

ST HELENA UTILITIES REGULATORY AUTHORITY



JULY 2024

ANNUAL REPORT ON QUALITY OF SERVICES
PROVIDED BY CONNECT SAINT HELENA LTD –
2023/24

The Utilities Regulatory Authority has completed its review of the quality of services provided by Connect for the year to 31st of March 2024. The Authority acts entirely independently and is not subject to the direction or control of the Governor, the Executive Council, Legislative Council or any other person or authority. This report is an annual review.

PART 1 – OVERVIEW

1.1 UTILITY SERVICES ORDINANCE 2013

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

These services are —

- (a) the generation, distribution and supply of electricity;
- (b) the collection, storage, treatment and distribution of water; and

(c) the disposal of waste water.

1.2 UTILITIES REGULATORY AUTHORITY

The members of the Authority are Chief Magistrate Duncan Cooke (as Chairman), David de Casseres, Mr Bill Scanes and Mr Paul Hickling. The Judicial Services Manager* is Secretary to the Authority, to whom any communication should be made. The Authority, and any person acting under its authority, act entirely independently and are not subject to the direction or control of the Governor, the Executive Council, Legislative Council or any other person or authority. *(yvonne.williams@judicialservices.sh)

1.3 OBJECTIVE OF AUTHORITY

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

- (a) ensures that users of such services are protected from both unreasonable prices and unreasonably low levels of service;
- (b) ensures (so far as is consistent with paragraphs (d) and (e)) that the prices charged for such services do not create unreasonable hardships for households or unreasonable hindrance to commercial and economic development in St Helena;
- (c) motivates Utilities Providers to improve the quality of the services they provide;
- (d) ensures stability and predictability in the public utilities industry in the medium and long terms;
- (e) supports a progressive reduction in levels of subsidy from public funds; and
- (f) has regard to such other regulatory objectives (if any) as may be prescribed.

1.4 DUTIES OF AUTHORITY

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

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

1.5 POWERS OF THE AUTHORITY

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

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

1.6 PENALTIES BY THE AUTHORITY

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

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

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

1.7 UTILITIES PROVIDER - CONNECT SAINT HELENA LTD

With effect from 1st April 2013 Connect Saint Helena Ltd (“Connect” or “CSH”) were licensed by the Governor in Council to provide all public utility services in St Helena. The Authority was instrumental in the drafting of the licence. The licence contains a considerable number of conditions relative to the quality of the services to be provided by Connect.

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

1.8 EXERCISE OF POWERS BY AUTHORITY

It is important to note that, in performing its duties and in exercising its powers, the Authority must have regard to ensuring the stability and predictability of the provision of public utility services. The Authority would only impose a penalty if it were satisfied that it would be to the benefit of Connect’s customers to do so.

1.9 PURPOSE OF REPORT

This report is principally concerned with motivating the Utilities Provider to improve the quality of the services they provide. The Authority has a duty to adopt a reasonable approach in setting targets and expectations. Progressive targets and expectations have therefore been set, and amendments to those targets made over time. It would be unreasonable to expect an instantaneous improvement to the levels which the Authority will ultimately endeavour to motivate the Utilities Provider to achieve, consequently the URA view its role at this stage to encourage and assist Connect to achieve an ever improving level of service appropriate to its development as a Utility Provider.

This report has been prepared, amongst other things, for the purpose of assessing performance against the targets established by the authority for the period of the review year. A new Public Utilities Development Plan (PUDP) came into effect on the 1st of April 2024 which reset the benchmark year from 2012/13 to 2023/24. This report therefore covers the last year of the old PUDP but will also act as the benchmark year for the new PUDP.

The additional purpose of this report is to inform the public on the level of services being delivered by Connect. In doing so it is hoped to motivate Connect to improve the quality of the services they provide. Connect are aware that such services are being monitored, scrutinised and will be publicly reported upon by the Authority.

For this report and all reports going forward the Authority has directed that the annual report sent to it by Connect St Helena not only look at the provision of services for the year under review but what Connect St Helena propose to do to improve those services. The Connect annual report (as annexed to this report) covers the following:

Looking Back:

1. Compliance, or otherwise, with the PUDP and steps taken to ensure compliance
2. Compliance with the Codes of Practice and steps taken to ensure compliance
3. Capital investment over the year including sources of funds used
4. Efforts made to source external funding and for what purpose - EDIP, loans etc
5. Reduction (or otherwise) on reliance on the subsidy
6. Improved business efficiency measures taken
7. Compliance with the CSH strategic plan
8. Compliance with the CSH energy delivery plan
9. Progress with the CSH unaccounted for water programme
10. Compliance with the SHG renewable energy policy once published

11. Summary of the management accounts reports for the year being reported upon
12. Maintenance of safety standards for equipment and employees

Looking forward:

1. Proposed targets for the PUDP for the coming year and how CSH intends to achieve/better these
2. Capital Investment Plan for each separate business for the coming year and how CSH proposes to fund the plans
3. How CSH propose to reduce reliance on the subsidy in the coming year
4. How CSH propose to improve business efficiency for the coming year
5. How CSH propose to increase the use of renewable energy in the coming year
6. How CSH propose to reduce the extent of unaccounted for water in the coming year
7. Progress made in improvements in sewerage provision for HTH and Jamestown

This report is simply a short summary of the relevant issues as the Authority sees them and is part of the ongoing process of regulation. The report aims to highlight areas where improvement is needed with a view to working with Connect over the coming year to address these concerns.

PART 2 – THE REPORT

2.1 PUBLIC UTILITIES DEVELOPMENT PLAN

This report covers the last year of the PUDP that has been in force since divestment but this year is also the benchmark year for the PUDP in force from April 2024.

The number of faults on the electricity network have reduced over the last year which is a positive sign but this measurement gives no indication of the impact of those faults on customers in terms of how long they are without power. In future the new PUDP will not just look at the number of faults but the consequences of such faults. From next year Connect will have to report on the number of customer minutes lost through faults which is an industry standard measurement against which Connect can be measured.

Fuel efficiency levels are above target but as the customer base continues to decline this is not unexpected and emphasises the need for additional renewable energy sooner rather than later. Just 13% of electricity generated in 23/24 came from renewable sources which is half of what it was in 2017.

For water although the number of faults have reduced the extent of the losses of water from the network due to those faults does not make happy reading. 46% of water is lost through the network due to physical losses or leaks. This accounts for 225,749 m³ of water lost through the system. This is unacceptably high and represents an increase since 21/22 when the figure was 39%. No water network is leak proof and a degree of loss is to be expected but it goes without saying that customers and Government are subsidising these losses and it impacts upon distribution in times of drought.

Turbidity levels have increased in the treated water and are above target in all areas except Levelwood. Turbidity is a particular problem in Jamestown and levels are above the maximum recommended by the World Health Organisation. The microbiological integrity of the water may be good but it is often unpleasant to drink and can at times be visibly brown. Investment in flocculators in 24/25 should help alleviate the problem, it had been hoped these could be installed sooner but procurement lead in times were too long for that.

2.2 CODES OF PRACTICE

The Authority notes that compliance with the Codes of Practice is excellent as it has been for many years and Connect clearly work hard to maintain this. The only place where Connect were outside targets was that 3 quotations for work to be undertaken were provided outside the 5 day limit.

2.3 CAPITAL INVESTMENT

£828,030 was spent in capital investment in 23/4. Of this £400,588 came from Connect and £427,442 from EDIP or FCDO. Of this money all went on the water and sewerage infrastructure save for £11,947 on electricity.

EDIP money is earmarked for consultancy services for the renewable energy project, water resources management plan and sewerage project for Jamestown and Half Tree Hollow. The money spent by Connect was on infrastructure.

Plans for 24/25 are again aimed primarily at the water network and Connect intends to invest to a greater extent than it did in 23/24.

The Authority would like to see more investment in the electricity network to develop a more robust network with a more balanced power generation portfolio through smaller diesel generators, refurbished wind turbines and practical measures to stabilise the network such that PV can be more widely used. Without such investment St Helena will continue to live with an unstable network and Connect will not develop as a company.

From June 2025 a new tariff structure will come into effect where tariffs contain a number of elements, one of which is depreciation. Connect at present do not spend all of the money factored into tariffs for upkeep and renewal (depreciation) of the network. However as the new tariff structure will prohibit this money being spent on other parts of the business the Authority expects Connect to ensure that the extent of capital expenditure increases. Money raised on the electricity tariff for depreciation will have to be spent on renewal and upgrading of the electricity network. This will far exceed the £11,947 that was spent in 23/4.

2.4 FUNDING SOURCES

Connect have sought funding from EDIP for consultancy services and from the FCDO to support the Cloud Forest Project and have clearly done very well in securing what they have. The Authority would like to see Connect exploring other sources of funding for larger infrastructure projects. There is potential for more innovative sources such as companies wishing to develop products. Leasing of equipment, especially batteries as is done on Ascension, is an alternative option, as is borrowing.

Connect is hampered by not having a long term licence which means that longer term contracts cannot be entered into. This lack of a licence is something that the Authority can only hope is resolved soon.

2.5 THE SUBSIDY

Water has always been reliant on the subsidy and will continue to be for some time to come. A 10% annual price escalator is being applied to bills until such time as the cost of production and the tariff match. This is at least 6 to 7 years away and dependent on Connect's ability to reduce the cost of production by tackling leaks. In the meantime reliance on the subsidy for water will reduce year on year by virtue of the tariff increases. The water section had a loss of £686,000 before subsidy last year. To reduce reliance on the subsidy and ensure tariffs match the cost of water production sooner rather than later Connect must improve the water network through investment.

Electricity has gone from requiring no subsidy to requiring £1,225,000 in the space of 2 to 3 years. This is due to fuel price rises which again emphasises the need for a balanced power generation portfolio which relies primarily on renewable energy. The URA have put in place a pricing structure from June 2025 which will allow SHG to target the subsidy at those that need it most and thereby reduce the extent of the overall subsidy.

From June 2025 customers' bills will contain information that includes the amount of subsidy the consumer has benefitted from. Customers will therefore know how much the

Government has assisted them with their utility bills.

2.6 BUSINESS EFFICIENCY MEASURES

Use of internal staff, reduction of non-revenue water and upgrades to the electricity distribution network are matters that Connect point to in support of efficiency saving over the year.

The reduction in the subsidy next year by £250,000 will be offset partially by tariff increases but there will still be a need to call upon money set aside for infrastructure replacement. Connect will no longer be able to call upon asset replacement reserves to subsidise the business generally from June 2025 when the URA prohibition on cross subsidy between heads of costs charged to customers comes into force. The pricing structure will mean that this approach is no longer necessary and that money set aside for asset replacement and development of the infrastructure is spent on that and nothing else.

The planned overhaul of the wind turbines and investment in a HR information system are both designed to reduce outgoings and represent a saving to customers.

2.7 THE STRATEGIC PLAN/ENERGY DELIVERY PLAN/UNACCOUNTED FOR WATER PROGRAMME

These plans are Connect's own and so a good measure of their performance by their own standards. These are wide ranging plans that cover all aspects of the business and how it is proposed it should develop.

The Business Model

The capital programme is now in place and being implemented as is evidenced by recent spending on essential projects

One of the aims of the strategic plan at 1.2.2 is to explore other funding sources. Connect need to be much more innovative in their thinking as to how to access funds, a more flexible approach than simply calling upon EDIP is one of the benefits of being a divested company. Connect's own performance measure for this involves researching other donor calls for bids yet we see no evidence of this. As we have already referred to borrowing, leasing and seeking out companies with new products or approaches are what the Authority expects of Connect. Simply relying on donors is not a sound business model for any company that really seeks to improve their customer's experience.

Connect will have to demonstrate to the Authority that they have taken on board these comments and acted upon them to the benefit of their customers during this financial year.

Power failure and drought planning procedures are in place. IT resilience is a work in progress and the recent global impact of the CrowdStrike upgrade failure highlights the vulnerability of all areas of life to computer problems. Connect are quite right to prioritise the power station at this stage.

Energy Delivery

The wind turbines that are in place have been assessed and Connect have opted to overhaul the WES-80 turbines with the aim of a further 10 years' service. This work will be undertaken in 24/25 and is very much encouraged by the Authority.

Battery storage has also been investigated and found to be the preferred energy storage system for St Helena. There is no suggestion that interim battery storage arrangements might be put in place to maximise the benefit of the wind turbine upgrade. Instead the findings of the report have been fed into the modelling and design consultancy for the final design for a renewable energy solution.

Connect is grappling with the linked problems of a declining customer base and declining demand which leads to greater stress on generators running at minimum loads thereby increasing fuel inefficiency. Battery storage systems can assist in this regard and given the history of delays and missed deadlines in the renewable energy project the URA requires Connect to investigate interim battery storage systems and report back to the Authority by the 1st of May 2025.

Unaccounted for Water

As has already been indicated water losses are far too high and have been getting worse over the past 2 years. Total non-revenue water in 17/18 was 53%, this reduced year on year to 45% by 21/22 but is now back at 53%. Unaccounted for water has been something that Connect has been working on for quite some time now and progress was being made. It is unfortunate that Connect could not build on the downward trend they had worked hard to achieve.

Wastewater

EDIP funding is now available for the design feasibility consultancy for the Jamestown and Half Tree Hollow wastewater project. This essential infrastructure upgrade is long overdue.

The Rupert's Sewerage Treatment Plant has yet to be brought into operation, this is expected in mid-24/25 with the commissioning of the new port facilities. In the meantime Connect still have to maintain what is there without any cost recovery.

2.8 THE SHG RENEWABLE ENERGY POLICY

The URA believes that regulation of Connect must have regard to Government policy. As the SHG renewable energy policy has yet to be published it is not possible to judge and report on Connect's progress against this policy.

2.9 FINANCIAL SECURITY

The URA has in the tariff report from June 2024 stressed the importance of Connect being a going concern for the benefit of all consumers. A tariff structure from June 2025 will ensure security in terms of income for the electricity sector whatever the subsidy paid. Wastewater is currently making a small profit and the water sector runs at a loss and relies upon the subsidy. Water costs will increase over time thereby reducing the reliance on subvention for that aspect of the business.

