

1. MANDATE

The Electric Power Corporation of Samoa (EPC) was incorporated on 19 December 1972 under the Electric Power Corporation Act 1972. The above Act was superseded by the EPC Act 1980 with amendments made in 1984, 1986, 1989 and 1992-1993, under the EPC Amendment Act 1981. Subject to these Acts, the Electric Power Corporation is an autonomous government-owned corporation.

In addition to the directions given by the Board of Directors, the Corporation has the following mandates to govern and manage its daily business:

1. Electric Power Corporation Act 1972,
2. Electric Power Corporation Act 1980,
3. Electric Power Corporation Amendment Act 1981,
4. Appropriation Act 1983,
5. Electric Power Corporation Amendment Act 1984,
6. Electric Power Corporation Amendment Act 1986,
7. Electric Power Corporation Amendment Act 1989,
8. Electric Power Corporation Amendment Act 1992 – 1993,
9. Inland Revenue Act (VAGST) 1992 and 1993,
10. CM (88) 48 – Rural Electrification, December 1988,
11. New Zealand Wiring Regulations (Standard) 1976,
12. Electric Power Corporation Practice Directions 1981,
13. Labour and Employment Act 1972,
14. Labour and Employment Regulations 1973,
15. Safety Regulations,
16. Electricity Wiring Regulations 1993 & 1996 (New Zealand),
17. Public Bodies (Performance and Accountability) Act 2001,
18. Public Finance Management Act 2001,
19. Occupational Safety and Health Act 2002,
20. Company's Ordinance Act (NZ) 1955,
21. Company's Act 2007,
22. Fair Trading Act 1998,
23. Consumer Information Act 1988,
24. Ministry of Works Act 2002,
25. Electric Power Corporation (Charges for the Supply of Electrical Energy Regulations 2007),
26. Electric Power Corporation (Imposition of Temporary Additional Charge Regulations 2007),

27. Electricity Bill 2010.

The Corporation has the necessary legislations and powers to carry out its functions as the entity responsible for the generation, transmission, distribution and selling of electricity in Samoa.

2. ENTITY PROFILE

2.1 HISTORY

Prior to its establishment as a Corporation in 1972, a division of the Public Works Department, known as the Electric Power Scheme, was given the responsibility for power sector operations.

It has since continually reforms itself to fulfill its main purpose or core function, which is to generate, transmit, distribute and sell electricity. From its simple beginning 39 years ago, in supplying electricity exclusively to the Apia Township, amidst the many challenges and constraints, the Corporation now provides power to 96 percent of the population of Samoa.

The general policies of the Corporation are determined by a Board of Directors, chaired by the Minister of Works, Transport and Infrastructure. The eight members of the Board include:

1. The Minister of Works, Transport and Infrastructure (Chairman)
2. The General Manager of the Electric Power Corporation (Deputy Chairman)
3. The CEO, Ministry of Works, Transport and Infrastructure
4. The CEO, Ministry of Finance
5. The CEO, Ministry of Commerce, Industry and Labour
6. A Representative of the Law Practitioners
7. A Representative of Domestic Consumers; and
8. A Representative of the Chamber of Commerce

The Corporation is committed to introducing and implementing coherent actions aimed at improving productivity, quality management practices and service and ultimately, reducing costs.

VISION AND MISSION STATEMENT

The Corporation's operation plays a vital role in the development of Samoa's economy – *the power of a nation*, has a significant impact on all sectors of the community. Therefore, it is crucial that the reliability and quality of electricity is achieved at high standards at minimum cost.

In alignment with this challenge, our **Vision** is:

“To provide reliable and affordable electricity for Samoa”

And our **Mission** in the next three years is:

“To provide quality electricity services in partnership with customers and stakeholders. We are committed to be financially viable by adopting the most economical use of our resources and continued pursuit of technology and innovation to achieve excellent services, through environmentally sound practices”

In order to successfully achieve our mission, the Corporate Plan of July 2011- June 2014 establishes a framework which is customer-focused and output-oriented.

The Corporation is currently performing most of its non-core functions with the exception of the Upolu streetlights installation to complement its main core functions. Pending thorough review, the potential non-core functions outlined below, if proven cost effective, can be outsourced:

- Design of power system,
- Installation and maintenance of generation equipment,
- Installation of some distribution and utilization equipment,
- Repair of motor vehicles,
- Perform Government Community Service Obligations (CSOs),

3. MAJOR OBJECTIVES

The major objectives have been formulated according to the key areas identified. This will ensure that a more focused approach will be implemented in the July 2011 - June 2014 period.

The Corporation's main objectives are:

1) Service Delivery

To enhance the quality, reliability, efficiency and cost effectiveness of service related to the Corporation's infrastructure and business in order to achieve optimum utilization and benefits from its resources.

2) Research and Development

- a. To improve overall business efficiency by harnessing of appropriate modern technology.
- b. Commitment to invest in research and development programs for renewable energy in order to reduce dependency on imported fossil fuel.

3) Financial Performance

- a. To enhance the financial performance of the Corporation through effective revenue collection, cost control measures, monthly tariff adjustments and overall good financial governance.
- b. To optimize the acquisition and maximize the benefits of the Corporation's assets.
- c. To investigate the possibility of outsourcing non core functions currently performed by the Corporation.
- d. To provide reliable, pertinent and timely financial management information to the Board and senior management on a routine regular basis.
- e. To review CSO to ensure it is cost-effective and profitable, where possible.

