



BLPC To Seek New Hearing

In an article published in Barbados Today on Friday, 16 October 2026, journalist Mr Emmanuel Joseph sought to explain the circumstances where the Barbados Light & Power Company (BLPC) appears to be positioning itself to request a 'fresh rate increase', even while the last review remains unsettled before a court.

The Barbados Sustainable Energy Co-operative Society Ltd, along with a coalition of umbrella Co-op bodies participated in that still unsettled rate hearing in the role of intervenors.

Our reason for intervention at the time, was solely to get to understand the rate review process, and to have a better understanding of the methodologies used to pass the cost of producing electricity locally, on to consumers.

However, coming out of the whole experience, it has become unquestionably clear to us that the Barbados utility rate review process is fundamentally flawed, highly antiquated, and as a result, is now totally unfit for purpose.

BLPC applied for a review of rates in October 2021, claiming at the time, that without an urgent adjustment to existing rates, the company faced imminent financial distress.

The role of intervenors in a rate process is to represent the interest of consumers during the process in an effort to ensure that such interests are properly accommodated during all proceedings. Intervenors requested and were eventually provided with thousands of pages of financial and technical documents - including the company's audited financial records for the period 2009 to 2020.

Our very basic analysis of those financial records revealed that over that period, the company's net financial performance can be summarized as follows:

BLPC FINANCIAL SUMMARY 2009 -2021	Total	Average Annual
Total Revenues collected from customers	\$ 2.55 billion	\$ 196 million
Total Investments by Shareholders (Emera)	\$0 dollars	\$ 0 dollars
Total Expenditure	\$ 1.9 billion	\$ 148 million
Net income (25% of gross Revenue)	\$ 635 million	\$ 48 million
Dividends Paid. (21% of gross Revenue)	\$ 538 million	\$ 41 million
Reinvestments into BLPC (3.8% of Revenue)	\$ 97 million	\$ 7 million

This was the financial status quo from which BLPC argued that an urgent rate increase was needed to avoid financial distress. The company was making profits of \$48 million each year, but paying \$41 million of that to its sole shareholder as 'dividends', while reinvesting a mere \$7 million annually.

Naturally, we raised this concern with the FTC and pointed out that any 'problem' faced by BLPC clearly stems from the policy decision by that company to reverse its dividends allocation - which previously (before EMERA ownership) allocated around 15% net income to dividends, and 85% reinvested into business operations. We also pointed out that this policy was a violation of the FTC's own direct ruling in paragraph 133 of the 2010 Rate Decision, where the Commission determined a maximum Rate of Return on investments of 12.75%, ordering that *"Shareholdings are investments of the Utility, therefore these will attract a maximum return of 12.75% of the value of shares invested in the Utility"*. This figure has been routinely exceeded on average every single year subsequently.

We also drew the FTC's attention to the situation with the Self Insurance Fund (SIF) by way of another formal motion submitted during the oral hearings in October 2022. Remarkably, and despite our many written and verbal protestations, the FTC has steadfastly refused to accept, and

to process our motions - as they are clearly required to do during hearings, and as is clearly specified in the Utilities Regulations Act.

Our motion pointed out that some \$100m were questionably withdrawn from this special Trust Fund which is managed by BLPC, in 2016, and that it was then distributed to BLPC's sole shareholder as dividends. However, the law under which this Trust is established specifies that such funds may only be withdrawn to be used in response to a catastrophe. Furthermore, while this occurred in 2016, it was only addressed some six (6) years later, in 2022, after being raised by intervenors during the oral hearings. This means that the FTC itself, that is charged with the responsibility of monitoring and regulating this monopoly business, failed for all these years to notice, and / or to address this almost \$100m transgression.

Our two motions can be reviewed at https://coopenergy.org/ftc_blpc_2021.php

Despite our many formal protestations, our motions have been illegally discarded by the Commission. However, in February of 2023, in their rulings on the matter, the Commission ordered that the company would be required to repay the funds removed from the SIF, and effectively gave them 30 years in which to do so. In effect, an organization is adjudged to have misappropriated a large sum of money, and it is simply mandated to repay the funds as though it was an interest free loan.

Even so, the company appealed that decision, and eventually took the matter to court, and now, apparently, seeks to have the whole thing squashed and to start a new rate review.

We strongly condemn any attempt by the FTC and / or the BLPC, to seek to evade the legitimate and deep-rooted questions that have arisen during the past five years of the rate hearing process, by the use of such sneaky legalistic maneuvers as have been floated in Mr Joseph's article. An interim rate increase was questionably imposed on consumers by the FTC during this process, which even further enhanced the company's financial position, and neither the company nor the FTC has consented to sharing information on the company's financial position subsequent to the interim increase. In our humble position, because such information serves to confirm the situation outlined by intervenors that profitability is not an issue for BLPC, but rather, its management policy is.

If ever there was a situation that begs an independent, transparent review and revision, this regulatory arrangement with the FTC and BLPC does.

Our second motion questions BLPC's payment of dividends of \$538m out of \$635m in revenue over the period, when clear limits are in place via the 2010 FTC ruling that would prohibit such exorbitant dividends. It is perhaps understandable that a body that itself failed to note and to properly manage such an important matter for twelve years, may be reluctant to adjudicate our accusations.

Over and above the FTC's clear ineffectiveness as utility regulators, we also questioned their decision to allow EMERA Caribbean to purchase 100% of BLPC shares, at a time when the very same FTC were refusing other local entities, with much less monopolistic acquisitions, from doing the same.

According to the Nation News of 29 November, 2017, the Fair Trading Commission ruled against Simpson Oil Limited's (Sol) plans to acquire the Barbados National Terminal Company Ltd (BNTCL). The FTC also blocked the sale of a local Ice Cream manufacturer in the interest of anti-monopolistic practice.

It would therefore be very prudent for the FTC to explain the circumstances under which the shares of the only electric utility business, which previously enjoyed wide shareholder ownership, and whose monopolistic services are indispensable to practically every local business and household, would have been allowed to be sold lock, stock, and barrel, to a Canadian investment business, that had less than 10 years experience in the utility business at the time.

Unfortunately, the FTC finds itself in the unfortunate position where it is being asked to be the legal counsel, judge, jury, and executioner of its own decisions, actions and inactions. This probably explains their aversion to public hearings since the October 2022 oral sessions.

CoopEnergy remains adamant that major reviews are urgently required in the various processes of national energy management. This is particular urgent with respect to:

1. The ownership and policy making structures of BLPC, so as to place all major stakeholders in a position to know, to influence and to support the energy policies that are developed.
2. A review of the period since the last rate hearing in 2010, to address and clarify a number of clear violations that have been identified over that period, some confirmed even by the FTC.
3. The role, structure, powers, tenure, and technical composition of a new regulatory agency that is needed to replace the clearly outdated FTC, leaving them to focus on consumer protection.

The brilliant Barbados National Energy Policy 2019-2030 has suffered badly so far, due to many of the weaknesses identified above. Such a far-reaching national policy can only be successfully executed on the back of a strong, unified national energy framework, made up of partners who are all working towards its common success.

Unless that proper fundamental foundation is constructed, energy management in Barbados will continue to be an exercise in reactive law-making, excuses, and price increases to consumers.

The Barbados Sustainable Energy Cooperative Society Ltd. therefore calls for an urgent energy review at the national level, undertaken by a special task force of knowledgeable experts, and resulting in a national plan for energy sustainability for Barbados.

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Intervenor

The Coalition of Cooperative organizations