The loss before subsidy and other income for 23/24 was £2,290,394. After receipt of capital grants of £363,968 and a subsidy of £1,854,309 the loss was £72,117. The subsidy for this financial year is expected to be reduced by £250,000 which will be offset in part by tariff increases.

In the meantime Connect will continue to function at a loss until such time as it is no longer reliant on the subsidy and tariffs match outgoings. This of course undermines financial security which is unsatisfactory for any business.

2.10 SAFETY STANDARDS

The new PUDP has set safety standards for Connect's employees in what can be an inherently dangerous area to work in. There were 2 safety incidents last year which provided a lost time injury rate of 14.3, the target for 24/25 is 11

PART 3 – CONCLUSIONS

3.1 ELECTRICITY

The reliability of the electricity distribution network is ahead of the reducing targets set by the Authority and has demonstrated a significant improvement from the benchmark year. The introduction of a target for customer minutes lost due to network faults in the new PUDP will allow for better monitoring of reliability from the point of view of the customer.

The cost of electricity generation suffers from reliance on diesel and the URA expects Connect to do more to increase renewable energy generation before the target date of 27/28 of having 80% of electricity generated by renewable sources. Simply put, increasing reliance on renewable energy cannot be put on hold pending the 27/28 date. Connect must learn from the PASH failure and not rely on a project which they had previously intended to complete by 2019/20.

A Battery Energy Storage System report was obtained but this has been used to inform the final design for the renewable energy system as opposed to also being used to consider temporary solutions. The refurbishment of the existing wind turbines is to be applauded but with diesel generators that have to run at certain speeds the impact of this refurbishment is undermined without complementary technology.

Spending just £11,947 on the electricity network in 23/24 does not indicate that Connect are prioritising the service customers currently receive but instead the company seems content to allow the network to tread water, relying instead on the 27/28 date being a reality.

3.2 WATER

The level of water loss is far too high as Connect will acknowledge and represents a major step back for Connect who were moving in the right direction. Having said this the number of faults on the network were below target and have been reducing. In 21/22 there were 1214 faults, in 22/23 1010 faults and this year 964. However, number of faults is a blunt target and the true extent of the water loss is better illustrated by the fact that 228,058 units of water were billed but in addition to that 225,749 units were lost. In effect for every unit of water that was billed another unit was lost.

The Authority are aware that Connect see this as a priority as it represents a huge inefficiency which the consumer and government through the subsidy are paying for. To reflect the upcoming staged price increases over the next few years the Authority expects to see a similar staged reductions in water losses.

The benefits of investment in the infrastructure has been demonstrated by the Black Field Water Main upgrade where the number of faults have reduced with renewal of the network.

Turbidity levels have recently become far too high and the Authority also expects to see very real progress on reduced turbidity. Such high levels leads to customers purchasing expensive bottled drinking water when they could find a better use for that money.

3.3 WASTEWATER

There are 1305 sewerage connections and this is a part of the business that makes a small profit for which Connect can be commended. The long awaited Jamestown and Half Tree Hollow upgrade appears to be moving forward but that has been said on a number of occasions previously with no actual result. This upgrade cannot come soon enough for those in Half Tree Hollow that cannot access the network. Connect must follow through on this and provide their customers with the service they need.

3.4 GENERAL CONCLUSIONS

The URA can see that Connect are making efforts to improve the business and the service it provides but this is not being translated into measurable progress. Unfortunately a significant proportion of the provider's work is still at the planning stage which is particularly disappointing for the renewable energy and sewerage projects which both have a chequered history characterised inordinate delay. Consumers and those responsible for issuing their licence will judge Connect by their actions as opposed to their plans.

Utilities Regulatory Authority
July 2024

ANNEX

ANNUAL REPORT BY CONNECT ST HELENA TO THE UTILITIES REGULATORY AUTHORITY

1. Introduction	1
2. Overview of the Business	1
3. Electricity	17
4. Water	23
5. Wastewater	28
6. Capital Programme	29
7. Finances	33
Appendix 1: Progress against the Strategic Plan	36
Appendix 2: Draft Public Utilities Development Plan 2024/25.....	56
Appendix 3: References	

Disclaimer

At the time of writing, the accounts for the year ended March 2024 were not yet closed. This report therefore includes preliminary financial data for the year 2023/24. Final data will be published in the Company's Financial Statements for 2023/24, due at the end of the 2024 calendar year.

Acronyms and Abbreviations

BESS	Battery Energy Storage System
Connect	Connect Saint Helena Ltd
EDIP	Economic Development Investment Programme
EDM	Electricity Distribution Manager
EGM	Electricity Generation Manager
GIA	Grid Impact Assessment
GIS	Geographic Information System
HV	High Voltage
IRENA	International Renewable Energy Agency
ICT	Instrumentation and Control Technician
LV	Low Voltage
NTU	Nephelometric Turbidity unit
PFCP	Power Failure Contingency Plan
PUDP	Public Utilities Development Plan
PV	Photovoltaic
SHG	St Helena Government
STP	Sewage Treatment Plant
TIPs	Tactical Implementation Plans
WES	Wind Energy Solutions
WHO	World Health Organisation
WRMP	Water Resources Management Plan

1. Introduction

Connect Saint Helena Ltd (Connect) commenced the delivery of utility services on 1 April 2013. The financial year 2023/24 therefore represents the Company's eleventh year in service.

The Utilities Regulatory Authority (URA) was also established in 2013. The objectives of the Authority, as set out in the Utility Services Ordinance (2013), are to “...regulate the development and provision of public utility services in a manner which—

- a) ensures that users of such services are protected from both unreasonable prices and unreasonably low levels of service;*
- b) ensures (so far as is consistent with paragraphs (d) and (e)) that the prices charged for such services do not create unreasonable hardships for households or unreasonable hindrance to commercial and economic development in St Helena;*
- c) motivates Utilities Providers to improve the quality of the services they provide;*
- d) ensures stability and predictability in the public utilities industry in the medium and long terms;*
- e) supports a progressive reduction in levels of subsidy from public funds; and*
- f) has regard to any other regulatory objectives prescribed.”*

After each of the previous ten years of trading, annual reports were presented to the URA with them subsequently issuing their report on ‘The quality of services provided by Connect Saint Helena Ltd’. This report has been prepared for the purpose of demonstrating performance against the targets established with the URA for the period 2023/24 and should provide sufficient basis for the URA to examine and publicly report on Connect's performance independently.

2. Overview of the Business

1. Context

2023/24 was a further challenging year for the Company, not least due to the challenging economic climate in which Connect operated. Despite this, solid progress was made against all targets (see Section 2.2. below).

Fuel prices continued to be a challenge, not just for Connect but globally. Following discussion with the St Helena Government (SHG), Connect had started the year with an assumed average price of £1.26/litre for diesel. This was not achieved: the average price during the year was £1.36/litre, peaking at £1.52/litre in November 2023 following the conflict in Gaza.

The high cost of fuel had implications across the Company, not only in terms of the cost of diesel for electricity generation which remained the highest single cost for Connect, but also in terms of transport costs and the costs of pumping water to meet demand.

The increased costs were met partially through the Fuel Risk Sharing Mechanism and the subsidy from SHG (see the section on Finances below). A tariff increase was agreed by the URA and took effect from 1 January 2024. This was the first increase in electricity tariffs since 2016 and in water and wastewater tariffs since 2021. Whilst welcomed, the introduction of the tariff increase late in the financial year had only a small effect on the accounts nor did it take into account the significant increase in fuel price in December 2023.

The Company saw small increases in demand for electricity and water during the year, attributed to

a better summer season with increased visitor numbers. However, the declining resident population on St Helena continued to be a cause for concern as it signals erosion of Connect’s customer base. This is shown in the table below. As data for April 2024 is not yet available, the table presents both the actual up to February 2024 (latest population data published) as well as the average during the period April 2023 and February 2024.

Table 1: Resident Population on St Helena

	Apr 2021	Apr 2022	Apr 2023	Feb 2024	Average 23/24
Resident population	4,404	4,204	4,127	4,120	4,086

Source: SHG Statistics Office

2. Key Outcomes

Progress against the Strategic Plan

The Company made solid progress against the targets within the Connect *Strategic Plan 2023/24 – 2027/28*. A detailed review against each target is provided at Appendix 1.

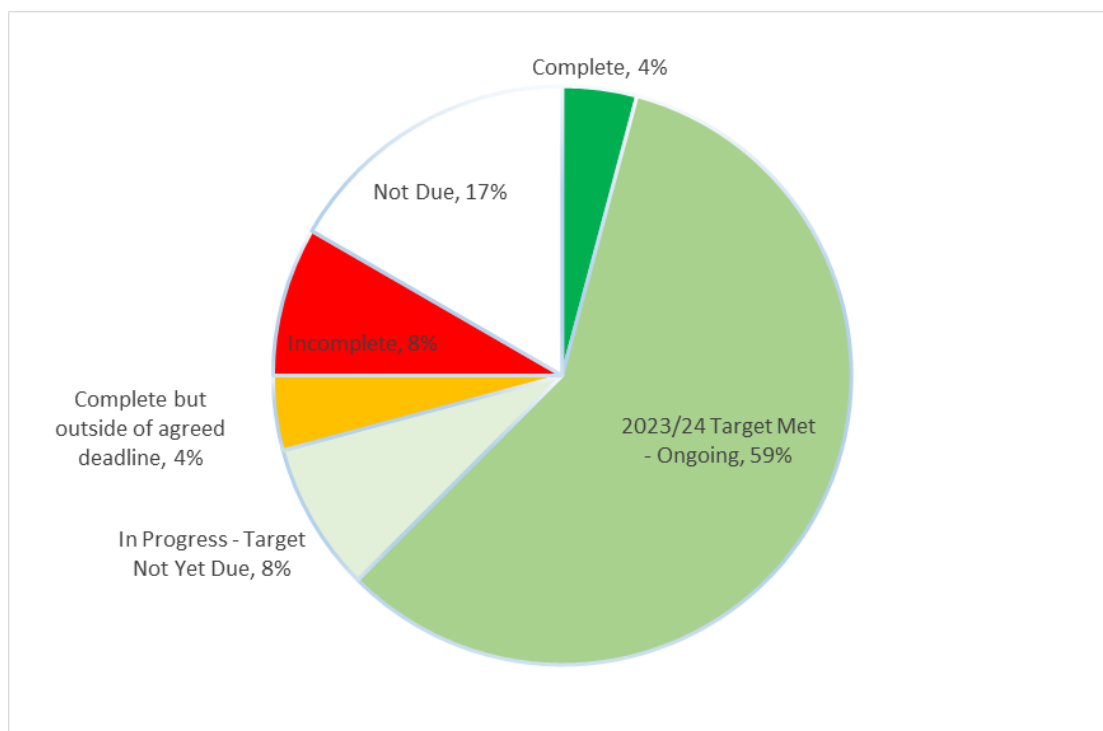
In summary, there were forty targets applicable to 2023/24: a further eight targets are pending and work is not yet due to commence. Out of the forty targets, two were completed during 2023/24 and was specific to this timeframe (i.e. will not recur in the Strategic Plan). A total of twenty eight targets were completed in 2023/24, relating to ongoing pieces of work across the lifespan of the *Strategic Plan* where similar targets exist in subsequent years. Work was in progress on a further four targets where the deadline is not yet due.

Two targets were completed within the year but were outside of the expected timeframe. These targets relate to work under the *Energy Delivery Plan* where the complexity of the work undertaken as well as competing demands worldwide in the renewable energy sector meant that delays were experienced. These are discussed further in Section 3 below.

Four of the agreed targets were incomplete at the year end. These related to:

- The development of business cases to explore investment into smart grids for water and electricity (see actions 2.5.2 and 3.4.2 in Appendix 1). This work was paused in order to dedicate resource to the Modelling and Design work for Renewable Energy (see Section 3 for further details).
- A planned review of the SCADA (see action 2.2.3 in Appendix 1). This was not undertaken due to the unavailability of the provider normally associated with this work. An open procurement will be conducted in 2024/25.
- A planned power system study (see action 2.4.2 in Appendix 1). With the fast approaching deadline for the Modelling and Design work, a decision was taken to combine the two pieces of work into a single study.

Figure 1: Progress against the Strategic Plan in 2023/24



Our Commitment To...

Section 4 of the Connect *Strategic Plan 2023/24 – 2027/28* sets out our commitment to:



OUR COMMUNITY



OUR ENVIRONMENT



BEST PRACTICE

... Our Community

Community Concerns

The main issue raised within the community during 2023/24 related to the tariff increase. Whilst unpopular within the community, this was necessary as there had been no increase in electricity tariffs since 2016 and in water and wastewater tariffs since 2021, a position which is not sustainable. The approved tariff increases represented a 15% increase in electricity pricing and a 10% increase in water and wastewater pricing. Electricity pricing is benchmarked below (data as at September 2023).

Table 2: Electricity Pricing Comparison

	Population	Unit	Standing	500kWh Bill	Comparison to St Helena
St Helena	4,000	£0.35	£0.00	£175.00	

Montserrat	4,391	£0.43	£0.00	£215.00	£40.00
Ascension Island	900	£0.47	£0.00	£236.05	£61.05
Alderney Island	2,141	£0.50	£0.00	£250.00	£75.00
Sark Island	500	£0.53	£0.00	£265.00	£90.00
Aruba	105,000	£0.14	£5.49	£80.49	-£94.51

Community Engagement

Throughout the year, Connect engaged with the community via radio talks and media (including social media) articles covering topics such as water and electricity savings measures, proposed tariff reform, and the Energy Delivery Plan.

There were meetings with key stakeholders on the Grid Impact Assessment but unfortunately, we were unable to hold public meetings on our Annual Report 2022/23 due to lack of capacity at the time of release. We plan to rectify this upon the release of the Annual Report 2023/24.



