tonne in 2013.



FEA's gearing ratio, as measured by Debt to Debt plus Capital and Reserves excluding cash-in-hand, was 32.1% as at 31st December 2014, which was well within the international benchmark for power utilities of about 45%, despite increasing its borrowings by around \$50.8M (Net) and spending around \$114M on Capital Expenditure in 2014.

The shareholder value of FEA was \$600.6M at the end of 2014 which increased from \$587.9M at the end of 2013 and from \$324.9M at the end of 2002. FEA's total assets are worth \$1.12B, increasing from \$1.04B in 2013 and from \$456.7M in 2002. This shows that FEA has added significant shareholder value over the last 10 years since the implementation of organisational reforms.

Capital Expenditure & Funding

FEA spent a total of around \$114M on capital projects in 2014. It had to defer a number of capital expenditures to 2015 due to the huge cost incurred in burning excessive volumes of fossil fuels to supplement the low generation output from the Monasavu and Nadarivatu Hydro Schemes due to below average rainfall recorded for most of the months in 2014. The Capex of around \$114M was made up of the purchase and installation of containerized gensets in Vitilevu, Telecom & SCADA infrastructure upgrade, power system reinforcement projects, Nadarivatu Hydro Project Retention, Wainisavulevu Weir Raising Project, relocation of the 132kV Tower numbers 9 and 98, 33kV Vuda/Waqadra double circuit transmission line, Switchgear upgrade at various stations, Rural Electrification Projects, Kinoya HFO Project, Network Augmentation Projects, purchase of energy meters, test equipments and metering accessories and other assets acquired by FEA in 2014. FEA provided funding for these projects through borrowings and through its internal cash.

All the debt covenants imposed by lenders were satisfactorily met in 2014 except for one which was then waived by one of the financial institutions. Further, ANZ Bank assisted FEA by approving a 6 month moratorium of interest repayment only effective from 1st August 2014. The loan principal repayment was then deferred to be repaid together with the loan repayments for 2015. This was essential to ensure that Government being the sovereign guarantor of the FEA loans was not exposed. FEA had a total debt portfolio of around \$355M as at 31st December 2014. This debt has to be serviced and repaid over the next 15 years. Around \$55M of the total debt is due in 2015, \$23M in 2016 and \$23M in 2017 in addition to FEA's CAPEX plan of \$89M for 2015, \$85M in 2016 and \$90M in 2017. These commitments are tabulated below and shows that FEA will have to make handsome profits to be able to honour these financial commitments over this period.

	2015 \$M	2016 \$M	2017 \$M
Debt	55	23	23
CAPEX	89	85	90
Total Funding	144	108	113

Therefore, FEA's financial performance over the next 3 years will be critical in determining how successfully it can fund the above commitments. It will have to keep aside cash surplus of at least \$30M-40M a year and this means that FEA has to record reasonable levels of profits to generate the necessary cash flow required. It will be very difficult for FEA to achieve the required level of profitability given that there are two uncontrollable factors being the global fuel price and the weather pattern that largely influence its business. Therefore, it is imperative that FEA adopts a business model that is robust and will achieve the desired profitability level to ensure that it remains financially sustainable over this period to fund the above commitments.

In view of FEA's huge capital expenditure plan, the Ministry of Finance has approved the extension of the Government guarantee facility of FJ\$404M and US\$50M till the end of December 2015. FEA has utilised around \$355M of this government guarantee as at the end of 2014.

FEA successfully refinanced the BSP, WBC and CDB loans with ANZ Bank in March 2014 at a lower interest rate. During the year FEA obtained approval of the Government guarantee facility which enabled FEA to borrow \$60M from FNPF to fund the purchase and installation of the 35MW HFO Generator Sets at Kinoya Power Station. FEA further borrowed an additional \$10M from ANZ in 2014 to fund the Wainisavulevu Weir Raising project and further obtained \$35M from ANZ Bank to fund the FEA's contingency plan of purchasing, installing and commissioning additional 40MW of containerized diesel generator sets around Viti Levu. The new HFO generator sets at Kinoya will improve the security and reliability of power supply in the central region of Viti Levu. FEA's average cost of borrowing was 3.5% per annum as at the end of 2014 compared to 5.7% per annum for 2013. FEA secured the funding for the HFO gensets project by calling for tenders from the local financial institutions to take advantage of the prevailing high liquidity and low interest rates. Competitive bids were received from local financial institutions to fund the above capital expenditure. FEA also early redeemed \$13M worth of high interest Bonds in May 2014 to improve its cash position and reduce its debt level.

FEA completed the review of its 10 year Power Development Plan (PDP) ending 2025. The ten (10) year power development plan contains the load forecasting and generation planning scenarios up to 2025 for Viti Levu, Vanua Levu and Ovalau power systems with associated network assets to be developed and the investment plan required for the development and augmentation of the 132kV and 33kV transmission networks. The total investment required in the transmission and distribution system is estimated to be around \$530M for both Viti Levu and Vanua Levu. These investments in reinforcing the transmission network are expected to be funded either by FEA or from external sources. The private sector is expected to invest substantially in the power generation sector as Independent Power Producers (IPPs) and sells the electricity to FEA via long term Power Purchase Agreements. It will be a huge task for FEA to successfully implement its PDP up to 2025 particularly investing heavily in reinforcing its transmission network infrastructures at the prevailing low electricity tariff rates.

The key enabler in achieving this plan is to have the right electricity tariff rate in place to ensure that FEA has the capability to borrow to fund its optimum Power Development Plan and also to ensure the financial sustainability of FEA in the medium and long term.

Internal Audit

The internal audit function of the Fiji Electricity Authority provides a number of important services to the company and management. These include detecting and preventing fraud, testing internal controls, and monitoring compliance with company policies and other regulations.

The Annual Audit Work plan for 2014 developed by the Risk & Audit Department in consultation with the Executive Management and the Board provided internal audit coverage for the financial year. The internal audit plan covered the department's programs and activities and encompassed both the financial and non-financial policies and operations. The audit plan was risk based and aligned with the Authority's business risks.

The Risk & Audit department reports directly to the Chief Executive Officer and provides monthly reports to the Audit & Finance Sub-Committee and the FEA Board on the internal audit findings. The internal audit department's role is governed by the Risk & Audit Charter and internal audits are conducted in accordance with the relevant auditing and accounting standards.



Because of the inherent danger in dealing with electricity, extensive education and training is essential to ensure the safety of FEA workers.

In 2014, the Internal Audit Department conducted reviews of operational Strategic Business Units (SBU) such as Commercial, Human Resources, Customer Services, Finance, Network, Generation and other areas of operations. The detailed reports on audit of staff electricity accounts, capital projects undertaken, human resources, Fixed Assets, tender & contracts, fleet together with fuel & oil were discussed at the Audit & Finance Sub-Committee Meetings and audit recommendations were endorsed for implementation.

Risk Management

Like any other power utility, FEA faces the following major business risks:

- 1) Compliance threats: originate in politics, law, regulation or corporate governance.
- 2) Financial threats: stem from volatility in markets and the real economy.
- 3) Strategic threats: are related to customers and investors.
- 4) Operational threats: affects the processes, systems, people and overall value chain of FEA's business.

FEA has adopted an enterprise risk management system to meet its specific risk management needs. Enterprise risk management consists of a set of organizational components that together aim to raise the level of risk management effectiveness across FEA. These include risk identification and prioritization, risk strategy, governance and control. It also includes allocation of risk ownership and risk reporting to the Audit & Finance Sub-Committee on the risk management practices.

A six monthly update on the implementation of risk mitigation strategies and an update on the risk ratings were submitted to the Board by the Risk & Audit Manager. Reduction of the top business risks is a corporate key performance indicator of the Authority.

In 2014, the Management continued implementation of appropriate risk mitigation strategies to address the risks identified in the review of FEA's Top Business Risks which was undertaken in May 2014 jointly by the Risk Consultants from Marsh Ltd, the Executive Management Team and Unit Leaders of the Authority to reduce the rating of our top 20 business risks by 20%.

Furthermore, external risk inspections of our power stations were conducted by an independent third party and recommendations were implemented to ensure FEA's risk profile, specifically for its most critical assets, improved. Significant improvements were noted in the risk scores of all the power stations.

FEA successfully renewed its Material Damage and Business Interruption Insurance Policies at a reasonable premium and after many years entered into the London insurance market. The London market gave a very positive feedback on FEA's risk profile and risk management strategies in place which resulted in a reduction of the annual insurance premium by FJD1M.



FEA CEO and General Manager Major Projects signing the Traffic Management Plan with Pernix Fiji Limited and the other stakeholders for the safe transportation of the four new HFO generating sets from the King's Wharf in Suva to the new Power Station site in Kinoya.



Work in Progress on the installation of the 35MW HFO Generator sets at the Kinoya Power Station. The Project is estimated to cost around \$73M and will be completed in late 2015.

POWER DEVELOPMENT PROGRAMME

Independent Power Producers (IPPs)

The Authority expects private investors or IPPs to invest in the power generation sector to assist the Authority achieve its mission of achieving 90% of its energy requirements through renewable sources by 2025.

Presently there are two IPPs supplying electricity to the FEA grid. They are Tropik Wood Industries Ltd (TWIL) in Drasa, Lautoka and Fiji Sugar Corporation Limited (FSC) which supplies the FEA in Lautoka and Labasa during the crushing season for some six months. Two more Power Purchase Agreements (PPA) were signed in 2014 and they were with Pacific Renewable Energy Limited for a 17MW capacity Power Station and with Tropik Gimco for a 10MW capacity Power Station. Both are Biomass Power Plants to be established in the Western Division of Viti Levu. FEA also signed a PPA with the Fiji Sugar Corporation in 2013 for a year around supply of electricity to the FEA grid in Labasa. The FSC is expected to commence year around supply to FEA in Labasa in 2015.

FSC plans to establish a 40MW renewable energy plant in Rarawai in the next two to three years which will cater for the energy requirements of FSC Rarawai, as well as supply the energy requirements of Fiji Water in Tavua and the surplus thereafter will be sold to the FEA grid. Discussions on this project amongst the three parties are in progress.