4) Development of Legislation, Policies, Procedures and Business Strategies

To develop, review and implement policies and procedures in alignment with Government and Corporation's

legislations in order to integrate, thus enhance individual and organizational performance.

5) Staff Training and Professional Development

To facilitate effective service and professional development of staff through adequate training, effective recruitment and selection process and appropriate staff rewards.

6) Customer Services

- a. To ensure quality service is provided effectively and efficiently to all customers.
- b. To improve public perception of EPC.
- c. To maximize communications resources in order to improve internal communications.

7) Corporate Plan Performance Evaluation

To ensure success and achievement of the Corporation planned objectives.

4. SPECIFIC PROJECTS

In alignment with its Vision of providing reliable and affordable electricity supply to all of Samoa, the Corporation saw the need to take on board development projects in order to achieve its vision. The majority of these projects are included under the Power Sector Expansion Project (PSEP), while some are EPC funded projects. Following is a summarized list of some of the Corporation's major development projects projected for the next three years;

1. Refurbishment of transformer workshop at Vaitele.
2. Renovation of old house for Staff Accommodation and new Customer Service Office (New Market - Savaii).
3. Call Centre Development Project (software).
4. Coconut Oil Project.
5. Wind Monitoring Project.
6. New Archive/Storage Building, renovation of old warehouse.
7. Vehicle Replacement.
8. FOF Access Road and Head-Pond Attendant's house (new).
9. Single and Three Phase Prepayment Metering Project.
10. Refurbishment of Alaoa Hydropower Station.
11. Fiaga Diesel Power Station Project.
12. Fiaga Diesel Power Station to Fuluasou Substation 33kV Underground to Tanugamanono 33kV underground.
13. Hospital Feeder Upgrading – Stage 2.
14. 22kV Fuluasou Substation.
15. Upolu Low Voltage Network Improvement.

16. Fuluasou Substation to Apia Wharf 22kV Underground Cable Project.
17. 22kV Overhead Conductor Upgrading Program.
18. Hydro Power Scheme.
19. Puapua-Asau Transmission Line 22kV Re-conductoring.
20. SCADA System.
21. Refurbishment of Salelologa Diesel power station.
22. Vending & Public Dissemination.
23. Lalomauga extra switchgear & Governing System.
24. Power System Planning Software.
25. Refurbishment of 2 Tanugamanono diesel engines.
26. Upolu Hydro Scheme.

5. SUPPORT FOR GOVERNMENT POLICIES

The Corporation has supported the overall national plan, the Strategy for the Development of Samoa (SDS) through the Community Service Obligation (CSO) projects, previously known as the Rural Electrification Project. . Since the commencement of this project, from December 1989, the Corporation has performed the CSO its support for Government policies through:

Economic Infrastructure

- Construction of distribution lines in the rural areas.
- Supply and installation, repair and maintenance and consumption of street lights around the country.
- Upgrading of distribution lines for construction of some new hotel projects.

The Corporation's involvement in these CSO projects has realized the SDS's Vision of "Quality life for all". The total Rural Electrification Project cost from December 1989 to April 2010 was over \$50 million.

We outline on the next page, Project costs incurred relating to the Corporation's current support to the Government under the CSO for the years ended 2010/2011 and 2011/2012:

	2011/2012	2010/2011
• Rural Electrification Project	500,000	1,039,776
• Streetlights Installation	500,000	186,742
• Street Lights – Consumption	500,000	1,197,553
• Street Lights - Repairs and Maintenance	800,000	253,339
• Electricity consumption Mapuifagalele	48,000	48,000
• Diesel Fuel VAGST Refund	6,500,000	6,593,906
• Development and Capital Projects		445,625
• Tsunami Relocation and Resettlement		5,000,000
TOTAL FUNDING FOR COMMUNITY SERVICE OBLIGATION	\$8,848,000	\$14,764,941

6. EPC DIVIDEND FORECAST FIVE YEAR PERIOD FROM 1ST JULY 2009 TO 30TH JUNE 2014

(in thousands of currency units)	Actuals 2009 - 2010 (\$)	Projected 2010 - 2011 (\$)	Projected 2011 - 2012 (\$)	Projected 2012 - 2013 (\$)	Projected 2013 - 2014 (\$)
EQUITY					
Capital and Reserves					
Issued Capital	98,472	105,031	105,031	108,171	108,171
Reserves	61,960	61,960	61,960	61,960	61,960
Retained Earnings / (Accumulated Losses)					
at beginning	999	3,108	3,353	6,184	12,470
Profit for the year	2,109	183	5,662	12,573	6,675
Retained Earnings / (Accumulated Losses)					
at the end	3,108	3,271	6,184	12,470	15,807
Total Equity	163,540	170,262	173,175	182,601	15,807
	0				
Dividend based on 50% of Net Profit	** 0	** (82)	** 2,831	** 6,286	** 3,337

EPC has paid dividend of \$874,888 to Government for FY2007-2008. The Government approved as Cabinet Directive FK (10) 33 for EPC to pay dividend to Government based on the approved modified formula where Dividend paid is based on the Adjusted Net Profit commencing from FY2008/2009, until the end of the Power Sector Expansion Project.