Meeting with key stakeholders on GIA

Corporate Social Responsibility

The Company made very small cash allocations to community initiatives under our Corporate Responsibility Scheme. This was supplemented by a variety of in-kind contributions, for example, providing lighting and putting up bunting for events such as St Helena's Day, the King's Coronation, and the visit of HRH the Duke of Edinburgh.

Staff supported several community initiatives, such as Cancer Awareness, by participating in mufti days.

... The Environment

No environmental incidents were recorded in 2023/24.

There was 100% compliance for all staff to undergo environmental awareness training as part of induction to the Company.

A review against the Environmental Protection Ordinance, 2016, shows that the single area of environmental non-compliance is in relation to the sewage outfalls at Half Tree Hollow and Jamestown which discharge into the ocean. These are historic issues inherited by the Company upon divestment. Progress is being made towards the implementation of the Half Tree Hollow and Jamestown Wastewater Project to address these issues.

The work under the Energy Delivery Plan towards increasing electricity generation from renewable energy sources (see below) will contribute towards climate change targets.

... Best Practice

Staffing

During the year, Connect employed 73 staff, with a staff turnover rate of around 9%. Connect has adopted an equal opportunities employment policy. 18% of our staff are female whilst the remaining 82% are male: there is a noticeable gender bias towards males in our operational roles. This is similar to that for power companies in the Pacific Islands where 19% of employees were female in 2021 (source: Pacific Power Utilities Benchmarking Report 2021).



73

staff employed



9%

staff turnover rate



18%

female staff



82%

male staff

GIS Team, despite repeated rounds of recruitment. The advertisements for posts within the electricity sector had to be extended due to lack of interest. This reflects the skilled and specialist nature of the work carried out by the Company and competing demands worldwide for skills, particularly in the renewable energy sector.

Health and Safety

There were 2 health and safety incidents during the year, both of a minor nature. This is consistent with the prior year and continues to be an improvement over 2021/22.

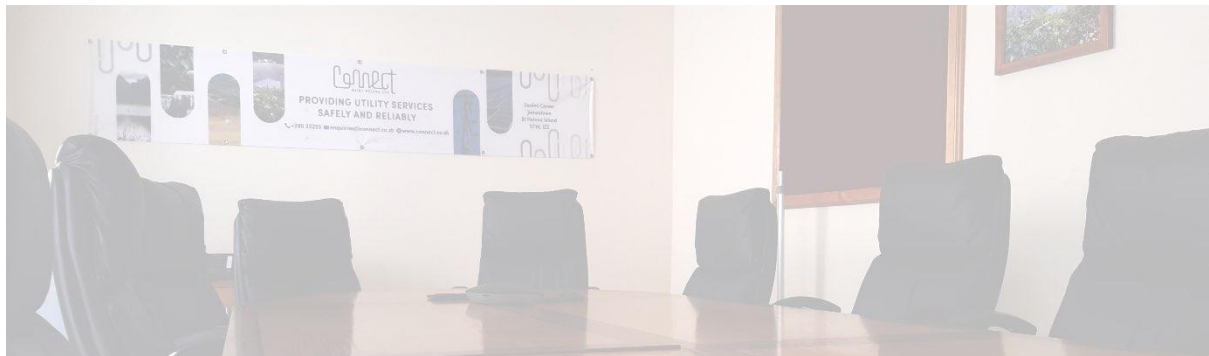
Table 3: Health and Safety Reporting

	2021/22	2022/23	2023/24
No. Incidents	3	2	2
Lost Time Injury Rate	80.36	14.30	14.30

In comparison, the lost time injury frequency rate amongst power companies in the Pacific islands ranged from 0.27 to 11.22 in 2021 (source: Pacific Power Utilities Benchmarking Report 2021).

Governance

Phil Sharman and Russell Harrison joined the Connect Board in 2023, bringing the Board to full



strength.

BOARD OF DIRECTORS

In

terms

of

key



Chief Executive
Officer

Technical
Director
(Water)

Chairperson

Non-Executive
Director

Non-Executive
Director

Non-Executive
Director / SHG
Representative

Non-Executive
Director

governance indicators:

Indicator	Response
Are Ministers appointed to the Board	No.
Are Ministers/ public servants representing line/ sector Ministry appointed to the Board?	Yes. A representative from SHG represents the shareholder on the Board.
Is a Code of Conduct in place and implemented?	Yes. Addressed through our Articles of Incorporation.
Is a commercial mandate in place and implemented?	Yes. The mandate of the Company is set out in the Articles of Incorporation and in our Licence and is regulated by the Utilities Regulatory Authority.
Is the CEO on a performance contract with annual reviews?	Yes
Are the roles of Chairman and CEO separated?	Yes
Executive to Non-Executive Directors Ratio	2 Executive Directors: 5 Non-Executive Directors
Does the Company have an Audit and Risk Committee?	Yes
Is the Audit and Risk Committee made up of independent members?	Yes
Has a Strategic Plan (at least 3 years forecasts) been adopted and implemented?	Yes. See the Connect <i>Strategic Plan 2023/24 – 2027/28</i>
Is the Annual Report (audited) completed within four months of the end of the reporting year?	No. We prepare annual audited financial statements but outside of this timeframe.
Does the Annual Report disclose performance against Plan?	Yes.

3. Key Performance Indicators

The Public Utilities Development Plan (PUDP)

The PUDP for 2023/24 is shown below.

All reliability and customer service targets were met.

However, in terms of water quality, issues were experienced in relation to turbidity. During the year, the Company invested in new turbidity probes. Following calibration, the turbidity readings were higher than the norm. For Red Hill, Hutts Gate and Levelwood, the readings were outside the target levels but remained within the level recommended by the World Health Organisation (5 NTUs) and have therefore been marked as amber within the table below. In comparison, the readings for Jamestown were above this level. Turbidity readings in Jamestown are typically higher than in other areas as this water system does not have a reservoir to assist with sedimentation.

Connect continues to investigate the turbidity issues experienced. Reports from the Hospital Laboratory do not indicate a difference in the macroscopic appearance of the water samples provided. Plans are therefore in hand to replace the turbidity probes and to rerun the calibration. Investment is also planned in 2024/25 in flocculators for the Jamestown system which will assist as a pre-treatment intervention.

It is stressed that there was 100% compliance with microbiological integrity requirements for drinking water.

Finally, under the PUDP the fuel efficiency target was not met. This is due in part to the poor yield from renewable energy sources during the year (see Section 3 below) but also due overall declining electricity generation and consumption over the lifetime of the Company, leading to less efficient generator output.

The proposed PUDP 2024/25 is shown at Appendix 2. This reflects a wider set of reporting indicators. Whilst the indicators have been identified (see the St Helena Utilities Regulatory Authority Direction under Section 5 of the Utility Services Ordinance 2013, 2 April 2024) the baseline data is still a work in progress.

Table 4: Public Utilities Development Plan 2023/24

Performance Measure			2023/24		Comparison To...		
	Actual 2012/13	Actual 2022/23	Target	Actual	Baseline 2013/14	Prior Year 2022/23	Target 2023/24
<u>1. Reliability</u>							
Overall Reliability of Electricity Network measured by the number of faults	146	61	95	58			
Overall Reliability of Water Network measured by the number of faults	1,582	1,010	1,150	964			
<u>2. Quality</u>							
Appearance of Treated Water in CSH Network Red Hill (NTU)*	4 – 5	1.16	1.75	2.51			
Appearance of Treated Water in CSH Network Hutts Gate (NTU)*	4 – 5	2.4	1.75	3.11			
Appearance of Treated Water in CSH Network Levelwood (NTU)*	4 – 5	1.17	1.75	1.74			
Appearance of Treated Water in CSH Network Jamestown (NTU)*	4 – 5	6.3	5.00	7.83			

Performance Measure			2023/24		Comparison To...		
	Actual 2012/13	Actual 2022/23	Target	Actual	Baseline 2013/14	Prior Year 2022/23	Target 2023/24
Microbiological Integrity of Treated Water in CSH Network	96.5%	100.0%	95.5%	100%			
Microbiological Integrity of Treated Water at Consumer Meter	87%	100%	95.5%	100%			

3. Customer Service							
Time taken to perform Electricity Connection	50 days	9 days	10 Days	7 days			
Time taken to perform Water Connection	90 days	5 days	5 Days	4 days			
Total Customer Complaints handled within COP parameters	No Benchmark	100%	100%	100%			

4. Efficiency KPI's							
Overall Fuel Efficiency (l/kWh)	0.240	0.197	0.150	0.2062			

Codes of Practice Compliance Monitoring

The Company's compliance with Codes of Practice is shown in Table 5 below.

Access to Premises

There was 100% compliance with this Code of Practice. Procedures remain in place and there were no reports of non-compliance. All Connect staff have been issued with identification (ID) cards. Whilst customers can set a password with our central office that any staff attending their property must use before being granted entry, there were no requests for such during the year. When entering properties, Connect is guided by our customers regarding whether they wish us to apply COVID-19 measures.

Payment of Bills / Customers in Default

There was 100% compliance with this Code of Practice. Members of the Company's Billing Team continue to dedicate resources to managing customer debt, particularly to agreeing alternative payment arrangements. There was increasing demand for these services during the year, from both domestic and commercial customers. Where necessary, the Company liaises with SHG Safeguarding staff to ensure the vulnerable are not unduly penalised. Debtors experiencing difficulties in making payments are encouraged to discuss this with our finance staff so that advice can be given on how not to accumulate further debt and how to institute payment plans to clear the current debt.

Connections and Disconnections

The target for delivering quotations was narrowly missed with 2 out of 36 water connection requests and 1 out of 13 electricity connection requests falling outside the agreed 5 day timeframe to provide a response. This was due to lack of available capacity within the Company at certain times of the year (for example, resources were prioritised to fault rectification during bad weather periods).

Complaints

A total of thirty-four complaints were received during the year and dealt with appropriately under the Code of Practice. Given the complexity of three of the complaints received, in accordance with the Code of the Practice, these were escalated: two were resolved at Level 2 in the Complaints Procedure whilst the third reached Level 3. In the latter case, whilst a response has been issued from Connect, this matter has not been closed pending a response from the complainant and has therefore been carried over to 2024/25.

Meter Readings

The Company was 100% compliant with this Code of Practice. During the year, the meter readers identified 7 meters that were located in areas considered to be unsafe: these were relocated.

Efficient use of electricity

The Company was fully compliant with this Code of Practice. Customers are advised on the reverse side of their bills that information leaflets are available. Home visits are offered to disabled and chronically ill customers via Social Services, although there remains no uptake of this service. Information is placed in the local papers on the efficient use of services for both electricity and water consumers. Use is also made of the Company's Facebook page and the Company website.

Table 5: Codes of Practice Compliance Monitoring 2023/24

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
23. Procedures with respect to access to premises – principles and procedures in respect of any person acting on its behalf who requires access to customers premises					
a. Possess the skills necessary to perform the required duties	Trainees or those new to a job will be accompanied by a fully trained person until such time as they are deemed competent to visit independently	New employees being accompanied?	100%	100%	All new employees/trainees are accompanied by a fully trained person.
b. Readily identifiable to members of the public	Employees/contractors visiting premises will carry an ID card showing Company name, their name and a photograph	employees advised to request new ID if theirs is lost/damaged	100%	100%	All new employees are issued with ID badges and upon completion of contract of employment the ID badge is destroyed by BSA (HR)
	All contractors visiting customers premises to be required to carry ID	number of new contracts with this clause	100%	100%	Three meter readers (contractors) were issued with ID badges in April 2023 and one in 2024.
c. Appropriate person to visit & enter customers premises	When recruiting new employees, appropriate checks and references will be made as part of the recruitment process	References and any other checks taken up and recorded on employee file.	100%	100%	Ongoing. Police Vetting certificate and work references are obtained and placed on employee's file.
	When available, Connect Saint Helena will subscribe to the SHG vetting service for employees/contractors	Signed up and using system	100%	100%	Connect have advised SHG that they will use the systems
d. Inform customers on request, a contact point for help & advice	All employees required to visit customers premises have office contact details printed on the reverse side of their ID badges	Instructions provided on reverse side of ID badges	100%	100%	Ongoing. Instructions are on ID badge
	Contractors required to visit premises to be made aware of office contact details	Letter to contractor on file	100%	100%	Ongoing. Contractors are aware of Connect Saint Helena contact details
24. Payment of Bills – payment of bills and appropriate guidance for the assistance of such tariff customers who may have difficulty in paying such bills.					