In the last three to four years, FEA has signed some four PPAs with IPPs. None of the IPPs has come to reality in 2014, however, FEA continues to discuss other renewable projects with potential IPPs.



FEA Board Chairman Mr Nizam-ud-Dean handing over a signed PPA to the official of the Independent Power Producer, Tropik Gimco Limited at the FEA Head Office in Suva.

Augmentation of the Transmission Grid

An Electrical Protection Review Study of the entire FEA power system was carried out in 2011 to ensure safe and reliable system operation and Phase 3 of the recommendations were implemented in 2014 which included the detailed

design of modern protection schemes for the Wailoa 132kV/11kV transformers, Wailoa 132kV/33kV transformer (T5), the Cunningham Road 132kV/33kV transformers and the FSC Labasa Switching Station.

Rural, Urban and Contract Projects

FEA spent a total sum of \$13M on the rural electrification schemes, commercial/industrial projects, system reinforcement works and contract jobs. Of this amount \$1.8M was authorized for construction of forty (40) rural electrification projects, \$7.8M was authorized for seventy (70) General Extension projects for commercial and industrial customers and \$1.6M was utilized for eighteen (18) contract jobs. A total amount of \$0.8M was authorized for two (2) power system reinforcement projects.

Further, three (3) rural electrification projects, with the cost being shared between FEA and Government, were processed for implementation. A total of \$0.6M was allocated for the grid extension works from Tavua to Volivoli and \$0.4M was allocated for grid extension from Naiyala to Nayavu.

Monasavu Hydro Scheme (MHS) Half-Life Repair & Maintenance Works

Minimum work was carried out on the MHS half-life repair & maintenance works during the year 2014 as lack of funds prompted the deferment of critical refurbishment works. Below is a summary of work carried out at a cost of \$1.12M:

- Completed the upgrading of Automatic Voltage Regulator (AVR) for the Vuda 132kV/33kV transformer T2.
- Replaced the 132kV Current Transformers at Wailoa and Cunningham Road Substations on the Wailoa-Cunningham Road transmission line.
- Replaced 132kV Current/Voltage Transformers at Vuda Sub-station on the 132kV Nadarivatu – Vuda Transmission Line.
- Replaced 132kV Current/Voltage Transformers at Wailoa Switching Station on the 132kV Wailoa – Nadarivatu Transmission line.
- Replaced insulators on 51 Towers on the 132kV Wailoa – Cunningham Road, 132kV Wailoa –Nadarivatu and 132kV Nadarivatu – Vuda Transmission lines.
- 25% Rust treatment of steel structures at the Main 132kV Bus at Wailoa Switching Station was completed against a target of 20% completion.
- Received 32 x 145kV Disconnectors/Isolators, Earth Switch and control marshalling panels following completion of Factory Acceptance Tests.
- Prepared Tender specifications, called for tenders and awarded tender for the turnkey design, manufacture, supply and installation of 132kV circuit breakers.
- Prepared Tender specifications, called for tenders, and

awarded tender for the replacement of 33kV circuit breakers at Cunningham Road substation.

- Prepared Tender specifications, called for tenders and awarded tender for the supply of 132kV Porcelain insulators for the Cunningham Road, Vuda and Wailoa Switchyards.
- Prepared Tender specifications, called for tenders and awarded tender for the rust refurbishment of 110 towers on the 132kV transmission lines.

Other Zone Substations

- Completed the augmentation work at Vuda and Waqadra 33kV Substations to accommodate the new 33kV double circuit transmission line from Vuda to Waqadra.
- Completed construction of the new 33kV double circuit transmission line between Vuda and Waqadra zone substations.
- Commenced civil works for the new off Knolly Street 33kV/11kV Zone Substation to cater for the future electricity growth in Suva City and suburbs.
- Placed orders for the procurement of major equipment for the new off Knolly Street 33kV/11kV Zone Substation.
- Placed orders for the procurement of the replacement switchgear for the Hibiscus Park 33kV/11kV substation in Suva.

Relocation of Transmission Towers 9 and 98 on the 132kV Wailoa – Cunningham Road Transmission Line

Work to relocate tower number 9 and tower number 98 along



The picture shows work in progress to relocate two steel towers. FEA successfully completed the work to relocate Tower 9 and Tower 98 on the 132kV Wailoa - Cunningham Road transmission line.

the 132kV Wailoa – Cunningham Road transmission line was successfully completed as a turnkey project.

These towers had to be relocated with the installation of new towers as one of them had fallen down due to a land slippage (Tower 9) and the other had damaged steel members, to ensure reliability and security of power supply to the Central Division of Viti Levu.

Power Supply to Dreketi in Vanua Levu

Work on the Dreketi Electrification Project continued in 2014 with the commissioning of three additional schemes. Work on a further eight projects is currently underway and will be completed in 2015.

Power Supply along the Korovou to Rakiraki Corridor in Viti Levu

Work commenced in 2014 on the project to electrify the Korovou - Rakiraki corridor with the commissioning of the 11kV grid from Naiyala to Nayavu. Work is currently in progress on the construction of a new 33kV transmission line from Tavua to Volivoli. Tender for the construction of a new 33kV/11kV Zone substation at Volivoli has been awarded. This project will be completed at a cost of around \$19M in 2016 and is jointly funded by the Government of Fiji and the Fiji Electricity Authority.

Power Supply for Momi Bay Development

Work commenced on the \$12.9M project to electrify the Momi Bay Resort that is currently being developed by FNPF. Construction of a new 33kV transmission line from Waqadra to Momi to supply the Momi Bay development is currently in progress. Tenders were also awarded for the construction of a new 33kV switching station at Nawai and a 33kV/11kV zone substation at Momi.

INFORMATION & COMMUNICATION TECHNOLOGY

2014 saw the implementation of the ICT SBU's strategy to standardise and consolidate the SCADA System with the Authority embarking on a major Upgrade of the SCADA Master Station. The upgrade has seen the convergence of the existing 3 unique master stations monitored and controlled from a single Master Station. The project which started in May 2013 had its Phase One successfully commissioned in December 2013 with the integration of the Northern Systems and the Butoni Wind Farm. Phase Two of the project was successfully commissioned in December 2014 with the integration of the Major Viti Levu Interconnected System to operate alongside those integrated in Phase One.

The ICT System uptime was maintained at 99.99% which exceeded the KPI of 99.8%.

The overall ICT performance was excellent enabling the superior performance of FEA as a whole in terms of delivering reliable electricity to the customers.

Commercial

The Fiji Electricity Authority's Commercial division comprises of two major operational units namely the Supply Chain and the Regulatory Units which have a combined total work force of over seventy employees.

1) Supply Chain Unit

The Supply Chain Unit has maintained its ongoing focus in 2014 on optimizing its performance in the critical result areas of procurement of goods & services, inventory management, as well as Fleet & Property Services.

Performance optimization of the division was achieved through observing the following key objectives:

- Increase Speed of delivery of goods & services rendered to internal & external customers
- Improve Quality of goods & services rendered to internal & external customers
- Reduce Costs of providing goods & services rendered to internal & external customers

Supply Chain Unit 2014 Outcomes

Given the above Corporate and aligned divisional objectives, the following main outcomes were achieved for the year 2014:

With respect to procurement of goods & services:

- the actual average tender turn around time of 4.41 weeks was accomplished for the year (for tenders valued at > = \$10k and < = \$100k) against a target of 6 weeks
- In addition, financial savings of around \$1.2M were achieved via procurement /tender negotiations.

With respect to sound Inventory management, vigilance, and best practices:

- FEA achieved the normal operational inventory stockholding level KPI (not including fuel & engine spares) of \$10.78 million, against a corporate target of \$13 million.
- Stock-turns KPI (Improvement of rate of stock Utilization) was achieved at 8.2% against a target of greater than 6%. This achievement indicates that FEA's stock items has been managed efficiently and that stock has been turned over regularly which in turn, has contributed to significant savings in FEA's working capital.
- FEA undertook 3 stocktakes in 2014 with a variance percentage of 0.000354% against a target of 0.001%.

With respect to Fleet & Property Services:

- The Corporate Fleet Accidents KPI target was not achieved. However, our Fleet teams have an ongoing commitment to work with the Health & Safety team to mitigate and reduce driving risks through specific driver attitude training including specialized vehicle training programmes.

2) Regulatory Unit

The Fiji Electricity Authority Regulatory Unit is tasked with the major core function of the regulation and compliance enforcement of the Electricity Act for all stakeholders in the Electricity sector. Its other functions include (but are not limited) to the following:

- Registration and licensing of electricians & electrical contractors
- Licensing of electrical generation equipment and retailers including licensing of new Independent Power Producers (IPPs).
- Ensuring industry compliance, in accordance with the Electricity Act and AS/NZS Wiring standards.
- Electrical testing of imported electrical appliances and fittings used in Fiji upon request.
- Investigation of electrical accidents and thereafter submission of Independent reports on electrocution incidents to Resident Magistrates.
- Testing of electricity meters to ensure compliance (within plus or minus 2.5%)

The Achievements of this Unit for the year 2014 were as follows:

Maintenance of Electrician & Contractor Registers

- Total number of registered licensed electricians were 2001 whilst only 1249 had their licenses validated after the required renewal fees were paid up.
- Total number of registered electrical contractors were 249 and only 176 had their licenses validated after the required renewal fees were paid up.
- The public were advised of the importance of engaging only valid license holders for both registered electricians and electrical contractors and the required information is available on the FEA Website and also advertised six monthly in the Fiji Sun.

Number of new installations inspected and approved for connections:

- A total of 5,684 new connections were carried out in 2014 against a target of 4500. The new connections comprised of 4,800 domestic connections and 884 commercial connections.

Number of meters tested at the FEA meter test bench

- A total of 17,148 meters were tested by FEA in 2014 of which 14,327 were single phase meters, 2471 were prepayment meters and 350 were commercial meters.

Target of fixing 90 per cent of the power line faults in urban areas within 3 hours and in rural areas within 4 hours.

- Achieved target of 90% for rural customers and 90% for urban customers

Ongoing and proactive Public Safety Awareness campaign

- Achieved target of 4 safety awareness presentations to various communities, villages & schools in Waikasanaura and Nasigatoka Villages in Namosi, Bemana Village, Bemana Catholic School, Navosa and Botenaulu Villages in Wainimala to ensure life and property are protected and safe.

In 2014, FEA continued its support of the proposed transfer of the Regulatory function by collaborating and providing relevant policy & operational information to the Ministry of Public Enterprises.



FEA employees carrying out work on underground cables at the Rokobili Power Station in Suva as part of the Contingency Plan to install 40MW of containerized diesel gensets to supplement the low power generation output from Monasavu and Nadarivatu Hydro Schemes due to low rainfall received during the year.



FINANCIAL STATEMENTS

for the year ended 31 December 2014



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Statement By Members of the Authority for the year ended 31 December 2014

In accordance with a resolution of the Members of the Fiji Electricity Authority (“the Authority”) in the opinion of the Members:

1. the financial statements and accompanying notes show a true and fair view of the financial position, results of operations, changes in capital and reserves and cash flows of the Fiji Electricity Authority as at and for the year ended 31 December 2014;
2. the statements have been prepared in accordance with the provisions of the Electricity Act 1966 (Cap 180) and International Financial Reporting Standards;
3. the basis of preparation of the financial statements and the classification and carrying amounts of assets and liabilities as stated in these financial statements are appropriate;
4. at the date of this statement there are reasonable grounds to believe that the Authority will be able to pay its debts as when they fall due; and
5. all related party transactions have been adequately recorded in the books of the Authority.

21 May 2015, Suva



.....
Nizam-ud-Dean
CHAIRMAN



.....
Gardiner Whiteside
DEPUTY CHAIRMAN

Independent Auditors Report To the Members of Fiji Electricity Authority Report on the Financial Statements

I have audited the accompanying financial statements of Fiji Electricity Authority (“the Authority”) which comprise the statement of comprehensive income, the statement of financial position as at 31 December 2014, the statement of cash flows for the year then ended and the statement of changes in capital and reserves and the summary of significant accounting policies and other explanatory information as set out on pages 38 to 64.

Directors’ and Management’s Responsibility for the Financial Statements

The Directors’ and Management are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the requirements of the Electricity Act 1966 (Cap 180). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor’s Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I have conducted the audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence that I have obtained is sufficient and appropriate to provide a basis for my audit opinion.


Audit Opinion

In my opinion:

- a) proper books of account have been kept by the Fiji Electricity Authority, so far as it appears from my examination of those books, and
- b) the accompanying financial statements which have been prepared in accordance with International Financial Reporting Standards:
 - (i) are in agreement with the books of accounts; and
 - (ii) to the best of my information and according to the explanations given to me:
 - a) give a true and fair view of the state of affairs of the Fiji Electricity Authority as at 31 December 2014 and of the results, movement in reserves and cash flows of the Authority for the year ended on that date; and
 - b) give the information required by the Electricity Act 1966 (Cap 180) in the manner so required.

I have obtained all the information and explanations which, to the best of my knowledge and belief, were necessary for the purposes of my audit.

Suva, Fiji
21 May 2015



.....
Atunaisa Nadakuitavuki
for AUDITOR GENERAL

Statement Of Comprehensive Income For The Year Ended 31 December 2014

	Notes	2014 \$'000	2013 \$'000
Revenue - electricity sales	5	300,337	292,916
Other operating revenue	5	7,154	4,983
Total revenue		307,491	297,899
Personnel costs		(17,628)	(17,960)
Fuel costs		(180,032)	(122,606)
Electricity purchases		(19,672)	(9,334)
Lease and rent expenses		(1,353)	(1,319)
Depreciation on property, plant and equipment		(36,178)	(36,312)
Amortisation of intangible assets		(390)	(434)
Losses due to flooding		(169)	-
Other operating expenses		(38,861)	(48,776)
Total expenses		(294,283)	(236,741)
Profit before finance costs and income tax		13,208	61,158
Finance Cost:			
Finance cost		(11,382)	(17,718)
Interest income		313	330
Unrealised foreign exchange (loss)/gain, net		(1,026)	(2,746)
Profit before income tax	6	1,113	41,024
Income tax (expense) / benefit	7(a)	(141)	(8,443)
Profit after income tax		972	32,581
Other comprehensive income		-	-
Total comprehensive income for the year		972	32,581

The above statement of comprehensive income has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Statement Of Financial Position As at 31 December 2014

	Notes	2014 \$'000	2013 \$'000
CAPITAL AND RESERVES			
Retained profits		512,309	511,337
Capital contribution		88,340	76,604
		600,649	587,941
Represented by:			
CURRENT ASSETS			
Cash on hand and at bank	8	49,064	45,308
Held to maturity financial assets	12	21,101	11,115
Receivables and prepayments	9	34,425	39,255
Inventories	10	29,041	18,618
Tax refund due		114	68
		133,745	114,364
NON-CURRENT ASSETS			
Property, plant and equipment	11	978,867	916,382
Intangible assets	13	962	1,352
Deferred tax assets	7(b)	6,953	10,160
		986,782	927,894
TOTAL ASSETS		1,120,527	1,042,258
CURRENT LIABILITIES			
Trade and other payables	14	34,154	36,102
Employee benefit liability	15	2,328	2,302
Interest bearing borrowings	16	18,097	26,632
		54,579	65,036
NON-CURRENT LIABILITIES			
Trade and other payables	14	80,496	60,737
Interest bearing borrowings	16	336,668	276,487
Deferred income	17	8,137	8,993
Deferred tax liabilities	7(c)	39,998	43,064
		465,299	389,281
TOTAL LIABILITIES		519,878	454,317
NET ASSETS		600,649	587,941

The above statement of financial position has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Statement Of Cash Flows

For The Year Ended 31 December 2014

Notes	2014 \$'000	2013 \$'000
Cash flows from operating activities		
Receipts from customers	304,199	294,104
Payments to suppliers and employees	(268,184)	(204,353)
Interest received	311	325
Interest paid	(11,577)	(19,497)
Insurance proceeds for business interruption	1	229
Net income tax and withholding taxes received/(paid)	8,218	2,386
Net cash flows from operating activities	32,968	73,194
Cash flows from investing activities		
Acquisition of property, plant, and equipment	(114,089)	(37,816)
Net redemption from held to maturity financial assets	-	1,414
Proceeds from capital contribution for rural electrification, net	13,497	3,466
Proceeds/(repayments) from refundable contribution for general extension, net	19,680	4,237
Proceeds from disposal of plant and equipment	470	507
Net cash flows used in investing activities	(80,442)	(28,192)
Cash flows from financing activities		
Repayment of bonds and loans	(25,165)	(39,890)
Proceeds from loans - local	75,921	10,814
Net cash flows used in from financing activities	50,756	(29,076)
Net increase in cash held	3,282	15,926
Effect of exchange rate movement on cash and cash equivalents	474	601
Cash and cash equivalents - at the beginning of the year	45,308	28,781
Cash and cash equivalents - at the end of the year	49,064	45,308

The above statement of cash flows has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.

Statement Of Changes In Capital And Reserves

For The Year Ended 31 December 2014

	Capital Contributions \$'000	Retained Profits \$'000	Total \$'000
Balance as at 31 December 2012	73,138	478,756	551,894
Movement in reserves	3,466	-	3,466
Total comprehensive income for the year ended 31 December 2013	-	32,581	32,581
Balance as at 31 December 2013	76,604	511,337	587,941
Movement in reserves	11,736	-	11,736
Total comprehensive income for the year ended 31 December 2014	-	972	972
Balance as at 31 December 2014	88,340	512,309	600,649

The above statement of changes in capital and reserves has been prepared in accordance with the International Financial Reporting Standards (IFRS) and should be read in conjunction with the accompanying notes.



Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Statement of Compliance

The financial statements have been prepared in accordance with the Electricity Act 1966 (Cap 180) and International Financial Reporting Standards ('IFRS') as issued by the International Accounting Standards Board (IASB).

Issue of Financial Statements

The financial statements were approved for issue by the Authority's Board of Directors at its meeting held on 30th April 2015.

Basis of Preparation

The financial statements have been prepared on the basis of historical cost, except for the revaluation of certain non-current assets and financial instruments. Cost is based on the fair values of the consideration given in exchange for assets.

In the application of IFRS, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. Judgements made by management in the application of IFRS that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed, where applicable, in the relevant notes to the financial statements.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

New and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year, except for the following amendment to IFRS effective as of 1 January 2014:

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32

These amendments clarify the meaning of 'currently has a legally enforceable right to set-off' and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting and is applied retrospectively. These amendments have no impact on the Authority.

Annual Improvements 2010-2012 Cycle

In the 2010-2012 annual improvements cycle, the IASB issued seven amendments to six standards, which included an amendment to IFRS 13 Fair Value Measurement. The amendment to IFRS 13 is effective immediately and, thus, for periods beginning at 1 January 2014, and it clarifies in the Basis for Conclusions that short-term receivables and payables with no stated interest rates can be measured at invoice amounts when the effect of discounting is immaterial. This amendment to IFRS 13 has no impact on the Authority.

Annual Improvements 2011-2013 Cycle

In the 2011-2013 annual improvements cycle, the IASB issued four amendments to four standards, which included an amendment to IFRS 1, First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 is effective immediately and, thus, for periods beginning at 1 January 2014, and clarifies in the Basis for Conclusions that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first IFRS financial statements. This amendment to IFRS 1 has no impact on the Authority, since the Authority is an existing IFRS preparer.



Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Standards issued but not effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Authority's financial statements are disclosed below. The Authority intends to adopt these standards, if applicable, when they become effective.