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
a. Methods of payment	Customers advised on how to pay bills	Details on bill	100%	100%	Comprehensive information on reverse of the bill
b. Guidance to customers in difficulty	Information given to customers on what to do/who to contact if they are in difficulty	Details on bill	100%	100%	Comprehensive information on reverse of bill, customers are referred to the appropriate person in Connect Saint Helena who gives specific advice
25. Dealing with Tariff Customers in default – <i>methods for dealing with tariff customers who, through misfortune or inability to cope...find difficulty in discharging obligations to pay for utilities supplied</i>					
a. Distinguish such customers	Billing Co-ordinator to identify such customers from customer discussions or referral from Social Services. Cases to be highlighted on the computerised billing system	All known cases to be highlighted on debtors spreadsheet	100%	100%	Agreed procedures with SHG Social Services in place to help identify customers with genuine hardship prior to disconnection. Comprehensive spreadsheet of debtors maintained and reported on monthly.
b. Detect failures by such customers to comply with arrangements made for paying by instalments	Use the computerised billing system monthly debtors monitoring report to check	1. Monitoring report to be run within 5 working days of month end to check the previous months payments.	100%	100%	Monthly reconciliations conducted
		2. Where payments have not been made, customer to be contacted within 10 working days of month end	100%	100%	Billing Co-ordinator manages the process of debt recovery and works with customers in debt to agree affordable repayment plans.
c. Arrangements to take into account the customers' ability to comply with arrangements in b)	Individual review of case & circumstances by Billing Co-Ordinator and customer – looking at income/expenditure	Details of the individual circumstances are recorded by Billing Co-ordinator	100%	100%	Billing Co-ordinator maintains records as a core part of the role

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
d. Ascertain with assistance of other persons/organisations the ability of such customers to comply with arrangements in b)	Review of case and agreement made by Billing Co-ordinator and Finance Manager. Social Services input considered where available	Details of the review recorded by Billing Co-ordinator	100%	100%	Those customers who are experiencing hardship are encouraged to request assistance from SHG Social Services or Connect can do so on their behalf with their consent.
26. Connections & Disconnections					
a. Procedure for connections & disconnections	Customers advised of procedure when a new connection, reconnection or disconnection is requested	Advice given either in person or by letter	100%	100%	Customers phone or call in and are provided with application form. Letters at each stage quote timescales. Procedure also on website
	Visit to assess work required for a new connection within 5 working days of customer confirming property is ready	Number of visits within 5 working days	100%	100%	Water 36/36 Electricity 13/13
	Quotation issued within 5 working days of site visit	Number of quotations issued within 5 working days	100%	94% 92%	Water 34/36 Electricity 12/13
	Reconnection will be made within 5 working days of customer providing proof of payment of any outstanding charges	Number of reconnections made within 5 working days	100%	100%	Reconnection made the same day wherever possible. Always within 5 days.
	Disconnection will be made within 5 working days of request from property owner	Number of disconnections made within 5 working days	100%	100%	All disconnections carried out within 5 days
27. Provision of services for tariff customers who are disabled, chronically sick or of pensionable age					

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
a. Special means of identifying officers	Passwords to be made available where customer requests	Information on bills	100%	N/A	No requests for password received.
b. Giving advice on the use of utilities	Information leaflet on saving utilities to be made available	Annual press advert	100%	100%	Sheet is on website and leaflet is also available from office. Tips also provided through local newspapers (twice per annum).
	Where such customers are in default, a home visit to offer advice on savings to be offered	Percentage of customers who requested a home visit receive such a visit	100%	100%	Two home visits requested and undertaken.
28. Formal complaint handling procedure					
a. Level 1 Complaints	L1 – Review/resolution or referral within 5 working day	Number of formal complaints reviewed/resolved/referred on target	100%	100%	31/34 complaints resolved at Level 1. Remaining customers updated both verbally and in writing that more time required to address the issue raised and complaint moved to Level 2.
b. Level 2 Complaints	L2 – Review/resolution or referral within 10 working days	Number of formal complaints reviewed/resolved/referred on target	100%	100%	2/34 complaints resolved at Level 2, in line with procedure. Complainants were advised of the additional time required
c. Level 3 Complaints	L3 – Review/resolution within 5 working days	Number of formal complaints reviewed/resolved/referred on target	100%	100%	1/34 complaints being handled at this level in accordance with procedure. Response was not finalised by the end of the financial year. Advice was provided to complainant and response awaited in order to finalise.
29. Reading of customers meters					

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
a. Ensure person reading the meter has the appropriate expertise	Training to be given to all new meter readers along with information on how to read different types of meters	Number of employees in new job being accompanied	100%	100%	Four meter readers employed by Connect during the year. Training was provided to one meter reader – the remaining three had been engaged previously with Connect and were experienced meter readers who had undertaken the training previously.
		Insert this clause in any meter reading procedures	100%	100%	As above
b. Inspect meter for evidence of deterioration which might affect function or safety	Ensure employees and contractors have advice on meter safety & what to look out for	Information issued to employees & contractors on annual basis or as updates become available	100%	100%	Feedback received from all Meter Readers if they detect that the meters are deteriorating
		All meters identified as potentially unsafe to be inspected	100%	100%	Seven meters identified and relocated.
c. Ensure premises are left no less secure as a result of visit	Employees and Meter Reading Contractors shall close all doors/gates following visit.	Reminder to close all doors/gates printed on reverse of employees ID card and clause in contract.	100%	100%	In contract and also ID badges issued
d. Make good or pay compensation for damage caused by person reading meter	Connect Saint Helena will make good any damage caused by person reading meter	Insert this clause in any meter reading procedures	100%	100%	No claims were made for damage caused by meter reader
e. Reporting the reading of the meter	Data collected, entered into the computerised billing system	Successful monthly upload	100%	100%	Data collected and entered on time each month.

LICENCE REFERENCE	CODE OF PRACTICE	MEASURE	TARGET	ACTUAL	RESULT
f. Adjusting of charges for erroneous meter readings	If customer queries reading, a 2 nd reading is taken and bill adjusted if appropriate	Accuracy of final bill	100%	100%	13 erroneous readings (by Customer CRM and meter readers) and correct invoices sent to customers.
30. Efficient use of electricity					
a. Set out ways in which advice will be made available to customers	Customers advised that Information leaflets available on request.	Availability of leaflet referred to on the bills	100%	100%	Printed on reverse of bill
		Six monthly press advert reminding customers of leaflet availability or article on utility saving ideas	100%	100%	All tips appear on the website and are available from Connect Saint Helena office (ref on reverse of bill). Information placed into local newspapers twice per annum.
	Home visit offered to disabled, chronically sick or pensioners who are in default to identify ways to reduce consumption	Visit offered to identified customers	100%	100%	SHG Social Services are aware we offer this but no visits have been requested to date. In addition to general publicity on the 'tip of the week', electricity and water saving tips leaflets are available on request.

3. Electricity

1. Key Outcomes for the Year

Maintenance

Regular scheduled maintenance took place as planned within both the Electricity Distribution Section and the Electricity Generation Section.

Electricity Distribution



In addition to the regular scheduled maintenance programme, there was noticeable demand on the Distribution Section and the Electricity Out of Hours Contractor for fault rectification.

During bad weather periods, there were occasions where multiple faults were experienced on the same day due to electricity lines being impacted by fallen branches/trees. During such periods the teams worked into the night to restore power to all areas of the island: in a few exceptional cases, the teams were unable to restore power until the following day as ground and weather conditions meant it was unsafe to continue working during hours of darkness.



Removing branches from power lines

Electricity Generation



In addition to the regular scheduled maintenance programme, the 27,000 hours service on Generator No. 2 (1.6MW generator) fell due in October 2023. The 27,000 hours service follows guidance from the manufacturer. It is a major operation that requires the complete engine to be dismantled and all components checked. All of the bearings, seals, gaskets and components that wear are disassembled, cleaned and inspected.



This major overhaul was led by a two-person team from Barloworld with support from the Power Station team and was successfully completed and Generator No. 2 was put back into service by the end of October 2023. At around the same time, the 9,000 hours service on Generator No. 1 (1.6MW generator) fell due. The Barloworld team lent support to the Power Station team to also complete this.

All major servicing of the generators was therefore completed within the scheduled timeframe.

The Energy Delivery Plan

In late 2022/23, Connect formed part of a Working Group led by SHG to develop a Renewable Energy Policy for the island. This Policy was adopted by SHG in August 2023.

Closely linked to this, Connect's *Energy Delivery Plan* was published in April 2023. This document sets out Connect's plans to reach 80% electricity generation from renewables by 2027/28. The key activities undertaken during the year were as follows:

- The Wind Turbine Assessment

Representatives from the manufacturers of the existing WES-80 wind turbines visited the island in late 2022/23 to conduct a condition assessment at the wind farm.

The first of the existing wind turbines was installed in 1999 whilst the more recent additions were installed in 2013. This assessment was therefore important to understand the potential longevity of the wind turbines and the island's ability to continue to use renewable energy in the interim up until a wider solution is in place to bring us to 80% electricity generation from renewables by 2027/28.



WES carrying out turbine maintenance

WES's assessment found that despite the difference in ages of the existing wind turbines, there were similar issues throughout the wind farm. In particular, the moving parts (e.g. yaw bearings) required replacement. This applied equally to the 'newer' wind turbines as after 10 years in service, a major overhaul was recommended. WES recommended that with a major overhaul, the lifespan of each of the existing wind turbines could be extended by 10 years.

A business case was considered by the Connect Board in December 2023. As a result, a decision was taken to invest in the overhaul of the wind turbines to be undertaken in 2024/25 (allowing for lead-in time for procurement of spares).

- Battery Energy Storage System (BESS) Report

The BESS Report was finalised in March 2024. This was outside the original deadline due to contractor delays.

The BESS Report considered options for energy storage on St Helena, battery storage emerging as the preferred option. The findings will be fed into the Modelling and Design Consultancy (see below) to inform final design for a renewable energy solution.

- Grid Impact Assessment (GIA)

The Grid Impact Assessment into the use of grid-connected private photovoltaic (PV) systems was largely complete by the year end. The consultant experienced several delays, largely due to competing demands. This is one of the examples that illustrates the difficulty Connect has experienced in raising St Helena's profile amongst much larger countries and territories that are also investing in renewable energy.

The GIA found that the use of grid-connected private PV systems was unusual in microgrids, such as that in St Helena, and that there were risks attached. As a result, Connect is continuing the moratorium on additional grid-connected private PV. Consultation was undertaken with key stakeholders as well as more general public consultation to communicate the findings. The recommendations arising from the report have been built into the Legislative Review (see below).

- Legislative Review

Work took place on reviewing the existing legislation and making recommendations for reform. An initial draft report was circulated in March 2024, with the final version submitted to SHG in April 2024.

- Modelling and Design Consultancy

A procurement exercise commenced in January 2024 to secure the services of a consultant firm to lead on preparation of final design for a renewable energy solution. This piece of work will bring together the earlier studies into an appropriately sized and costed solution to reach 80% electricity generation from renewables.

2. Key Performance Indicators

Generation and Consumption Data

In 2023/24, Connect generated 10.7GWh of electricity, of which it is estimated that 9.1 GWh was billed to around 2,800 consumers. This is shown in the figure below.

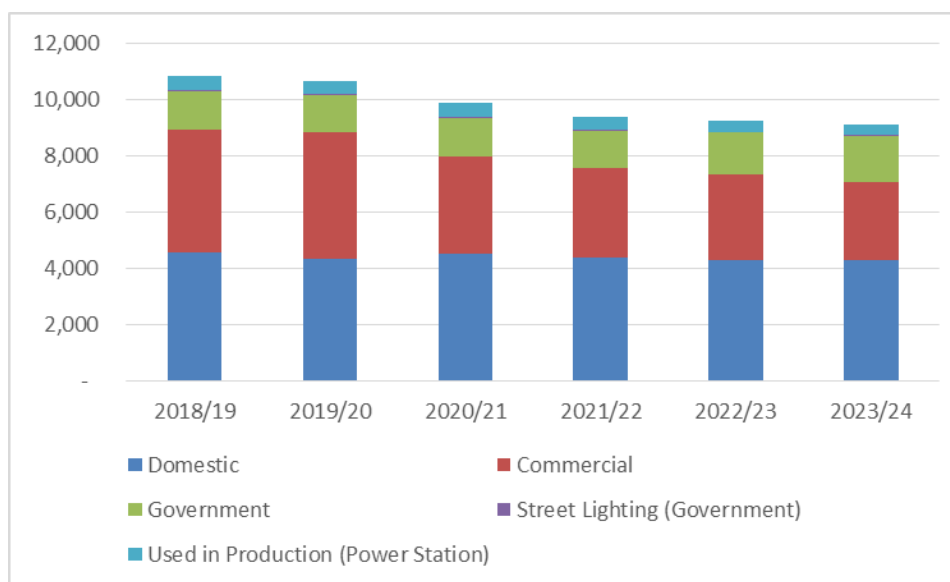
Figure 2: Electricity Generated and Billed 2018/19 – 2023/24 (MWh)



The figure above shows the declining demand for electricity from a peak in 2018/19. However, there has been little difference in units generated to meet that demand. A variety of factors are at play here, for example, the low load condition where falling levels of demand mean that we are reaching minimum loads on generators. This means that electricity generation is not as efficient as it could be: this is currently being investigated.

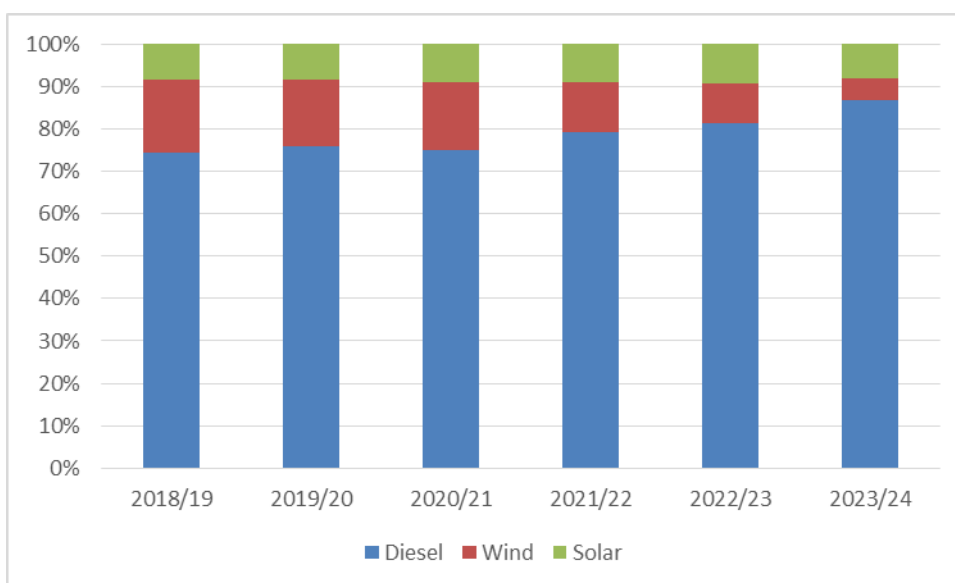
The figure below shows electricity demand by consumer category. This shows that demand from the commercial sector continues to shrink. This is consistent with concerns around economic decline on the island. Whilst domestic demand has slowed compared to prior years, in 2023/24 domestic demand was similar to the prior year.