IFRS 9 (Amendment), 'Financial Instruments - Classification and measurement'. (1 February 2015)

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments which reflects all phases of the financial instruments project and replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Retrospective application is required, but comparative information is not compulsory. Early application of previous versions of IFRS 9 (2009, 2010 and 2013) is permitted if the date of initial application is before 1 February 2015. The adoption of IFRS 9 will have an effect on the classification and measurement of the Authority's financial assets, but no impact on the classification and measurement of the Authority's financial liabilities.

IAS 16 (Amendment), 'Property, Plant and Equipment and IAS 38 Intangible Assets'.

The amendment is applied retrospectively and clarifies in IAS 16 and IAS 38 that the asset may be revalued by reference to observable data on either the gross or the net carrying amount. In addition, the accumulated depreciation or amortisation is the difference between the gross and carrying amounts of the asset.

IAS 24 (Amendment), 'Related Party Disclosures'.

The amendment is applied retrospectively and clarifies that a management entity (an entity that provides key management personnel services) is a related party subject to the related party disclosures. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services.

IFRS 13 (Amendment), 'Fair Value Measurement'.

The amendment is applied prospectively and clarifies that the portfolio exception in IFRS 13 can be applied not only to financial assets and financial liabilities, but also to other contracts within the scope of IFRS 9 (or IAS 39, as applicable).

IAS 40 (Amendment), 'Investment Property'.

The description of ancillary services in IAS 40 differentiates between investment property and owner-occupied property (i.e., property, plant and equipment). The amendment is applied prospectively and clarifies that IFRS 3, and not the description of ancillary services in IAS 40, is used to determine if the transaction is the purchase of an asset or business combination.

IFRS 15 (Amendment), 'Revenue from Contracts with Customers'. (1 January 2017)

IFRS 15 was issued in May 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue.

The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under IFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2017 with early adoption permitted. The Authority is currently assessing the impact of IFRS 15 and plans to adopt the new standard on the required effective date.



Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

The following significant accounting policies have been adopted in the preparation and presentation of the financial statements:

(a) Allowance for doubtful debts

The Authority establishes an allowance for any doubtful debts based on a review of all outstanding amounts at year-end. Bad debts are written off during the period in which they are identified.

(b) Bond instruments

Bonds issued are recorded at cost which reflects the face value of these instruments. Transaction costs on the issue of bond instruments are capitalised and amortised to the statement of comprehensive income over the currency life of the bond instruments. Transaction costs are the costs that are incurred directly in connection with the issue of those bond instruments and which would not have been incurred had those instruments not been issued.

(c) Borrowings

Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Authority has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

(d) Borrowing costs

The borrowing costs that are directly attributable to major capital expenditures and projects under construction are capitalized as part of the cost of these assets. Other borrowing costs are recognized as an expense in the year in which they are incurred.

The government guarantee fees on loans drawdown specifically for capital projects are capitalised. Other guarantee fees paid are expensed.

(e) Capital contribution

A 100% refundable capital contribution represents the cost of the extension, received from the developer or a prospective consumer. The cost of the extension is the estimated cost incurred from the Authority's nearest mains supply point capable of providing the assessed load required. The developer or a prospective consumer applying for a general extension provides a 100% refundable capital contribution in relation to the cost of the extension which is credited to trade and other payables and is refunded to the customer over a period of 5 and 8 years. This is in accordance with the determination by the Fiji Commerce Commission.

(f) Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise of cash on hand, short term deposits held with banks and bank overdrafts. Bank overdrafts are shown within borrowings under current liabilities in the statement of financial position.

(g) Comparative figures

Where necessary, amounts relating to prior years have been reclassified to facilitate comparison and achieve consistency in disclosure with current year amounts.

(h) Deferred income

Government grant in aid and assets acquired at no cost to the Authority are capitalised and systematically recognised as other income on the basis of the expected lives of the assets to which the grants relate.



Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Employee benefits

ij) Annual leave

Provision for annual leave represents the amount which the Authority has a present obligation to pay for employees' services provided up to the balance date. The provision has been calculated on the current wage and salary rate.

ij) Performance pay

The Authority maintains a Performance Management System which is used to remunerate employees based on the achievement of certain Key Performance Indicators (KPI's). These KPI's are established based on predetermined objectives of the Authority. The liability is measured at the wage or salary rates prevailing during the year.

(j) Foreign currency translation

Transactions denominated in a foreign currency are translated to Fiji currency at the exchange rate at the date of the transaction.

Foreign currency receivables and payables at balance date are translated to Fiji currency at exchange rates current at balance date.

All gains and losses arising there from (realised and unrealised) are brought to account in determining the profit or loss for the year.

(k) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on the weighted average cost principle and includes expenditure incurred in acquiring the stock and bringing it to its existing condition and location. Consumables are valued at cost plus the associated delivery charges.

(l) Impairment of non-financial assets

The Authority assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Authority estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate value model is used.

For assets, an assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Authority makes an estimate of the recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of comprehensive income.



Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments - initial recognition and subsequent measurement

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, AFS financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Authority commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement financial assets are classified in four categories:

- Financial assets at value through profit and loss
- Loans and receivables
- Held-to-maturity investments
- AFS financial assets

Financial assets at value through profit and loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. The Authority has not designated any financial assets at fair value through profit or loss.

Loans and receivables

This category is the most relevant to the Authority. Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in finance costs for loans and in cost of sales or other operating expenses for receivables.

This category generally applies to trade and other receivables. For more, information on receivables, refer to Note 9.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Authority has the positive intention and ability to hold them to maturity. After initial measurement, held-to-maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss as finance costs.

AFS financial assets

AFS financial assets include equity investments and debt securities. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those that are intended to be held for an indefinite period of time and that may be sold in response to needs for liquidity or in response to changes in the market conditions. The Authority holds no AFS financial assets at reporting date.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments - initial recognition and subsequent measurement (Cont'd)

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Authority's statement of financial position) when:

- The rights to receive cash flows from assets have expired
- The Authority has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Authority has transferred substantially all the risks and rewards of the asset, or (b) the Authority has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Impairment of financial assets

The Authority assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Authority's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Authority that are not designated as hedging instruments in hedge relationships as defined by IAS 39. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Gains or losses on liabilities held for trading are recognised in the statement of profit and loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in IAS 39 are satisfied. The Authority has not designated any financial liability as at fair value through profit or loss.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) Financial instruments - initial recognition and subsequent measurement (Cont'd) Loans and borrowings

This is the category most relevant to the Authority. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to the interest-bearing loans and borrowings.

Financial guarantee contracts

Financial guarantee contracts issued by the Authority are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

(n) Intangible assets

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortised over their estimated useful lives (three to five years).

Costs associated with developing or maintaining computer software programmes are recognised as an expense as incurred. Costs that are directly associated with the development of identifiable and unique software products controlled by the Authority, and that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets.

(o) Leased assets

The Fiji Electricity Authority, the Monasavu landowners and the iTaukei Land Trust Board (iTTLTB) in 2005 signed an agreement to lease approximately 23,000 acres of the Monasavu catchment area for a period of 99 years in return for specified payments. These lease commitments are disclosed in Note 19.

(p) Payables

Trade payables and other accounts payable are recognised when the Authority becomes obliged to make future payments resulting from the purchase of goods and services.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(q) Property, plant and equipment

Property, plant and equipment are measured at cost less accumulated depreciation and impairment loss. Cost includes expenditure that is directly attributable to the acquisition of the item. Cost of leasehold land includes initial premium payment or price paid to acquire leasehold land including acquisition costs.

Additions

While expenditure on assets with a value of less than \$300 is generally not capitalised, physical control is maintained over all items regardless of cost.

Depreciation rates

Depreciation is calculated using the straight line method to write off the cost of each asset over their estimated useful lives as follows:

	Rates
Leasehold land	0.50% - 1.25%
Buildings - concrete	1.25%
Buildings - others	1.25%
Hydro Assets - dams	1.33% - 2.50%
Hydro Assets - tunnels	1.33% - 2.44%
Hydro Assets - plant and machinery	2.50% - 3.00%
Thermal assets	4.00% - 7.00%
Transmission	2.50%
Communication system and control	2.86%
Reticulation	4.00%
Wind mill	5.00%
Furniture and fittings	7.00% - 24.00%
Motor vehicles	20.00%
Computers	33.30%

Other fixed assets except for capital spares, are depreciated when they are brought into service.

Freehold land is not depreciated. Leasehold land is amortised over the remaining lease period.

Capital spares

Capital spares represent items held primarily for use in thermal stations in the event of a breakdown. In recognition of the increased risk of obsolescence over a protracted period, capital spares are amortised in line with the depreciation rates applicable to the related plant and machinery. Capital spares are reported as part of Authority's fixed assets.

Disposals

Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are included in the statement of comprehensive income.

Repairs and maintenance

Repairs and maintenance is charged to the statement of comprehensive income during the financial period in which it is incurred. The costs of major renovations are included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Authority. Major renovations are depreciated over the remaining useful life of the related asset.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Provisions

Provisions are recognised:

- When the Authority has a present legal or constructive obligation as a result of past events;
- It is probable that an outflow of resources will be required to settle the obligation; and
- The amount can be reliably estimated.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

(s) Reporting currency

All figures are reported in Fiji currency.

(t) Revenue recognition

Electricity income

Electricity income is recorded in the statement of comprehensive income on an accrual basis by estimating the usage for customers to balance date.

Other income

Rental income earned from leasing FEA properties is recorded in the statement of comprehensive income on an accrual basis.

Interest income is recognised on a time proportionate basis that takes into account the effective yield on the financial asset.

(u) Rounding off amounts

Amounts in the financial statements have been rounded off to the nearest thousand dollars unless specifically stated to be otherwise.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(v) Taxation

Current tax:

Current tax is calculated by reference to the amount of income taxes payable or recoverable in respect of the taxable profit or tax loss for the year. It is calculated using tax rates and tax laws that have been enacted or substantively enacted at the reporting date. Current tax for the current and prior years is recognised as a liability or asset to the extent that it is unpaid or refundable.

Deferred tax:

Deferred tax is accounted for using the liability method on temporary differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax base of those items.

In principle, deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that sufficient taxable amounts will be available against which deductible temporary differences or unused tax losses and tax offsets can be utilised. However, deferred tax assets and liabilities are not recognised if the temporary differences giving rise to them arise from the initial recognition of assets and liabilities (other than as a result of a business combination) which affects neither taxable income nor accounting profit.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the periods when the asset and liability giving rise to them are realised or settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Authority expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the Authority intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the period:

Current and deferred tax is recognised as an expense or income in the statement of comprehensive income, except when it relates to items credited or debited directly to equity, in which case the deferred tax is also recognised directly in equity, or where it arises from the initial accounting for a business combination, in which case it is taken into account in the determination of goodwill or excess.

(w) Segment information

The Authority is not required to report segment information as it is not applicable to the nature of the Authority's operations. Whilst electricity revenue is distinguished by key operating segments, this is done purely for information purposes. The Authority has only one product in electricity, and costs associated with this product are totally common to all operating segments, and it is not possible nor practical to attempt to allocate costs across the operating segments. The Authority's power generating system and distribution are operated on a fully integrated basis.

(x) Value Added Tax (VAT)

Revenues, expenses, assets and liabilities are recognised net of the amount of value added tax (VAT), except:

- Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
- for trade receivables and trade payables which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

2. FINANCIAL RISK MANAGEMENT

2.1 Financial risk factors

The Authority's activities expose it to a variety of financial risks: market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The Authority's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Authority's financial performance. The Authority does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes. The Authority's activities expose it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

(a) Market risk

(i) Foreign exchange risk

The Authority undertakes various transactions denominated in foreign currencies, hence exposures to exchange rate fluctuations arise. Exchange rate exposures are closely managed within approved policy parameters.

As at year end, US \$10.29 million are the only assets denominated in foreign currencies. Hence, changes in the US dollars by 10% (increase or decrease) is expected to have significant impact on the net profit and equity balances currently reflected in the Authority's financial statements.

	Financial assets (US\$'000)	Average exchange rate (USD)	Financial assets (F\$'000)
31 December 2014 (Actual)	US\$ 10,290	0.5031	20,453
Exchange rates - strengthen by 10%	US\$ 10,290	0.5534	18,594
Exchange rates - weaken by 10%	US\$ 10,290	0.4528	22,725

Based on the above, if exchange rates strengthen by 10% the Authority's investments in financial assets would decrease by \$1.86 million and if the exchange rates weaken by 10% the Authority's investments in financial assets would increase by \$2.27 million.

However, a risk arises on the Authority's obligation with respect to the foreign currency loan of US\$13.60 million (2013: US\$28.33 million) which remains outstanding as at year end. For the year ended 31 December 2014, the restatement of the Authority's foreign currency loans has resulted in an unrealised foreign currency loss of \$1.22 million. Further sensitivities are provided to establish the impact to the profit before tax if foreign currency exchange rate differs by 10% (increase or decrease) from that used at balance date:

	Foreign currency borrowings (US\$'000)	Average exchange rate (USD)	Foreign currency borrowings (F\$000)
31 December 2014 (Actual)	US\$ 13,598	0.5031	27,028
Exchange rates - strengthen by 10%	US\$ 13,598	0.5534	24,572
Exchange rates - weaken by 10%	US\$ 13,598	0.4528	30,031

Based on the above, if exchange rates strengthen by 10% the Authority's foreign currency borrowings would decrease by \$2.46 million and if the exchange rates weaken by 10% the Authority's foreign currency borrowings would increase by \$3 million. In March 2014, the Authority partially refinanced US\$14.33M of the China Development Bank loan locally with ANZ Bank in Fijian Dollars. This has reduced impact of foreign currency fluctuations during the year.

The Authority enters into forward foreign exchange contracts on a selective basis to manage its exposure to foreign exchange rate risk.

Forward exchange contracts are initially recognised at fair value on the date a derivative contract is entered into and are subsequently restated to their fair value at each reporting date. These forward exchange contracts do not qualify for hedge accounting. However, there were no outstanding forward foreign exchange contracts as at 31 December 2014.

(ii) Price risk

The Authority does not have investments in equity securities and hence is not exposed to equity securities price risk. However, the Authority is exposed to commodity price risk in the form of fuel purchased through a local agent from offshore. The volatility on international fuel prices and its impact on FEA's profitability is given below considering two scenarios based on price, quantity mix, demand growth and hydro availability:

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

2. FINANCIAL RISK MANAGEMENT (CONT'D)

2.1 Financial risk factors (Cont'd)

(ii) Price risk (Cont'd)

	Average Fuel Price (F\$/Metric Tonne)	Consumption (Metric Tonne)	Fuel costs \$'000
31 December 2014 (Actual)	1,852.09	97,205	180,032
Fuel price-Increase by 10%	2,037.29	97,205	198,035
Fuel Price-Decrease by 10%	1,666.88	97,205	162,029

Based on the above, if fuel price increase or decrease by 10%, the fuel costs to the Authority would increase or decrease by \$18 million annually. The above sensitivity calculation is based on the 2014 fuel consumption levels which is typically is on the high side for a normal year due to the prolonged spell of dry weather that impacted the year 2014.

(iii) Regulatory risk

The Authority's profitability can be significantly impacted by regulatory agencies established which govern and control the electricity sector in Fiji. Specifically, fuel surcharges, regulatory fees and electricity tariffs are regulated by the Fiji Commerce Commission.

(iv) Interest rate risk

The Authority has significant interest-bearing assets in the form of short-term cash deposits. These are at fixed interest rates and hence there are no interest rate risks during the period of investment. For re-investment of short and long term cash deposits, the Authority negotiates an appropriate interest rate with the banks and invests with the bank which offers the highest interest return.

Given the fixed nature of interest rates described above, the Authority has a high level of certainty over the impact on cash flows arising from interest income. Accordingly, the Authority does not require simulations to be performed over the impact on net profits arising from changes in interest rates.

All debts of the Authority raised through bond issues bear fixed interest rates. Therefore, the Authority is not exposed to interest rate risk.

In relation to the borrowings from Suva City Council, the Authority is not exposed to interest rate risk as it borrows funds at fixed interest rates.

In relation to the borrowings from other commercial banks, the Authority to a certain extent is not exposed to interest rate risk as certain borrowed funds are at fixed interest rates, for the agreed term. Thereafter, the interest rates are re-negotiated and new interest rates are agreed upon. The risk is managed closely within the approved policy parameters.

The Authority did not enter into any interest swap contracts.

(b) Credit risk

Credit risk arises from deposits with banks, as well as credit exposures to customers, including outstanding receivables. For deposits with banks, only reputable parties with known sound financial standing are accepted. Trade accounts receivable consist of a large number of customers, residential, industrial and commercial. The Authority does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics. The carrying amount of financial assets recorded in the financial statements, net of any allowances for losses, represents the Authority's maximum exposure to credit risk.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash to ensure availability of funding. The Authority monitors liquidity through rolling forecasts of the Authority's cash flow position. Overall, the Authority does not see liquidity risk as high given that a reasonable portion of revenues are billed and collected.

The table below analyses the Authority's financial assets and liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed in the table are based on the contractual undiscounted cash flows.

Fair value estimation

The carrying value less impairment provision of trade receivables and payables are assumed to approximate their fair values. The carrying values of financial liabilities and financial assets and provisions are estimated to approximate their fair values.

Financial assets:	Less than one year \$'000	2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Held to maturity financial assets	21,101	-	-	21,101
Receivables and prepayments	34,425	-	-	34,425
Total	55,526	-	-	55,526

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

2.1 Financial risk factors (Cont'd)

(c) Liquidity risk (Cont'd)

Financial liabilities:	Less than one year \$'000	2 to 5 years \$'000	More than 5 years \$'000	Total \$'000
Trade and other payables	34,154	20,945	59,551	114,650
Bonds payable	-	25,250	37,250	62,500
Interest bearing borrowings	18,097	132,491	141,677	292,265
Total	52,251	178,686	238,478	469,415

3 CRITICAL ACCOUNTING ESTIMATES, JUDGEMENTS AND ASSUMPTIONS

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical accounting estimates, judgements and assumptions

The Authority makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of property, plant and equipment

The Authority assesses whether there are any indicators of impairment for all property, plant and equipment at each reporting date. Property, plant and equipment are tested for impairment and when there are indicators that the carrying amount may not be recoverable, reasonable provision for impairment are created. As at balance date, no provision for impairment has been made as the Authority reasonably believes that no indicators for impairment exist.

(b) Impairment of accounts receivable

Impairment of accounts receivable balances is assessed at an individual level and impairment tests are performed on a more specific basis. All receivable balances relating to the closed customer accounts are estimated to have been impaired and are accordingly provided for.

(c) Deferred tax assets

Deferred tax assets are recognized for all unused tax losses to the extent that taxable profits will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognized, based upon the likely level of future taxable profits together with future planning strategies.

(d) Provision for stock obsolescence

Provision for stock obsolescence is assessed and raised on a specific basis based on a review of inventories. Inventories considered obsolete or un-serviceable are written off in the year in which they are identified.

(e) Customer Security Deposit

The Customer Security Deposits are classified as Current and Non-Current based on the Authority's past experience with the refund of the deposit to customers.

4. CAPITAL RISK MANAGEMENT

The Authority's objectives when managing capital are to safeguard the Authority's ability to continue as a going concern in order to provide returns and benefits for stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Authority monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the statement of financial position) less cash and cash equivalents and short term deposits. Total capital is calculated as 'equity' as shown in the statement of financial position plus net debt.