Figure 3: Units Billed by Consumer Category 2018/19 – 2023/24 (MWh)



In terms of the source of electricity generation, this use of renewables has been declining. In 2023/24, just 13% of electricity generated came from renewable energy sources compared to 18% in the prior year and 26% in 2018/19.

Figure 4: Source of Electricity Generation 2018/19 – 2023/24



In comparison, the International Renewable Energy Agency (IRENA) has published country profiles for a number of small island states showing the percentage of electricity generation from renewables which ranged between 1% to 15%. A selection is shown in the table below (source: IRENA SIDS Lighthouse Initiative, Country Profiles, 2021).

Table 6: Electricity Generation by Source: Comparison Table

	Electricity Generation Non-Renewable (2021)	Electricity Generation Renewable (2021)
Antigua and Barbuda	94%	6%
Aruba	85%	15%
Anguilla	98%	2%
British Virgin Islands	98%	2%
Cayman Islands	97%	3%
Jamaica	97%	13%
Maldives	94%	6%
St Lucia	97%	3%
Turks and Caicos	99%	1%



Wind Farm, Deadwood Plain

More needs to be done to ensure that the level of renewable energy generation from existing sources does not decline further. There are several challenges at the Wind Farm. Currently, there are just 3 out of 12 wind turbines in service. This reflects the age of some of the wind turbines and the expectation that they would have been replaced in 2022 under the previously planned Renewable Energy Project. Availability of cranes and

the right weather conditions to undertake maintenance continue to be factors affecting performance at the Wind Farm. Alongside this in 2023/24, we experienced unusual weather conditions. Instead of August being the worst weather month, there was a period with heavy rains and winds throughout most of September and October 2023 where winds were frequently outside the safe operating limits of the turbines.

WES’s findings under the Wind Turbine Assessment and the planned overhaul of the wind turbines in 2024/25 provide an interim solution to increase renewable energy yields.

The solar farm continues to provide consistent input to the grid with minimal maintenance requirements.

Quality of Service

In 2023/24, the quality of service in the electricity sector was measured by the number of faults and by the time taken to perform an electricity connection (see also the PUDP in Section 1 above).

Number of Faults

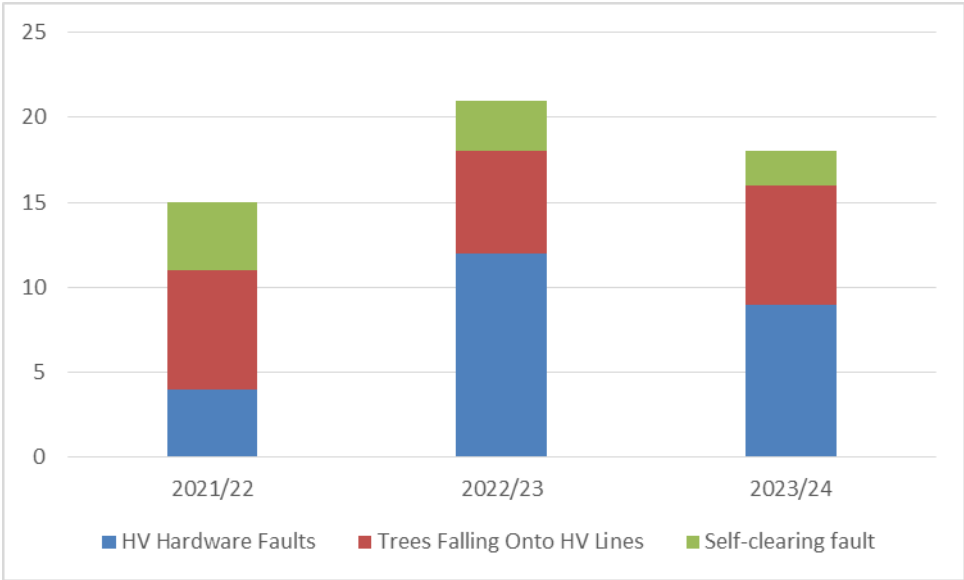
Building on previous reports, there was a small decline in the number of electricity faults with a total of 58 faults on the electricity network recorded in 2023/24, compared to 61 in the year prior.

Table 7: Number of Electricity Faults 2018/19 – 2023/24

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number	94	51	72	59	61	58

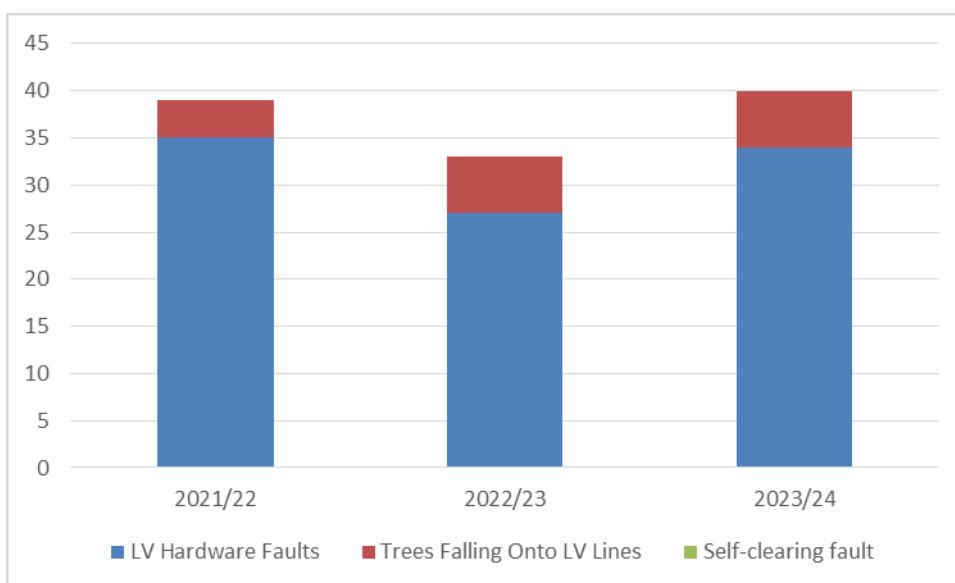
The figure below shows the breakdown in the cause of the electricity faults experienced on the High Voltage (HV) network.

Figure 5: Faults on the HV Network by cause 2021/22 – 2023/24



The figure below shows the cause of faults on the low-voltage (LV) network.

Figure 6: LV Network Faults by cause 2021/22 – 2023/24



There is very little difference in absolute numbers. Hardware faults are the most common cause of unplanned electricity outages on both HV and LV networks. Trees falling onto lines remains a persistent problem which the Company manages through brush clearance under its Electricity Distribution maintenance programme.

Time taken to perform an electricity connection

The table below shows the time taken to perform an electricity connection. 2023/24 data represents an improvement over the prior year but has not returned to pre-COVID levels. This is due to capacity within the Company and also due to ensuring that, where the customer requires, we take the time to implement COVID-19 measures before entering their property.

Table 8: Time taken to perform an electricity connection 2018/19 – 2023/24

	18/19	19/20	20/21	21/22	22/23	23/24
Days Required	3	6	14	1	9	7

3. Looking Ahead

In addition to ongoing maintenance programmes, there will be two areas of focus within the electricity sector in 2024/25.



The first relates to the overhaul of the wind turbines to ensure that we continue to make the best use of existing renewable energy sources in the interim until we can reach our target of 80% electricity generation from renewables by 2027/28.



The second relates to the Modelling and Design Consultancy. We expect consultants to be appointed by June 2024 and for the final design to be available by the end of the calendar year. Work will take place alongside this to seek funding for the implementation phase of the Renewable Energy Project.

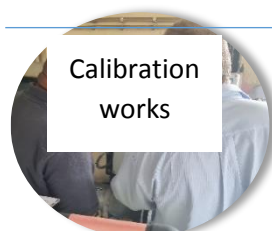
4. Water

1. Key Outcomes for the Year

Maintenance and Monitoring

The water network maintenance programme continued throughout the year. This included:

- The planned preventative maintenance programme that continued during the year. Support was also lent to capital projects related to water network upgrades (see Capital Programme below).
- The ongoing water testing programme in conjunction with the Public Health Laboratory: 100% of samples met microbiological requirements for safe drinking water.
- Installation of new turbidity probes and calibration works at each treatment plant. Following this, turbidity levels are generally reading higher than previous which is cause for concern, especially in Jamestown where readings have been outside of recommended WHO levels. The Company is investigating this.
- A borehole monitoring programme. Several boreholes were surveyed using the camera purchased in the prior year. The information gathered is useful in assessing the status of each borehole and planning works.
- The inspection of all tanks. The tank cleaning programme continued as planned with all but one of the planned works completed during the year: this remaining tank will be completed in 2024/25.



Unaccounted-for Water Programme

The Unaccounted-for Water Programme continued throughout the year.

Bulk Metering

The bulk meter maintenance programme continued. 12 meters were identified for review. 3 were confirmed to be faulty and were replaced, 8 meters were cleared, and a final meter is being monitored due to historical fluctuations in readings but no identifiable fault in the meter.

Pressure Management

Two data loggers were procured at the end of 2022/23. These were tested in 2023/24 at Easy Street, Ladder Hill, and Cow Path. The Company is considering investment in further data loggers for ease of monitoring the network.

GIS Field Capture

There was little progress with walk the line surveys and mapping works during the year. This applied across the Company and not just to the Water Section. Despite repeated attempts, the Company has not been able to recruit to the vacant GIS posts. A further recruitment round will be carried out in 2024/25.

Infrastructure

Support was provided to the Black Field Water Main Upgrade carried out under the Capital Programme. This project was identified due to the high number of faults reported on this area of the network.

Following completion of the works, this area was monitored for a 6-month period. It was shown that following implementation of the project there was a decrease of over 80% in the number of faults reported and a decrease of 90% in the amount of time spent on fault call outs and rectification on this area of the network.

Water Audits

The table below shows the water audit for 2023/24 in comparison to prior years.

Table 9: Water Audits 2017/18 – 2023/24

Financial Year	Physical Losses (%)	Commercial Losses (%)	Unbilled Authorised Consumption (%)	Total Non-Revenue Water (%)
2017/18	<i>Breakdown not available</i>			53
2018/19				50
2019/20				49
2020/21				47
2021/22	39	5	1	45
2022/23	43	5	1	48
2023/24	46	6	1	53

NB: note use of rounded data.

There was an increase in total non-revenue water to 53% compared to 48% in the prior year. This is obviously cause for concern.

The Draft Non-Revenue Water Report for 2023/24 notes a near 42% rise in untreated water input but in comparison there was close to a 23% decrease in billed units for untreated water. Such discrepancies underscore a need for investigations to identify potential inefficiencies or unauthorised water usage.

To address these challenges, prioritising measures to reduce water losses and ensure accurate billing is imperative and will be the focus of the Unaccounted-for Water Programme in 2024/25. This includes improving infrastructure maintenance, implementing robust leak detection and repair programs, and conducting comprehensive audits to identify and rectify discrepancies in billing data. Additionally, efforts to reduce overall system pressure, particularly in areas such as Half Tree Hollow and Jamestown, could yield significant reductions in water losses.

As a comparator for non-revenue water, the *Pacific Water and Wastewater Association Benchmarking Report, August 2023* found that across the PWWA non-revenue water amounted to

48% (equivalent to 197 million cubic metres of water per annum). This varied from a low of 4% recorded in Palau to a high of 87% recorded in Kiribati.

Drought Preparedness

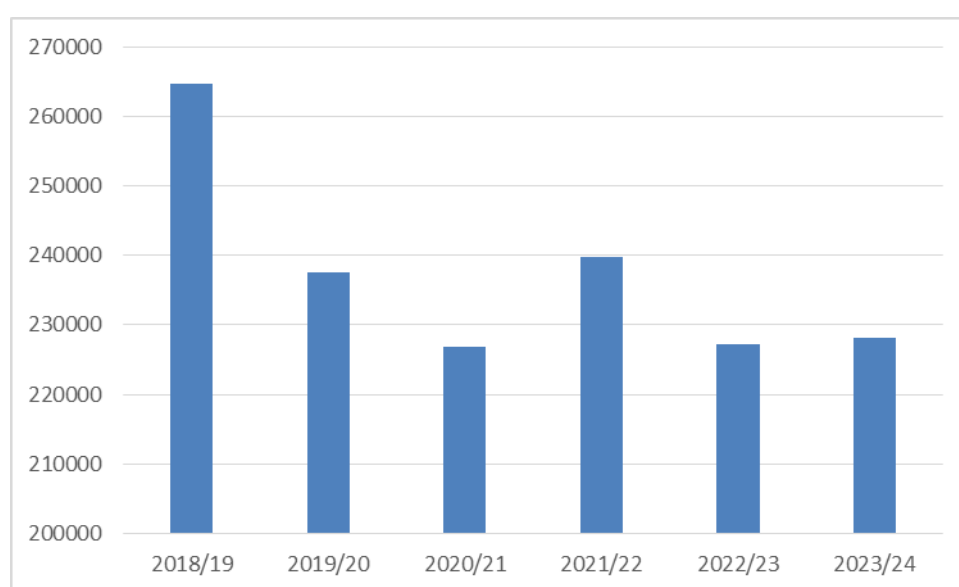
The Company maintained its *Drought Management Plan* which underwent annual review with advice from the SHG Emergency Planning Section. The island did not enter a drought scenario during 2023/24.

2. Key Performance Indicators

Demand Data

The units billed for water are shown in the figure below. There was a small improvement in units billed during 2023/24, likely due to increased demand during the summer months when the population increased due to more visitors on-island. This is borne out by a small increase in consumer numbers during the period.

Figure 7: Cubic Metres of Billed Water 2018/19 – 2022/23



Quality of Service

Faults on the Water Network

The number of faults on the water network continued to decline as shown in the table below. There was a 5% improvement in the reliability of the water network in 2023/24.