The gearing ratios at 31 December 2014 and 2013 were as follows:

	31-Dec-14 \$'000	31-Dec-13 \$'000
Total borrowings (Note 16)	354,765	303,119
Less: Held to maturity financial assets (Note 12)	(21,101)	(11,115)
Less: Cash and cash equivalents	(49,064)	(45,308)
Net debt	284,600	246,696
Total capital and reserves	600,649	587,941
Total capital (total capital and reserves plus net debt)	885,249	834,637
Gearing ratio (net debt / total capital and reserves x 100)	32.15%	29.56%

The increase in the gearing ratio during the year resulted from additional borrowings of \$65.5 million (\$35M - Implementation of FEA's Contingency Plan Project & \$30.5M - purchase and install 35MW Kinoya HFO Project) and the reduction in the profit recorded during the year.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

5. OPERATING REVENUE

ELECTRICITY SALES

	2014 \$'000	2013 \$'000
Commercial	144,605	140,541
Industrial	78,133	73,814
Domestic	73,608	72,244
Others	3,991	6,317
Total electricity sales	300,337	292,916

OTHER OPERATING REVENUE

Bad debts recovered	22	16
Business interruption insurance claims received	2	229
Contract sales	1,555	1,048
Deferred income	856	856
Gain on disposal of plant and equipment	409	472
Lease rental - fibre optic	317	149
Power pole rentals	620	579
Rentals	16	17
Realised exchange gain, net	1,864	583
Sales and commissions	691	336
Service and licence fees	697	649
Training revenue	105	49
Total other operating revenue	7,154	4,983
Total revenue	307,491	297,899

6. PROFIT BEFORE INCOME TAX

Profit before income tax

has been determined after charging the following expenses:

Allowance for doubtful debts	197	101
Auditors' remuneration for auditing services	22	22
Bad debts written off	33	85
Professional fees for other services	701	293
Directors' fees	50	52
Depreciation on property, plant and equipment	36,178	36,312
Amortisation of intangible assets	390	434
Government guarantee fees	-	852
Insurance	7,609	8,180
Personnel costs	17,628	17,960
Unrealized foreign exchange loss	2,045	3,998

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
7. INCOME TAX		
a) INCOME TAX EXPENSE/(BENEFIT)		
The prima facie income tax on the pre-tax profit reconciles to the income tax expense/(benefit) as follows:		
Profit before income tax	1,113	41,024
Prima facie income tax payable at 20%	223	8,205
Tax effect of amounts which are not taxable in calculating taxable income:		
- Employee taxation scheme	(9)	(19)
- Deferred income	(171)	(171)
- 50% FNPF not deductible for tax purposes	165	170
Under / (over) provision in prior year	(67)	258
Income tax expense/(benefit) attributable to profit	141	8,443
b) DEFERRED TAX ASSET		
The deferred tax assets consist of the following at future tax rates:		
Tax losses	6,211	8,157
Provision for doubtful debts	122	82
Unrealised exchange losses	620	1,921
	6,953	10,160
c) DEFERRED TAX LIABILITY		
The deferred tax liabilities consist of the following taxable temporary differences at future tax rates:		
Property, Plant & Equipment	39,490	40,789
Unrealized exchange gain/other tax liability	508	2,275
	39,998	43,064
Income tax expense/(benefit) comprises movements in:		
Deferred tax assets	3,207	7,560
Deferred tax liabilities	(3,066)	883
	141	8,443
8. CASH AND CASH EQUIVALENTS		
Short term deposits	10,540	35,000
Cash at bank and on hand - FEA Operation	539	1,205
USD Project Bank Account - Off-shore	8,812	9,103
Project Bank Account - On-shore	21,835	-
Cash Security Letter of Credit	7,338	-
Total cash and cash equivalents	49,064	45,308

The off-shore and on-shore project bank accounts are funds committed to projects that are still work in progress at year end.
The cash security for "Letter of credit" relates to the 35MW HFO Plant at Kinoya and will be released when the project is commissioned in 2015.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000					
9. RECEIVABLES AND PREPAYMENTS							
Electricity debtors	31,165	30,881					
Other debtors	881	5,024					
Prepayments and deposits	2,987	3,761					
	35,033	39,666					
Allowance for doubtful debts							
- Electricity debtors	(608)	(378)					
- Other debtors	-	(33)					
Total receivables and prepayments (net)	34,425	39,255					
The terms of trade for electricity debtors are 14 days from the date of billing.							
Electricity debtors that are less than 3 months past due are not considered impaired. As at 31 December 2014, electricity debtors of \$22,202,985 (2013: \$22,424,883) were not considered impaired.							
As of 31 December 2014, the amount of electricity debtors impaired was \$607,829 (2013: \$377,599) net off deposits held. The individual receivables are mainly customers, who have defaulted in payments. It was assessed that a portion of the receivables are expected to be recovered.							
Movements in the provision for impairment of electricity debtors and other debtors are as follows:							
Balance as at 1 January	411	310					
Amounts allowed/(recovered) during the year	197	101					
Balance as at 31 December	608	411					
The creation and releasing of provision for impaired receivables has been included in "Other operating expenses" in the statement of comprehensive income (Note 6). Amounts charged to the allowance account are generally written off, when there is no expectation of recovering the debt.							
The other classes within receivables and prepayments do not contain impaired assets.							
As at 31 December, the ageing analysis of trade receivables is as follows:							
	Current	< 15 Days	30-45 Days	45-60 Days	60-90 Days	over 90 Days	Total
	(F\$'000)	(F\$'000)	(F\$'000)	(F\$'000)	(F\$'000)	(F\$'000)	(F\$'000)
2014	18,194	3,509	234	159	107	1,117	23,320
2013	18,832	3,107	197	172	117	604	23,029
The maximum exposure to credit risk at the reporting date is the fair value of each classes of receivables mentioned above less electricity deposits. The Authority generally obtains security deposits in the form of bank guarantees and cash deposits from all electricity customers which is estimated based on two months electricity consumptions. The total carrying amount of security deposits in relation to the above trade receivables carried by the Authority is \$36,876,963 (2013: \$34,844,921). The rest are secured through bank guarantees maintained by the Authority. A portion of this security deposit is refunded to customers on a daily basis.							
10. INVENTORIES							
Consumables - at cost	27,982	18,402					
Goods in transit	1,059	216					
Total inventories	29,041	18,618					

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
11. PROPERTY, PLANT AND EQUIPMENT		
Freehold land		
At cost	28,952	28,635
Leasehold land		
At cost	13,910	13,910
Accumulated depreciation	(1,761)	(1,614)
	12,149	12,296
Buildings and improvements		
At cost	82,159	82,122
Accumulated depreciation	(17,234)	(16,175)
	64,925	65,947
Dam, tunnels, water conductor		
At cost	494,024	494,024
Accumulated depreciation	(56,022)	(46,743)
	438,002	447,281
Plant, equipment and transmission assets		
At cost	491,031	445,901
Accumulated depreciation	(192,059)	(171,044)
	298,972	274,857
Furniture and fittings		
At cost	25,593	23,933
Accumulated depreciation	(15,879)	(14,680)
	9,714	9,253
Wind mill		
At cost	34,393	34,393
Accumulated depreciation	(12,837)	(11,098)
	21,556	23,295
Motor vehicles		
At cost	18,202	17,864
Accumulated depreciation	(15,196)	(13,681)
	3,006	4,183
Capital spares		
At cost	3,970	4,740
Capital works in progress		
- Wainisavulevu Weir Raising Project	37,790	25,233
- Rural and Urban Reticulation Projects	3,197	1,759
- Vuda Waqadra 33kV Double Circuit Line	5,497	3,419
- 35MW Kinoya HFO Project	33,635	-
- Others	17,502	15,484
	97,621	45,895
Total		
- At cost	1,289,855	1,191,417
- Accumulated depreciation	(310,988)	(275,035)
Closing net book value	978,867	916,382

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

11. PROPERTY, PLANT AND EQUIPMENT (CONT'D)

Reconciliation of the carrying amounts of each class of property, plant and equipment at the beginning and end of the current financial year is set out as follows:

	Freehold land \$'000	Leasehold land \$'000	Buildings & improvements \$'000	Dam, tunnels and water conductor \$'000	Plant, equipment & transmission assets \$'000	Furniture & fittings \$'000	Wind mill \$'000	Motor vehicles \$'000	Capital spares \$'000	Capital work in progress \$'000	Total \$'000
Balance as at 31 December 2012	28,635	12,296	67,000	458,475	282,844	8,926	25,035	4,473	4,938	20,204	912,929
Additions	-	-	-	-	-	-	-	-	424	39,749	40,173
Disposals	-	-	-	-	-	-	-	(35)	-	-	(35)
Transfers	-	43	8	(1,936)	12,842	1,338	-	1,764	(374)	(14,058)	(373)
Depreciation charge	-	(146)	(1,061)	(9,258)	(20,829)	(1,011)	(1,740)	(2,019)	(248)	-	(36,312)
Balance as at 31 December 2013	28,635	12,296	65,947	447,281	274,857	9,253	23,295	4,183	4,740	45,895	916,382
Additions	-	-	-	-	-	-	-	-	-	99,222	99,222
Disposals	(17)	-	-	-	-	-	-	-	-	-	(17)
Transfers	334	-	37	-	45,130	1,660	-	338	(545)	(47,496)	(542)
Depreciation charge	-	(147)	(1,059)	(9,279)	(21,015)	(1,199)	(1,739)	(1,515)	(225)	-	(36,178)
Balance as at 31 December 2014	28,952	12,149	64,925	438,002	298,972	9,714	21,556	3,006	3,970	97,621	978,867

During the year, the total borrowing costs of \$2,268,751 were capitalised as follows: Wainisavulevu Weir Raising Project-\$607,242, 40MW Contingency Plan Project-\$985,464 and 35MW Kinoya HFO Project-\$676,045.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
12. FINANCIAL ASSETS		
Held-to-maturity financial assets		
Short term deposits with banks	21,101	11,115
<p>During the year, the Authority reinvested USD\$5.86M as term deposits with ANZ bank at an interest rate of 0.25% per annum. This term deposit will be used to repay the balance of the Sinohydro Corporation offshore contract project retention in US dollars for the construction of the Nadarivatu Renewable Hydro Power Project. In addition to this, the Authority also invested FJ\$9.5M in short term deposit as its contribution towards the extension of the network grid from Tavua to Korovou. The Government and FEA are equally funding this project with an estimated cost of \$19M.</p>		
13. INTANGIBLE ASSETS		
Software License		
Gross carrying amount:		
Balance as at 1 January	6,490	6,490
Additions	-	-
Balance as at 31 December	6,490	6,490
Accumulated amortisation:		
Balance as at 1 January	(5,138)	(4,704)
Amortisation for the year	(390)	(434)
Balance as at 31 December	(5,528)	(5,138)
Net book amount	962	1,352

Software license are made up of the Authority's Financial Management Information System, Billing System and other specialized Energy Monitoring Information System. The software license has been valued at cost and amortised by an impairment charge over its remaining life to arrive at the carrying amounts.

14. TRADE AND OTHER PAYABLES

Current		
Trade creditors	1,658	5,685
Other creditors and accruals	28,330	24,425
VAT payable	956	1,486
Accrued interest	1,314	2,610
Customer security deposits	1,896	1,896
Total current trade and other payables	34,154	36,102
Non-Current		
Other creditors and accruals	13,360	12,746
Customer security deposits	34,981	32,949
General extension refundable deposits	32,155	15,042
Total non-current trade and other payables	80,496	60,737

The fair value of trade and other payables equals their carrying amount, as the impact of discounting is not significant. The customer security deposits relates to the mandatory cash deposit which is equivalent to two months electricity consumptions in accordance with the Electricity Act. This is refunded to the customer when the electricity account is permanently closed. The general extension refundable deposits are the capital contribution from prospective customers or developer for the supply of electricity from the Authority's newest grid in accordance with the General Extension Policy. The amount is refunded to the customer over a period of 5 and 8 years.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
15. EMPLOYEE BENEFIT LIABILITY		
Annual leave	851	943
Performance pay	1,477	1,359
Total employee benefit liability	2,328	2,302
Balance as at 1 January	2,302	2,355
Additional provisions provided during the year, net	26	(53)
Carrying Amount as at 31 December	2,328	2,302
Employee numbers	2014	2013
Number of full-time equivalent employees as at 31st December	703	736
16. INTEREST BEARING BORROWINGS		
Current		
Term Loans - ANZ Bank (b)	18,054	8,633
Term Loans - BSP	-	4,000
Term Loan - Suva City Council (c)	43	43
Term Loans - CDB	-	11,071
Term Loans - WBC	-	2,885
Total current interest bearing borrowings	18,097	26,632
Non-Current		
Bonds (a)	62,500	75,500
Term Loans - ANZ Bank (b)	238,514	96,463
Term Loans - BSP	-	8,000
Term Loan - Suva City Council (c)	5,147	5,190
Term Loans - CDB	-	42,703
Term Loans - WBC	-	48,631
Term Loans - FNPF (d)	30,507	-
Total non-current interest bearing borrowings	336,668	276,487
Total interest bearing borrowings	354,765	303,119

(a) Bonds

The Reserve Bank of Fiji offers, manages and carries out registry services on behalf of the Authority. The Authority's bonds are issued in competitive tenders. The bonds are recorded at cost which reflects the face value of the bonds. Bonds worth \$13M were early redeemed during the year.

The maturing terms of the bonds range from 2 to 10 years, whilst the interest rates vary from 6.40% to 7.19% per annum. The bonds are guaranteed by the Government of Fiji.

(b) Term Loans - ANZ Bank

The interest bearing borrowings from ANZ are at an agreed interest rate ranging from 2.65% to 2.70% per annum and are repayable on monthly installments. During the year FEA refinanced BSP, CDB and WBC loans with ANZ Bank. Also during the year the Authority borrowed FJ\$35M from ANZ Bank to fund its contingency plan of purchasing, installing and commissioning 40MW diesel generator sets and further borrowed an additional \$10M to fund the construction of the Wainisavulevu Weir Raising Project.

The term loans from ANZ Bank are secured by the guarantee given by the government of Fiji.

(c) Term Loan - SCC

The term loan from Suva City Council (SCC) is subject to interest at the rate of 3% per annum and is unsecured. The loan is repayable over a period of 86 years in equal instalments of \$200,000 on 25th July each year until July 2065.

(d) Term Loan - FNPF

The term loan from FNPF is subject to interest at the rate of 3.25% per annum. The term loans from FNPF are secured by the guarantee given by the Government of Fiji. The Authority borrowed \$60M from FNPF in early 2014 to fund the purchase and installation of 35MW HFO generator sets at Kinoya Power Station.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
17. DEFERRED INCOME		
EEC Grant In Aid		
EEC Grant in Aid	12,330	12,330
Less: accumulated amortisation	(7,743)	(7,261)
Closing balance - 31 December	4,587	5,069
Government Grant For Rural Electrification		
Government Grant for Rural Electrification	9,342	9,342
Less: accumulated amortisation	(5,792)	(5,418)
Closing balance - 31 December	3,550	3,924
Total deferred income (net)	8,137	8,993

18. CONTINGENT LIABILITIES

(a) Miscellaneous claims

No provision has been recorded in the accounts for unsecured contingent liabilities mainly in respect of sundry court actions against the Authority. The Authority estimates such liability, if any, to be immaterial.

(b) Contingent liabilities exist with respect to the following:

Letter of credit	1,367	33
Immigration bond	25	25
Litigation claims - others	804	781
	2,196	839

19. COMMITMENTS

Estimated amounts of lease expenditure committed at balance date but not provided for in the financial statements:

a) Native and Crown leasehold land and other premises

Payable no later than one year;	1,274	1,260
Payable later than one year but not later than two years;	1,180	1,167
Payable later than two years but not later than five years.	3,541	3,500
Payable later than five years	89,839	88,633
Total commitments	95,834	94,560

The Native and Crown leasehold land includes the recent lease obtained for Monasavu land. The settlement signed with Monasavu land owners and the iTaukei Land Trust Board commits FEA to the following future payments:

Payable no later than one year;	620	620
Payable later than one year but not later than two years;	620	620
Payable later than two years but not later than five years;	1,860	1,860
Payable later than five years.	50,400	51,020

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

	2014 \$'000	2013 \$'000
20. CAPITAL EXPENDITURE COMMITMENTS		
Capital expenditure contracted for at balance date but not otherwise provided for in the financial statements.	40,836	34,836
Projects approved by the Board but not contracted for at balance date	108,177	108,513

The capital commitments include the Wainisavulevu Weir Raising Project, Vuda-Waqadra double circuit lines, Knolly Street substation development, 33kV underground cabling works, transformer upgrade, switchgear upgrade, 35MW Kinoya HFO project, new 11kV Feeder upgrade, Dreketi electrification project, Momi Bay resort power supply project, Tavua to Korovou electrification project, new repeater sites and other transmission and distribution projects.

21. EVENTS OCCURRING AFTER BALANCE DATE

a) The Government of Fiji during the 2015 National Budget, announced the increase in the subsidy for domestic electricity consumption from 75kWh to 85kWh per month. This was implemented by the Authority for electricity consumed by the domestic customers in January/February 2015. There will be no financial implication of the increase in the electricity subsidy to the Authority.

There were no matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Authority, the results of those operations, or the state of affairs of the Authority in future financial years.

22. SIGNIFICANT EVENTS DURING THE YEAR

a) During the year the Authority refinanced BSP, CDB and WBC loans with ANZ Bank at lower interest rates. The Authority further borrowed \$35M from ANZ Bank to fund its contingency plan of purchasing, installing and commissioning 40MW diesel generator sets around Viti Levu.

b) The Fiji Commerce Commission announced an increase in the Independent Power Producers (IPP) rate from 23 cents/unit (VEP) to 33.08cents/unit (VEP) effective from June 2014.

c) The Authority as part of its contingency plan, purchased and installed additional 40MW diesel generator sets around Viti Levu in September to supplement the shortfall in the Monasavu and Nadarivatu hydro generation to avoid a national and/or rotating blackout. FEA spent some \$35M to implement its contingency plan.

23. PRINCIPAL ACTIVITIES AND PRINCIPAL PLACE OF BUSINESS

The principal activities of the Authority are the generation, transmission, distribution and sale of electricity on Viti Levu, Vanua Levu and Ovalau as governed by the Electricity Act and Regulations. The address of Fiji Electricity Authority registered office and principal place of business is 2 Marlow Street, Suva, Fiji Islands.

Notes To And Forming Part Of The Financial Statements For The Year Ended 31 December 2014

24. RELATED PARTY TRANSACTIONS

a) The Authority is a statutory body constituted by an Act of Parliament and the transactions with the Government of Fiji during the year are as follows:

	2014 \$'000	2013 \$'000
Government guarantee fee capitalized during the year	263	852

The Government of Fiji also provides guarantees on the bonds and loans issued by the Authority. As at balance date, the Authority had borrowed funds amounting to \$350 million under this guarantee.

b) Directors

The names of persons who were directors of the Authority during the year 2014 are as follows:

Nizam-ud-Dean (Chairman)
Gardiner Henry Whiteside (Deputy Chairman)
Aseri Radrodro (Resigned July 2014)
Francis Kean
Isikeli Voceduadua
Hasmukh Patel (Ex-officio Member)

The directors fees paid during the year were \$49,958.

(c) Key Management Compensation

The aggregate remuneration and compensation paid to key management personnel, for the financial year ended 31 December 2014 and 2013 were:

	2014	2013
Salary, performance pay and allowances	1,386	1,344
Superannuation	111	106
Other benefits	21	26
Total	1,518	1,476

(d) During the year, the Authority supplied electricity to the Government of Fiji, other Government owned entities, directors, related entities and executives at normal commercial rates, terms and conditions.