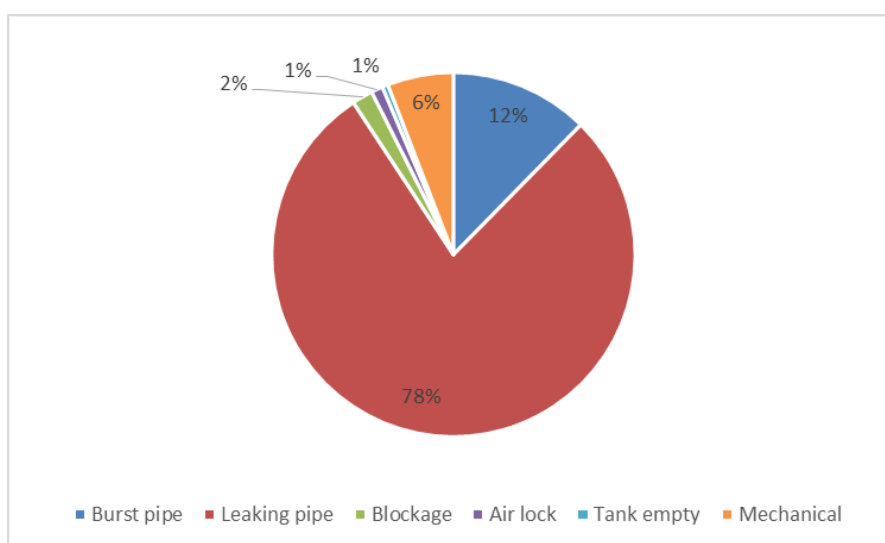
Table 10: Number of Faults on the Water Network

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Number	1,331	1,421	1,243	1,214	1,010	964

The main cause of faults on the water network continues to be leaking pipes which formed 78% of all recorded faults and burst pipes which formed 12% of recorded faults in 2023/24. The remaining causes of faults (blockages, airlocks, emptied tanks and mechanical issues) together formed 10% of recorded faults in 2023/24.

This is broadly consistent with findings in 2022/23 when the combination of leaking and burst pipes accounted for 96% of faults, compared to 90% in 2023/24.

Figure 8: Water Faults 2023/24



has

Ageing infrastructure has been an ongoing issue for the Company from the point of divestment when the Company inherited infrastructure that had exceeded its expected lifespan. In the absence of significant funding to address the entirety of the water network at once, the Company has adopted a staged approach. The Water Section works closely with the Unaccounted-for Water Programme to prioritise areas for capital replacement and to closely monitor the results.

Water Quality

Water quality was discussed previously. See the PUDP in Section 2.

Time taken to perform a water connection

The time taken to perform a water connection is shown in the table below. As with electricity connections, the 2023/24 data represents an improvement over the prior year but has not returned to pre-COVID levels. This is due to capacity within the Company and also due to ensuring that, where the customer requires, we take the time to implement COVID-19 measures before entering their property.

Table 11: Time Required to Perform a Water Connection

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Days Required	1	2	2	1	5	4

3. Looking Ahead

The key works planned in 2024/25 are:



An ongoing planned maintenance programme



Ongoing support to the capital programme as



The investigation into high turbidity readings, including potential recalibration of the system



Investment into flocculators as a pre-treatment measure on the Jamestown system



Ongoing investment in the Unaccounted-for Water Programme as described above.

5. Wastewater

1. Key Outcomes for the Year

Wastewater is the smallest of Connect's sections but nevertheless provides critical services.

The planned preventative maintenance programme was successfully completed for the year. This is a rolling programme of preventative maintenance works to ensure the network remains in a good state of repair.

Similar issues exist as for the water network in that the Company inherited assets that have reached the end of their useful life but the limited funding available cannot keep pace with the improvements required. This is a constraint on development in areas such as Half Tree Hollow and Jamestown where the existing infrastructure cannot accommodate additional demand. During the year Connect continued to advise potential developers on solutions such as sewerage treatment plants sized to meet the needs of their proposed development. This would be an interim solution pending the Half Tree Hollow and Jamestown Wastewater Project (see Capital Projects below).

The Rupert's Sewerage Treatment Plant (STP) went through cold and hot commissioning but was not brought into operation. Operationalisation is pending the commissioning of the new port facilities in Rupert's in order to have sufficient throughput for the STP to function effectively. Commissioning is therefore expected in mid-2024/25. In the meantime, the Company is incurring additional costs to monitor and carry out basic maintenance on the STP without being able to cost recover by bringing new customers onto the system.

2. Key Performance Indicators

All service requests were responded to promptly, generally on the same day of receiving a request to minimise the risk of environmental health nuisances.

During the year there was a 3% decline in the number of consumers connected to the Connect sewerage network. In previous years there was generally small but steady growth in the number of customers: the small reversal is likely due to the declining resident population.

Table 12: Number of Sewerage Connections

	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Domestic	1,124	1,130	1,177	1,192	1,199	1,154
Commercial	86	91	97	91	96	100
Government	54	53	60	51	51	51
Total	1,264	1,274	1,334	1,334	1,346	1,305

3. Looking Ahead

Plans for

2024/25 include:



The ongoing preventative maintenance programme, including jetting works at Longwood, Kunjie Field and



Final commissioning and operationalisation of the Rupert's Sewerage Treatment Plant.

6. Capital programme

6.1 Key Outcomes

Investment in infrastructure remains a priority for Connect in order to tackle issues around ageing infrastructure, much of which had reached their expected lifespan at the point of divestment to the Company.

During the year, progress was made in reaching agreement under the Economic Development Investment Programme (EDIP) for the release of funding to support the Half Tree Hollow and Jamestown Wastewater Projects, the Water Resources Management Plan (WRMP), and the Renewable Energy Modelling and Design Consultancy. Preparation works took place in 2023/24, with planned spend in 2024/25.

The table below provides a summary of the capital investment undertaken in 2023/24.

Table 13: Capital Programme 2023/24

Category	Project	Funding Source	Notes
Wastewater	Red Hill Master Plan	Connect	Final commissioning pending
Wastewater	Rupert's Sewerage Treatment Plant	EDIP Connect	Hot commissioning complete. Final commissioning pending operationalisation of Rupert's port.
Water	Replacement of Hospital Water Tank	Connect	Replacement of ageing infrastructure
Water	Black Field Water Main Upgrade	Connect	Part of the Unaccounted-for Water Programme to address the large number of faults experienced
Water	Warrens Gut Borehole	Connect	Borehole reclamation

Category	Project	Funding Source	Notes
Water	Purchase of hypolyser unit	Connect	Essential infrastructure for water treatment plant. Hypolyser unit arrived on-island by year end and will be installed in 2024/25.
Water	Model Cottage to Lower Cleughs Plain	Connect	Water main upgrade
Water	Lower Leggs to Hutts Gate Pipeline	Connect	Water network upgrade
Water	Field Road Water Main Upgrade	Connect	Reprogrammed to 2024/25 to align with the main Field Road Project
Water	Purchase of flocculators	Connect	Reprogrammed to 2024/25 due to procurement lead in time
Water	Blueman's Field Tank	Connect	Replacement of ageing infrastructure
Water	Water Resources Management Plan	EDIP	Funding approved for consultancy to develop the WRMP. Procurement to take place in 2024/25. No costs incurred during 2023/24.
Electricity	Replacement Power Station Transformer	Connect	Replacement of ageing infrastructure
Electricity	Renewable Energy Modelling & Design Consultancy	EDIP	A Connect-led procurement commenced in January 2024, to be completed in 2024/25. No costs incurred during 2023/24.
Wastewater	HTH and Jamestown Sewerage Project	EDIP	An SHG-led procurement was undertaken for design feasibility. A preferred bidder was identified and a contract signature is awaited. Consultancy to be undertaken in 2024/25.

Category	Project	Funding Source	Notes
Environment/ Water	Support to the Cloud Forest Project	FCDO	Engagement under the Water Pillar of the Cloud Forest Project. Ongoing monitoring and data collection. Training opportunities provided to Water Monitoring Technician and Technical Director – Water

The amounts invested during 2023/24 are summarised below:

Table 14: Summary of Capital Investment during 2023/24

Asset Class	Grant Funded (£)	Company Funded (£)	Total (£)
Electricity infrastructure		11,947	11,947
Motor Vehicles and Equipment			
Lands and Buildings			
Water and Sewerage infrastructure	427,442	388,641	816,082
Total	427,442	400,588	828,030

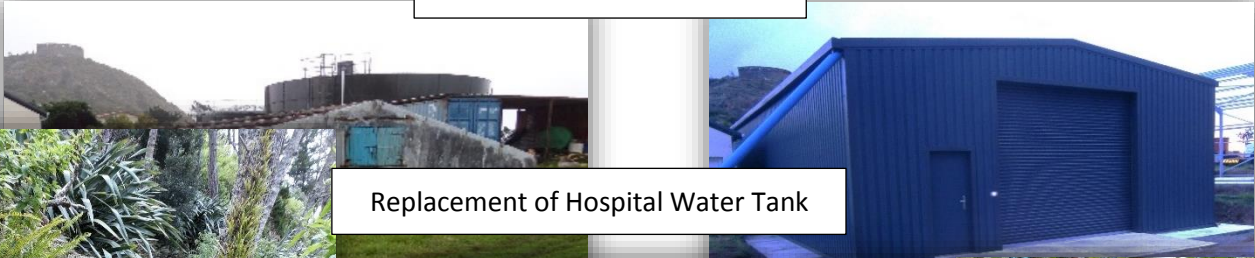
6.2 Looking Ahead

The following projects are planned in 2024/25. Please note that the amounts allocated have not been included in order not to prejudice planned procurement but will be made available separately to the URA.

Table 15: Planned Projects 2024/25

Project	Funding Source	Notes
Replacement of Rose Hill Pump Main	Connect	Water network upgrade
Replacement of Cason's Tank	Connect	Water network upgrade
630 KVA Transformer	Connect	Electricity network upgrade
Model Cottage Water Main Upgrade	Connect	Final retention payment
Chubbs Spring Flocculators	Connect	Pre-treatment intervention – part of the work to address turbidity concerns
Field Road Water Main Upgrade	Connect	Water network upgrade
Red Hill Depot Lot 2	Connect	Final works to commission facility
Modelling & Design Consultancy	EDIP	Consultancy – preparation of final design for Renewable Energy Project
HTH & Jamestown Wastewater Project	EDIP	Design feasibility consultancy
Water Resources Management Plan	EDIP	Consultancy
Cloud Forest Project	FCDO	Ongoing support to the water pillar of the Cloud Forest Project

Red Hill Master Plan



Replacement of Hospital Water Tank



Blackfield Water Main Up



Blueman's Field Tank



Warrens Gut Borehole



7. Finances

7.1 Key Outcomes

The table below shows the segmental budget report for 2023/24. The Company made a net loss

Project	Net Loss
Lower Leggs to Hutts Gate pipeline	amortised grants of £72,118.

Table 16: Segmental Budget Out-turn 2023/24

	Water	Electricity	Sewerage	Administration	Projects	Consolidated	Prior Year FYE2023
	£	£	£	£	£	£	£
Electricity Tariff Income		3,570,600				3,570,600	3,428,772
Water Tariff Income	777,512					777,512	759,059
Sewage Income			121,250			121,250	119,839
Adjustment for unbilled tariff units						-	60,324
Interest & Other Income	-	-	-	18,482		18,482	12,253
Service Income	23,932	43,107	45,774	-		112,813	180,467
	801,444	3,613,707	167,024	18,482		4,600,656	4,560,714
Administrative costs	1,112	1,977		323,431	13	326,534	518,537
Employee Costs	259,551	433,397	38,554	459,644	37,221	1,228,367	1,255,019
Premises Costs	163,916	1,617	1,150	41,311		207,995	194,671
Fuels		3,018,380				3,018,380	2,889,797
Maintenance/Running Costs	342,100	362,591	8,298	167	190	713,345	798,721
Depreciation Charges	426,789	512,447	58,477	137,535		1,135,247	1,118,123
Contracts	15,191	20,368		85,386		120,945	115,221
Vehicles maintenance/running				140,238		140,238	127,132
Direct costs	1,208,660	4,350,776	106,479	1,187,711	37,424	6,891,051	7,017,220
Overheads allocated	506,432	626,986	54,293	- 1,187,711		0	1,285,313
Loss before subsidies and other income	(913,648)	(1,364,056)	6,252	18,481	(37,424)	(2,290,394)	(2,456,506)
Capital grants amortized	208,980	139,028	15,960			363,968	348,005
Subsidy						1,854,309	1,829,756
Net profit/(loss)	(704,668)	(1,225,028)	22,212	18,481	(37,424)	(72,117)	(278,745)
Average tariff per billed unit	£3.41	£0.39					
Direct cost per billed unit	£5.30	£0.48					
Overheads per billed unit	£2.22	£0.07					
Total cost per billed unit	£7.52	£0.55					
Direct contribution per billed unit	-£1.89	-£0.09					
Net contribution per billed unit	-£4.11	-£0.16					
Subsidy split							
Units billed	228,058	9,075,419					

The water section had a loss of £686k before subsidy. The average cost per unit is £7.52 but in comparison the average tariff charged to the consumer is £3.41 per unit.

The electricity section incurred a loss before the subsidy of £1,225k. The average cost for a unit of electricity was £0.55, however, the average tariff charged to the consumer was £0.39. It is worth noting that the cost will continue to be impacted by global fuel prices which continue to be volatile due to geopolitical tensions. Fuel prices declined from the November 2023 peak price of £1.52 to the price at the end of the year of £1.36.

Sewerage recorded a net profit of £22k with this section able to break even, mainly due to limited overheads which enables the section to better control costs.

The key efficiency savings during the year related to:

- Use of internal staff to carry out project work: The Company continues to use internal staff in the delivery of some projects. This has resulted in greater savings in terms of cash flow coupled with the ability to better manage the delivery of projects.
- Non-Revenue Water: The preventative maintenance process was guided by the TIP and the accounted-for water exercise for the Water Section. See comments above.
- The Electricity Distribution Section will continue with its scheduled upgrades to high and low-voltage lines. This involved replacing faulty distribution equipment and ceramic insulators with silicone insulators further reducing unplanned interruptions. Modern silicone insulators are cheaper, more durable, and less prone to failure.

7.2 Looking Ahead

At the time of writing, the SHG budget allocation has not yet been approved. Connect has planned its 2024/25 budget on the advice from SHG that the subsidy will be reduced by £250,000 (or 13%).

The key areas of spend for each of the sections have been outlined above. In order to bridge the funding gap to meet the targets set, Connect has requested a tariff increase and alongside this plans to call upon Company 'reserves' i.e. funding for asset replacement.

Connect's 2024/25 budget includes several 'spend to save' initiatives including:

- The planned overhaul of the wind turbines to increase renewable energy yields from the existing infrastructure.
- Investment in a Human Resources Information System to reduce demand on Human Resources.

The benefits from these projects are not anticipated in 2024/25 but in the following financial year.

Appendix 1: Progress against the Strategic Plan

Key:

Complete. Target will not recur.	
Complete. 2023/24 target met. Target will recur in subsequent years.	
In progress. Target not yet due.	
Complete but outside of agreed deadline.	
Incomplete	
Pending – target not due.	

Goal 1: Focus on sustainability of the organisation

Objective 1:1 Effective communication around the identity of the organisation					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.1.1 Consider ways to communicate Connect objectives, with a focus on messages that reflect our corporate identity and address negative perceptions	Communications plan agreed by April 2023, implemented thereafter and subject to minimum bi-annual review	Business Support Manager	Ongoing	General communications on track (e.g. comms around outages, tips for utility usage etc are ongoing). Work has started on Communications Policy and Procedures (e.g. corporate branding) Specific Communications Plans developed for key messaging (e.g. Tariff Review, GIA). GIA comms plan being rolled out in January 2024	

Objective 1.2: Move to a sustainable business model, with the aim of reducing the requirement for government subsidy on recurrent budget activities					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.2.1 Have an effective capital programme in place to address ageing infrastructure	Rolling five year capital programme agreed as part of annual budget cycle	Project Manager	Annually	2023/24 Capital Programme agreed and under implementation (see Projects Section in main report).:	
1.2.2 Explore alternative funding sources, particularly to support investment in our capital programme	Engagement in annual call for bids for EDIP and Darwin plus funding. Research other donor calls for bids at least once per annum	Project Manager	Annually	Engagement with EDIP on Modelling and Design, HTH and Jamestown Wastewater Projects, and WRMP.	
1.2.3 Undertake tariff reviews of each service area	Annual tariff review undertaken as part of the budget cycle and approved by URA	Finance Manager	Annually	<p>Connect's 2023/24 Tariff Review submitted in August 2023 was not agreed by the URA. The URA suggested an alternative tariff structure which was modelled by Connect and recommended against.</p> <p>In December 2023, the URA advised that the 2023/24 Tariff Proposal was approved for the period 1 January 2024 to 30 June 2024 whilst an alternative is sought.</p>	
1.2.4 Effectively manage subsidy requirements from SHG	Requirements for recurrent budget funding support from SHG do not exceed the 2023/24 subsidy level	Finance Manager	Annually	Reduced subsidy forecast for 2024/25	

Objective 1.2: Move to a sustainable business model, with the aim of reducing the requirement for government subsidy on recurrent budget activities					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.2.5 Investigate measures to grow (or at minimum maintain) customer base	Number of customers does not fall below 60% of the resident island population	CEO	Annually	There were 2,402 domestic electricity connections in 2023/24. The population in February 2024 was 4,120. Target met.	

Objective 1.3: Develop business continuity plans for all service areas. Ensure such plans are regularly trialled and tested.					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.3.1 Develop and implement business continuity policy	Business Continuity Policy approved by Board by March 2024 and reviewed annually thereafter	CEO/ Business Support Manager	March 2024 and annually thereafter	Business Continuity Policy adopted by Board in May 2023 (ahead of schedule). Next review is scheduled for early 2025.	
1.3.2 Power Failure Contingency Plan in place	Technical Manager (Electricity)	Plan tested once per annum and revised	Annually	PFCP was not tested during 2023/24 following activation of the PFCP on two occasions in late 2022/23. Recommendations were made for revision	
1.3.3 Drought Mitigation Plan in place	Technical Director (Water)	Plan tested once per annum and revised	Annually	Emergency Planning and Police led a review of Drought Mitigation Planning. The Drought Mitigation Plan has been adopted by SHG with some actions for Connect to expand on operational detail for Stage 4 and Stage 5 (severe drought situation)	

Objective 1.3: Develop business continuity plans for all service areas. Ensure such plans are regularly trialled and tested.					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.3.4 Develop and implement business continuity plan – IT resilience	IT Resilience Plan approved by Board by March 2024 and reviewed annually thereafter	Business Support Manager/ Finance Manager	March 2024 and annually thereafter	<p>Work started on IT Roadmap – in progress. This is a live document subject to regular review and update.</p> <p>Priority was given to the Power Station. A State of Readiness Cybersecurity Assessment Report for the Power Station and Remote Stations was completed end of September.</p>	

Objective 1.4: Develop a reporting framework to demonstrate company performance and compliance with licensing and regulatory requirements					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.4.1 Benchmark our service delivery against international comparators and publish annual findings	Benchmarking system in place by March 2024 and applied annually thereafter	CEO	Annually	Built into 2023/24 Annual Report	
1.4.2 Prepare an annual ESG (Environmental, Social and Governance) Report	ESG Report endorsed by Board in June 2024 and annually thereafter	CEO	Annually	Built into 2023/24 Annual Report	

Objective 1.5: Effective risk management framework in place and incorporated into decision-making process					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
1.5.1 Risk management framework in place	Revised risk management framework approved by Board	CEO	ASAP	In progress. Risk management training completed. Draft risk management framework received and under review, to be finalised in 2024/25.	
	Operational risk registers reviewed/revised at TIP meetings	Section Leads	Monthly	Ongoing	
	Strategic risk register endorsed by Audit and Risk Committee	CEO	Quarterly	Ongoing	

Goal 2: Delivery of safe, effective, and reliable electricity services for the island

Objective 2.1: Ensure ongoing compliance with adopted industry standards.					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.1.1 Ensure Connect remains current within the sector. Review industry standards in use by Connect and ensure updates are communicated to relevant staff	Updates to adopted industry standards that may be issued from time to time to be applied as necessary	Technical Manager (Electricity)	Ongoing	Recommendations from the Grid Impact Assessment are to be taken forward as part of legislative review.	
2.1.2 Ongoing compliance with adopted industry standards	Zero reports of non-compliance with adopted industry standards	Technical Manager (Electricity)	Ongoing	No reports of non-compliance with agreed working practices but a more detailed system of measuring and recording this needs to be developed.	

Objective 2.2: Develop and implement an Energy Delivery Plan in support of the Island's Energy Strategy					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.2.1 Investigate options for delivery of a battery energy storage system	Recommendations from Battery Storage Specialist approved by Board	Technical Manager (Electricity)	April 2023	Variation agreed at the request of Wind Energy Solutions for later submission of the BESS Report. Final report was considered by the Board in March 2024.	
2.2.2 Prepare outline business case for Renewable Energy Project to expand renewable energy generation	Business case approved by Board and submitted to SHG	CEO/ Technical Manager (Electricity)	September 2023	MOU agreed for the release of EDIP funding for Modelling & Design Consultancy to prepare a final design for the Renewable Energy Project. Tenders have been let for this work.	
				Advice received from EDIP to park other outline business cases pending final design. These are expected to be completed in 2024/25.	

Objective 2.2: Develop and implement an Energy Delivery Plan in support of the Island's Energy Strategy					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.2.3 Assess condition of the existing SCADA system and advise on requirements to support expansion of renewables	Recommendations from SCADA review approved by Board	Technical Manager (Electricity)	September 2023	<p>Proposal sought from single tenderer (who had originally installed the SCADA and provided remote support). Tenderer indicated that he would not be able to undertake this work.</p> <p>Alternative proposals being sought for a condition assessment of the present system and training for staff. Timing to be based around the appointment of ICT to lend support to this work, the previous postholder having resigned</p> <p>The TORs for the Modelling and Design will determine the requirements to integrate additional renewables.</p>	
2.2.4 Lobby for a review of the regulatory framework for the electricity sector	Recommend legislative/policy changes to SHG in support of the Energy Delivery Plan	CEO/ Technical Manager (Electricity)	June 2023	Initial submission made to SHG in April 2023 to lobby for reform of the Electricity Ordinance to be included in the Legislative Programme for 2023/24.	
			November 2023	SHG requested a detailed submission on reform proposals, particularly following the recommendations from the GIA. Draft shared in March 2024 and the final version to be submitted in April 2024.	

Objective 2.3: Reduce reliance on diesel generation					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.3.1 Identify funding and implement Renewable Energy Project to increase renewable energy generation	80% of electricity generation from renewable energy sources by March 2028	CEO/ Technical Manager (Electricity)	March 2028	<p>Energy Delivery Plan published. This is a live document, subject to ongoing review.</p> <p>Wind turbine assessment is undertaken to assess the condition of existing wind turbines and to inform decisions around the interim until the Renewable Energy Project is in place.</p> <p>The Grid Impact Assessment was published. As a result, the moratorium on grid-connected private photovoltaic systems remains in place. Options for feed-in systems from private PV were ruled out.</p> <p>Battery Energy Storage Report submitted to the Board for consideration. This considered options for energy storage alongside scenarios for expanded renewable energy generation.</p> <p>Tenders were let for the Modelling and Design Consultancy to prepare a final design for renewable energy. This received a very good response. The contract is expected to be signed in Quarter 1 2024/25.</p>	

Objective 2.4: Ensure electricity infrastructure meets current and future needs					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.4.1 Effective maintenance programme in place	Maintenance carried out as per agreed maintenance schedule	Technical Manager (Electricity) /Electricity Generation Manager / Electricity Distribution Manager	Ongoing	<p>Maintenance programme ongoing and monitored in TIPs.</p> <p>27,000 hours service on the No. 2 Generator completed as well as 9,000 hours service on the No. 1 Generator.</p> <p>Aspects of wind turbine maintenance were delayed due to severe wind conditions earlier in the year but this is now being caught up.</p> <p>Some delays in the rolling electricity distribution maintenance programme due to faults reported during bad weather but this is now being caught up.</p>	
2.4.2 Undertake Power System Study and disseminate findings. Ensure future planning for electricity sector is informed by findings.	Recommendations from Power System Study approved by Board. Findings submitted to the URA	CEO/ Technical Manager (Electricity)	December 2023	Rather than initiate a separate study, the Power System Study has been built into the TORs for the Modelling and Design Consultancy for ease of implementation and also to future proof for the recommended final design for renewables. Procurement for Modelling and Design Consultancy is underway (see 2.3.1 above).	

Objective 2.4: Ensure electricity infrastructure meets current and future needs

Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.4.3 Ensure cyber security measures in place for the Power Station	Cyber security policy and procedure for the Power Station in place in December and ongoing review thereafter	Technical Manager (Electricity)	December 2023 and ongoing thereafter	State of Readiness Cybersecurity Assessment Report for Power Station and Remote Stations completed end of September. IT Roadmap will set out the next steps for consideration. Connect is a member of SHG's Cybersecurity Working Group.	

Objective 2.5: Strive for innovative approaches and introduction of new technology to the benefit of St Helena

Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.5.1 Carry out horizon scanning and continually investigate new opportunities for growth in the sector		Technical Manager (Electricity)	Ongoing	None identified at this time. The current declining population and slow tourism recovery provide few prospects for growth in the sector at this time.	

Objective 2.5: Strive for innovative approaches and introduction of new technology to the benefit of St Helena					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
2.5.2 Prepare business case to assess the benefits of investment in a smart grid	Business case approved by Board by March 2024	Technical Manager (Electricity)	March 2024	Discussions took place with a provider to understand potential technology that could be applied to the electricity grid. Due to a significant response to Modelling and Design Consultancy, work on the business case had to be postponed. The revised target is now March 2025. (See also 3.4.2 below)	
2.5.3 Prepare business case to assess the benefits of investment in charging stations for electric cars. NB: this is likely dependent on the outcome of the smart grid business case	Business case approved by Board (timing to be determined)	Technical Manager (Electricity)	TBD	Pending – Action Not Due	

Goal 3: Delivery of safe, effective, and reliable water services for the island

Objective 3.1: Ensure ongoing compliance with adopted industry standards					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
3.1.1 Ensure Connect remains current within the sector. Review industry standards in use by Connect and ensure updates are communicated to relevant staff	Updates to adopted industry standards that may be issued from time to time to be applied as necessary	Technical Director (Water)	Ongoing	None identified	
3.1.2 Ongoing compliance with adopted industry standards	Zero reports of non-compliance with adopted industry standards	Technical Director (Water)	Ongoing	No reports of non-compliance with agreed working practices but a more detailed system of measuring and recording this needs to be developed.	

Objective 3.2: Develop and implement a Water Resource Management Plan					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
3.2.1 WRMP developed and approved. WRMP to include consideration of water supply options, their potential capacity to generate drinking water, and costs.	WRMP approved by Board and adopted by SHG	Technical Director (Water)	December 2024	EDIP funding confirmed. Procurement for a consultancy to undertake the WRMP is being led by SHG. Connect forms part of the Working Group.	

Objective 3.3: Ensure water infrastructure meets current and future needs					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
3.3.1 Effective maintenance programme in place	Maintenance carried out as per agreed maintenance schedule	Technical Director (Water)/ Water Operations Manager	Ongoing	Maintenance programme ongoing and monitored in TIPs. No issues identified during the course of the year.	
3.3.2 Prepare business cases for priority water sector projects as identified and prioritized through the WRMP. Identify funding sources and implement.	Business cases approved by Board	Project Manager	As required based on the WRMP	Pending – Action Not Due	

Objective 3.4: Strive for innovative approaches and introduction of new technology to the benefit of St Helena					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
3.4.1 Carry out horizon scanning and continually investigate new opportunities for growth in the sector		Technical Director (Water)	Ongoing	None identified at this time. The current declining population and slow tourism recovery provide few prospects for growth in the sector at this time.	