(e) Year-end balances arising from sales/purchases of services

Receivable from related parties: (Note 9)	2014	2013
Government of Fiji	1,295	3,149

Statistics 2014 As Of 31 December 2014

TRANSMISSION & SUB-TRANSMISSION CENTRAL										
DISTRICT	132kV O/H Line (km)		33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Wailoa - Cunningham	62	62					1	1	120	120
Cunningham - Kinoya 'A'					3	3				
Cunningham - Kinoya 'B'					3	3	1	1	54	54
Cunningham - Vatuwaqa					4	4	1	1	19	19
Cunningham - Hibiscus Park 'A'					7	7	1	1	26.6	26.6
Cunningham - Hibiscus Park 'B'					5	5				
Cunningham - Sawani			10	10	1	1	1	1	15	15
Vatuwaqa - Suva					5	5	1	1	69	69
Kinoya - Vatuwaqa					4	4				
Kinoya - Nausori			12	12	2	2	1	1	15	15
Nausori - Sawani			6	6	2	2				
Hibiscus Park - Wailekutu					6	6	1	1	6.25	6.25
Hibiscus Park - Suva					3	3				
Wailekutu - Deuba			38	38			1	1	6.25	6.25
Cunningham - Komo					6	6	1	1	30	30
Komo - Hibiscus Park					3	3				
TOTAL	62	62	66	66	54	54	10	10	361.1	361.1

TRANSMISSION & SUB-TRANSMISSION NORTHERN										
DISTRICT	132kV O/H Line (km)		33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Labasa							1	1	8.5	8.5
Labasa - Seaqaqa			33.78	33.78			1	1	2.5	2.5
Seaqaqa - Dreketi			34.33	34.33			1	1	6.25	6.25
TOTAL	0	0	68.11	68.11	0	0	3	3	17.25	17.25

TRANSMISSION & SUB-TRANSMISSION WESTERN										
DISTRICT	132kV O/H Line (km)		33kV O/H Line (km)		33kV U/G Cable (km)		Substations		Transformer MVA	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Wailoa							3	3	108	108
Wailoa - Nadarivatu	23.4	23.4					1	1	56	56
Nadarivatu - Vuda	56.6	56.6					2	2	97.5	97.5
Nadarivatu SS to PS	5.2	5.2								
Vuda - Pineapple Corner A			8	8	1	1	1	1	30	30
Vuda - Rarawai			32	32			1	1	12.5	12.5
Rarawai - Vatukoula			19	19			1	1	10	10
Vatukoula - Tavua			4	4	2	2	1	1	6.25	6.25
Vuda - Waqadra A			16	16			1	1	40	40
Vuda - Waqadra B			11	11	2	2				
Vuda - Waqadra C				10.1		4.15				
Vuda - Waqadra D				10.1		4.15				
Waqadra - Sigatoka			59	59			1	1	5	5
Qeileloa					1	1	1	1	15	15
Maro							1	1	2	2
Sigatoka - Nococolevu			29	29			1	1		
Nococolevu-Korolevu							1	1	6.25	6.25
Vuda - Rarawai Tee-off to Pineapple Corner			2	2	1	1				
Wailoa - Wainikasou			29	29			1	1	10	10
Nagado - Sabeto			10	10			1	1	3	3
Maro-Natadola					5	5	1	1	10	10
TOTAL	85.2	85.2	219	239.2	12	20.3	19	19	411.5	411.5

DISTRIBUTION NETWORK CENTRAL												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATIONS		INSTALLED KVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage		2013	2014	2013	2014
	2013	2014	2013	2014	2013	2014	2013	2014				
Deuba	170.939	172.896	128.876	129.004	16.815	18.075	41.306	41.309	213	216	21772	22588
Lami	54.5869	79.0489	66.1017	70.3277	45.53	45.56	4	4.003	168	178	47976	48860
Suva	16.877	17.005	146.659	147.03	218.557	218.94	43.03	43.06	201	204	111532	113132
Kinoya	134.679	134.819	197.704	198.174	60.128	60.128	33.33	33.33	303	306	86101	86706
Nausori	289.804	289.804	336.005	336.005	19.885	19.885	1.523	1.523	492	492	45883	45883
Korovou	286.75	321.321	239.875	269.725	2.758	2.758	0.08	0.08	312	329	5443	5852
Levuka	60.2	60.2	44.522	44.522	1.18	1.18	0	0	61	61	5777	5777
Wailoa	11	11	6	6	0	0	0	0	12	12	206	206
Navua	0	0.741	0	0.636	0	0	0	0	0	5	0	730
TOTAL	1024.836	1086.835	1165.743	1201.424	364.853	366.526	123.269	123.305	1762	1803	324690	329734
Increase	61.999		35.681		1.673		0.036		41		5044	
% Increase	6%		3%		0.5%		0.03%		2%		2%	



Statistics 2014 As Of 31 December 2014

DISTRIBUTION NETWORK - NORTHERN												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATION		INSTALLED kVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage		2013	2014	2013	2014
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Labasa	406.62	411.592	733.302	743.882	12	12	4	4	398	405	22870	22986
Seaqaqa	2.25	2.25	0.771	0.771	0.05	0.05	0.025	0.025	2	2	46	46
Dreketi	37.19	37.558	6.982	9.75	0.05	0.05	0.025	0.025	7	9	247	568
Savusavu	119.503	119.503	94.362	94.554	7.416	7.416	1.474	1.474	130	130	8449	8449
TOTAL	565.563	570.903	835.417	848.957	19.516	19.516	5.524	5.524	537	546	31,612	32,049
Increase	5.34		13.54		0		0		9		437	
% Increase	1%		2%		0%		0%		2%		1%	

DISTRIBUTION NETWORK - WESTERN												
DISTRICT	OVERHEAD LINES (km)				UNDERGROUND CABLES (km)				SUBSTATION		INSTALLED kVA	
	High Voltage		Low Voltage		High Voltage		Low Voltage		2013	2014	2013	2014
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
Sigatoka	361.462	366.279	521.516	527.21	6.2	6.38	9.903	10.083	441	454	27494	28581
Nadi - Tavua	1345.606	1352.694	1843.7	1850.306	163.765	164.882	75.435	76.685	1919	1957	162912	169801
Rakiraki	220.757	220.862	217.43	220.238	4	4	1	1	199	201	8175	8211
TOTAL	1927.825	1939.835	2582.646	2597.754	173.965	175.262	86.338	87.768	2559	2612	198581	206593
Increase	12.01		15.108		1.297		1.43		53		8012	
% Increase	0.6%		0.6%		0.7%		1.7%		2.1%		4.0%	

GENERATION STATISTICS (EXCLUDING INDEPENDENT POWER PRODUCERS)										
Years	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Units Generated Waioa Hydro MWh	322,489	315,569	481,098	462,986	436,081	382,963	424,818	466,765	420,195	314,341
Units Generated Wainiqueu Hydro MWh	1,099	1,329	1,387	688	63	898	1,968	1,027	2,056	983
Units Generated Wainikasou Hydro MWh	15,151	18,272	21,079	18,420	16,058	19,238	19,404	18,721	5,935	15,027
Units Generated Nagado Hydro MWh		6,085	4,922	12,996	7,990	10,520	10,279	8,856	611	3,080
Units Generated Nadarivatu Hydro MWh								29,892	98,600	67,537
Total Generated Hydro MWh	338,739	341,255	508,486	495,090	460,192	413,619	456,469	525,261	527,397	400,968
Units Generated in VLIS Diesels MWh	304,863	354,174	183,329	162,760	153,990	236,356	211,767	94,215	94,425	230,957
Units Generated Diesel Others MWh	41,169	40,189	41,740	46,178	43,670	52,537	44,453	48,187	46,971	49,605
Units Generated HFO Kinoya & Vuda MWh			30,920	60,807	112,264	126,237	83,540	128,881	183,359	173,477
Total Generated Thermal MWh	346,032	394,363	255,989	269,745	309,924	415,130	339,760	271,283	324,755	454,039
Unit Generated from Butoni Wind Farm MWh			3,351	4,604	7,211	6,420	4,977	6,809	5,348	4,269
Units Generated from Solar panel MWh	2	4	1							
Total Generated Wind & Solar MWh	2	4	3,352	4,604	7,211	6,420	4,977	6,809	5,348	4,269
Total FEA Generation (MWh)	684,773	735,622	767,827	769,439	777,327	835,169	801,206	803,353	857,500	859,276
Made up of										
Total VLIS Generation (MWh)	642,505	694,104	724,700	722,573	733,594	781,734	754,785	754,139	808,473	808,688
Total Other Generation (MWh)	42,268	41,518	43,127	46,866	43,733	53,435	46,421	49,214	49,027	50,588
Station Auxilliary usage MWh	7,294	6,375	7,865	9,139	9,050	9,268	8,952	8,343	9,196	10,130
Auxiliaries as % of Generation	1.07%	0.87%	1.02%	1.19%	1.16%	1.11%	1.12%	1.04%	1.07%	1.18%
% contribution from Hydro	49.47%	46.39%	66.22%	64.34%	59.20%	49.53%	56.97%	65.38%	61.50%	46.66%
% contribution from Thermal	50.53%	53.61%	33.34%	35.06%	39.87%	49.71%	42.41%	33.77%	37.87%	52.84%
% contribution from Wind & Solar	0.00%	0.00%	0.44%	0.60%	0.93%	0.77%	0.62%	0.85%	0.62%	0.50%
% increase / (decrease) in Hydro Generation	-7.79%	0.74%	49.00%	-2.63%	-7.05%	-10.12%	10.36%	15.07%	0.41%	-23.97%
% increase / (decrease) in Thermal VLIS Generation	26.46%	16.17%	-39.51%	4.35%	19.09%	36.18%	-18.56%	-24.45%	24.51%	45.59%
% increase / (decrease) in Total Thermal Generation	22.62%	13.97%	-35.09%	5.37%	14.90%	33.95%	-18.16%	-20.15%	19.71%	39.81%
% increase / (decrease) in Total Generation	5.42%	7.43%	4.38%	0.21%	1.03%	7.44%	-4.07%	0.27%	6.74%	0.21%
Maximum Dam Level (AMSL)	735	735	746	746	742	739	743	747	743	736
Minimum Dam level (AMSL)	721	721	728	728	723	727	735	731	730	724