Objective 3.4: Strive for innovative approaches and introduction of new technology to the benefit of St Helena					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
3.4.2 Prepare business case to assess the benefits of investment in a smart grid	Business case approved by Board by March 2024	Technical Director (Water)	March 2024	<p>Discussions took place with a provider around technology available for the water sector. Trials planned in 2024/25.</p> <p>Due to a significant response to Modelling and Design Consultancy, work on the business case had to be postponed. The revised target is now March 2025.</p>	
3.4.3 Ongoing support to the St Helena Cloud Forest Project	Outputs delivered as per agreed Project Plan	Technical Director (Water)	Annually to March 2026	<p>All planned outputs for 2023/24 were delivered. Key points:</p> <ul style="list-style-type: none"> - Ongoing engagement with external partners. - Ongoing monitoring by the Water Resource Monitoring Technician. Access to the Peaks is undertaken in accordance with guidance in place following restrictions of access in light of the pathogens identified. - Leadership training offered by the Cloud Forest Project was taken up by members of the Connect team. - Technical Director – Water attended the IWA Water and Development Conference in Rwanda in December 2023. 	

Goal 4: Delivery of safe, effective and reliable wastewater services for the island

Objective 4.1: Assess the long-term viability and sustainability of wastewater services.					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
4.1.1 Ensure Water Resources Management Plan assesses impacts on Wastewater Services	WRMP demand analysis assesses impacts on wastewater system	Technical Director (Water)	December 2024	Pending – Action Not Due	
4.1.2 Carry out detailed assessment of the long term viability and sustainability of wastewater services.	Recommendations approved by Board by March 2025	CEO/ Technical Director (Water)	March 2025	Pending – Action Not Due	
4.1.3 Based on 4.1.2, develop a Wastewater Plan for St Helena, incorporating best practice industry standards that the service will be measured against	Wastewater Strategy approved by Board by September 2025	CEO/ Technical Director (Water)	September 2025	Pending – Action Not Due	

Objective 4.2: Ensure wastewater infrastructure meets current and forecast needs					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
4.2.1 Support the delivery of the Jamestown and HTH Sewerage Projects in order to lift the current embargoes on development in these areas.	Confirmation of EDIP funding release by March 2024	Technical Director (Water)	March 2024	EDIP funding confirmed. Project at design feasibility stage.	
	Projects implemented as per agreed project plan	Technical Director (Water)	March 2028	Preferred bidder identified to undertake design feasibility. Contract pending.	

Objective 4.2: Ensure wastewater infrastructure meets current and forecast needs					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
4.2.2 Effective maintenance programme in place	Maintenance carried out as per agreed maintenance schedule	Technical Director (Water)	Ongoing	Maintenance programme ongoing and monitored in TIPs. No issues identified in 2023/24.	

Objective 4.3: In line with the Wastewater Strategy, establish an environmental quality monitoring system to demonstrate compliance with agreed standards					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
4.3.1 Procedures for wastewater environmental quality monitoring system adopted and implemented	Wastewater environmental quality monitoring system in place by September. Findings reported in annual environmental report to URA.	Technical Manager/ CEO	September 2025 and ongoing thereafter	Pending – Action Not Due	

Objective 4.4: In line with the Wastewater Strategy, review the financial model for the wastewater service					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
4.4.1 Review financial model for wastewater services	Recommendations approved by Board by September 2025	CEO/ Financial Manager	September 2025	Pending – Action Not Due	

Goal 5: An effective organisation that meets the needs of our stakeholders

Objective 5.1: Effective customer feedback system in place					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
5.1.1 Adhere to communications plan, ensuring minimum of one round of public meetings per annum	Findings from Annual Report disseminated via public meetings	CEO	Annually	The URA advised that it will not provide comment on the 2022/23 Annual Report due to the length of time that has elapsed. Public meetings in February/March 2024 focused on the Grid Impact Assessment	
5.1.2 Complaints procedure in place and all complaints responded to within agreed timeframes	100% of complaints received managed in accordance with the Complaints Procedure	Business Support Manager	Ongoing	A total of 34 complaints were received during 2023/24. All were managed in accordance with the Complaints Procedure	

Objective 5.2: Develop and implement long-term training and succession plans for the organisation					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
5.2.1 Carry out gap analysis for each service area	Gap analysis completed by agreed deadline	Section Head/ Business Support Manager	March 2024	Initial gap analysis undertaken. This highlighted single points of failure: <ul style="list-style-type: none"> - Electricity Generation Manager. Recruitment was completed for an Electricity Generation Engineer due to arrive on-island in April 2024. - Electricity Distribution Manager. Recruitment commenced for an EDM. The gap analysis will need to be repeated at intervals as the situation evolves 	
5.2.2 Review training and development needs for each service area	Training Needs Assessment undertaken annually	Section Head/ Business Support Manager	March 2024 and ongoing thereafter	Training Plan for 2024/25 in place	
5.2.3 Prepare long-term succession plan for the organisation (incorporating needs identified under Energy Delivery Plan, WRMP, and Wastewater Plan)	Recommendations from Succession Plan approved by Board by March 2025	CEO/ Business Support Manager	March 2025 and ongoing thereafter	Pending – Action Not Due	

Objective 5.3: Ensure the Connect Board is fully resourced					
Action	Performance Measure	Lead	Timeframe	Progress Update	RAG Status
5.3.1 Manage vacancies as these arise to ensure minimum disruption to Board	Handover period in place as vacancies arise	CEO/ Business Support Manager	As required	Russell Harrison and Phil Sharman were appointed as NEDs. Currently no vacancies on the Board	
5.3.2 Deliver training as required for Board Members	Training needs assessed as part of vacancy management process and identified training provided as required	CEO/ Business Support Manager	As required	The Board undertook risk management training (see 1.5.1 above)	

Appendix 2: Draft Public Utilities Development Plan 2024/25

The proposed 2024/25 PUDP is shown below. This is in line with URA Directive issued on 2 April 2024. Whilst the performance measures have been accepted, work is continuing to gather baseline data. This table therefore remains work in progress.

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting

<u>1</u>	<u>Service Delivery</u>								
1.1	Total Electricity Generation (MWh)	10,671	10,291				Total electricity generation (combined diesel and renewables) during the year measured in MWh	Power Station generation data/EGM's monthly reports	Monthly
1.2	Total Electricity Generation from Diesel Generation (MWh)	9,248	8,747				Total electricity generation from diesel generation during the year measured in MWh	Power Station generation data/EGM's monthly reports	Monthly
1.3	Total Electricity Generation from Renewables (MWh)	1,423	1,544				Total electricity generation from renewables (wind and solar) during the year measured in MWh	Power Station generation data/EGM's monthly reports	Monthly

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
1.4	Percentage of electricity generation from renewables (%)	13%	15%				Units of electricity generation from renewables as a percentage of total units of electricity generation	Power Station generation data/EGM's monthly reports	Monthly
1.5	Overall Fuel Efficiency (l/kWh)	0.2062	0.2102				Ratio of total fuel consumed in electricity generation divided by total kWh generated	Power Station generation data/EGM's monthly reports	Monthly
1.6	Total units of billed electricity (MWh)	9,075	9,188				Units of electricity billed measured in MWh	Data from Billing Section	Quarterly
1.7	Total units of billed water (m ³)	228,058	233,363				Units of water billed measured in m ³	Data from Billing Section	Quarterly

2	<u>Reliability</u>								
2.1	Number of faults on the electricity network	58	60				Total number of unplanned electricity service disruptions (faults) per annum	Data from callout contractor and staff callouts.	Monthly

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
2.2	Customer Minutes Lost Due to Electricity Faults	To follow	To follow				Total duration of unplanned power outages experienced measured in hours and minutes	Electricity fault data	Annually
2.3	Number of faults on the water network	964	950				Total number of unplanned water service disruptions (faults) per annum	Data from callout contractor and staff callouts.	Monthly
2.4	Network water loss/ unaccounted for water (m ³)	260,593					Network water loss measured in cubic metres	Data from Unaccounted for Water Programme	Annually
	Physical Losses/leaks (m ³)	225,749							
	Commercial Losses (m ³)	30,276							
	Unbilled Authorised Consumption (m ³)	4.569							

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
2.5	Network water loss/unaccounted for water (%)	53%					Network water loss as a percentage of total water supplied to the consumer	Data from Unaccounted for Water Programme	Annually
	Physical Losses/leaks (%)	46%							
	Commercial Losses (%)	6%							
	Unbilled Authorised Consumption (%)	1%							
2.6	Infrastructure Leakage Index	1.33	To follow				Infrastructure Leakage Index (using definition provided by International Water Association) for the water network	Data from Unaccounted for Water Programme	Annually
2.7	Reserve levels of water (m ³)	111,859	87,100				Volume of stored water capacity measured on the last Monday in the month	Water network records	Monthly

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
2.8	Reserve levels of water (%)	97%	75%				Volume of stored water capacity measured on the last Monday in the month as a percentage of the total water storage capacity	Water network records	Monthly
2.9	Reserve levels of water (days)	109	75				Number of days of available water capacity measured on the last Monday in the month	Water network records	Monthly

<u>3</u>	<u>Quality</u>								
3.1	Power Quality: Voltage Compliance with EN50160:2010 at:						Pass/Fail whether voltage magnitude meets requirements of EN50160:2010	Power Quality Monitor at site	Quarterly
	Airport	N/A	Pass						
	Feeder 2	N/A	Pass						

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
	Solar Farm	N/A	Pass						
	Wind Farm	N/A	Pass						
3.2	Appearance of Treated Water in CSH Network Red Hill (NTU)	2.51	5.00				Turbidity of Water measured against Nephelometric Turbidity Unit (NTU). Measure of compliance with WHO standards	Samples taken and analysed at water treatment works.	Monthly
3.3	Appearance of Treated Water in CSH Network Hutts Gate (NTU)	3.11	5.00						
3.4	Appearance of Treated Water in CSH Network Levelwood (NTU)	1.74	5.00						
3.5	Appearance of Treated Water in CSH Network Jamestown (NTU)	7.83	5.00						

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
3.6	Microbiological Integrity of Treated Water in CSH Network	100%	95.5%				WM002 E.coli & Coliforms Reported 'Not Detected'. Measure of compliance with WHO standards	Samples Collected by CSH and analysed by UKAS accredited laboratory	Monthly
3.7	Microbiological Integrity of Treated Water at Consumer Meter	100%	95.5%					Samples Collected by Environmental Health and analysed by UKAS accredited laboratory	Monthly

<u>4</u>	<u>Customer Service</u>								
4.1	Time taken to perform an Electricity Connection (days)	7	7				Average number of CSH 'process days' to undertake an electricity connection	Collation of statistics held by Business Support Section	Monthly
4.2	Time taken to perform a Water Connection (days)	4	4				Average number of CSH 'process days' to undertake a water connection	Collation of statistics held by Business Support Section	Monthly

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
4.3	Total Customer Complaints handled within COP parameters	100%	100%				Number of complaints received and resolution analysis	Collation of statistics held by Business Support Section	Monthly

<u>5</u>	<u>Efficiency KPI's</u>								
5.1	Total number of staff	73	78				Number of staff measured on last day of the month	Collation of statistics held by Business Support Section	Monthly
5.2	Staff Turnover Rate	9%	10%				Number of staff that departed the Company/Average Number of Employees in Year	Collation of statistics held by Business Support Section	Annually
5.3	Staff cost as a percentage of total turnover	27%	24%				Total employee costs (salary, allowances, pensions) divided by total turnover	Finance Department	Annually

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
5.4	Lost Time Injury Rate	14.3	11				Number of lost-time accidents x 1,000,000 divided by total hours worked in the financial year	Collation of statistics held by Business Support Section	Quarterly

<u>6</u>	<u>Affordability</u>								
6.1	Cost to the consumer for 200 units of electricity/quarter (£)	£70.00	£80.00				Cost of number of units defined previously as average needed for survival measured on the last day of the reporting period	Billing Section data	Quarterly
6.2	Cost to the consumer for 15 units of water/quarter (£)	£41.65	£45.82				Cost of number of units defined previously as average needed for survival measured on the last day of the reporting period	Billing Section data	Quarterly

<u>Date of Report</u>		<u>BENCH MARK</u>	<u>TARGET</u>	<u>WHERE ARE WE NOW?</u>			<u>HOW DO WE KNOW WHEN WE ARE THERE?</u>		
No.	Performance Measure	2023/24	Target 2024/25	This Period	YTD	<u>RAG</u>	Key Performance Indicator	Collection & Analysis Process	Frequency of reporting
6.3	Number of electricity disconnections due to non-payment of bills	5	5				Number of disconnections enforced by Connect (as distinct from disconnections at Customer's request)	Billing Section data	Quarterly

<u>7</u>	<u>Innovation</u>								
7.1	Gearing ratio	0	0				Ratio of Loans/Capital	Finance Department	Annually
7.2	Amount spent on research and development.	To follow	£763,000				Total amount spent (£)	Finance Department	Annually
7.3	External grants measured against cash in bank	0	76%				Ratio of Non SHG Grants/Cash in Bank (internal funding).	Finance Department	Annually

Appendix 3: References

Connect Saint Helena Ltd *Strategic Plan 2023/24 – 2027/28*

Connect Saint Helena Ltd *Drought Management Plan*

Energy Delivery Plan, Connect Saint Helena Ltd, April 2023

Environmental Protection Ordinance, 2016

IRENA SIDS Lighthouse Initiative, www.irena.org accessed on 22 May 2024

Pacific Power Utilities Benchmarking Report 2021 Fiscal Year, Pacific Power Association, 2023

Pacific Water and Wastewater Association Benchmarking Report, PWWA, August 2023

St Helena Utilities Regulatory Authority Direction under Section 5 of the Utility Services Ordinance 2013, 2 April 2024

Utility Services Ordinance, 2013

2023/24 Water Balance Report, May 2024, version 1 (Preliminary Results)