



ALLIANCE FOR CHANGE (AFC)

POSITION ON GPL

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Background

- Guyana for decades has been struggling to limit its power supply exposure to oil prices fluctuation.
- In the interim GPL continue to lose the battle with the fuel-driven generators.
- The final plan is to improve reliability with the construction of the Amaila Falls Hydro power plant.

Today's Overview

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- What the AFC will do

The GPL Issues

- GPL made losses before tax of G\$9.4 billion in the last 2-years.
- Taxpayers handed over G\$12.5 billion to cover losses.
- What did GPL do with your G\$12.5 billion?

The GPL Issues (con't)

- GPL's 2012-2016 Strategic Plan promised:
 - ✕ G\$1.6 billion on pre-paid meters & redesign of network in areas of high theft.
 - Reducing theft from 17% in 2010 to 14% in 2012.
- **FAILED!**
 - Commercial losses increased to 17.05% causing loss of revenue - G\$2.4 billion.

The GPL Issues (con't)

- GPL's 2012-2016 Strategic Plan promised:
 - ✕ G\$11.5 billion on 7 new sub-stations & 120 km of new transmission lines to reduce technical line losses from 11.4% in 2008.
- **FAILED!**
 - Technical Line losses increased to 14.65% in 2012 causing loss of revenue - G\$1.4 billion.

Taxpayers bailout

- The people handed GPL the following:
 - ✕ G\$1.5 billion in 2011.
 - ✕ G\$6 billion in 2012.
 - ✕ G\$5 billion 2013.

The AFC recommended solutions

- Use NICIL funds to bulk buy fuel at a fixed price to be delivered over a 6-months period.
 - ✕ stability to 80% of GPL's costs.
 - ✕ reduce GPL fuel cost by some G\$1.5 billion.
- Pre-pay for bills for Government Agencies & Ministries for 2013 – G\$6.1 billion NOW!

The AFC recommended solutions

- **FIRE the BOARD** – New Diagnostic Study! New policy direction! New turnaround plan!
- All cost must be driven by the cash flows of the business – value activities only!
- Lay the current 2012-2016 Strategic Plan in Parliament.

What the AFC will do

- If fuel prices increase – consider a further capital contribution.
- Posted dated cheque from AFC for Hydro project–subject to positive IDB due diligence report.

What the AFC will do

- Advocate in front of the PUC against this **tyrannical 26.7% increase**.
- Take legal action against this proposed increase if necessary.
- Take whatever action it deems necessary to stop this GPL executive oppression.

Summary

We call on the Hon. Prime Minister to:

- ✕ **Withdraw this unjust 26.7% increase.**
- ✕ Appoint a BOARD that represents the technical, political, economic and social make up of Guyana.
- ✕ Pre-pay the G\$6.1 billion for bills for Government Agencies NOW!
- ✕ Cut cost like not hiring a “Cadillac” style CEO in a donkey kart economy.
- ✕ Launch a new turnaround plan that is grounded in reality.



Summary

We call on the Hon. Prime Minister to:

- ✕ Consult with people on the solutions – the Consumer's Association, the Unions, the Private Sector, the political opposition, Professional Engineers and Accountants, the women and youth organisations, the religious groups.
- ✕ Make your final decision in conjunction with the people public.

Resources

- GPL 2012-2016 Plan
[http://www.gplinc.com/files/D&E Programme 2012%20-2016 Aproved March-7-2012.pdf](http://www.gplinc.com/files/D&E_Programme_2012%20-2016_Aproved_March-7-2012.pdf)
- GPL 2012 Audited Financial Statements
<http://www.gplinc.com/files/GPL%202012%20Audited%20Financial%20statments.pdf>
- GPL's 2013 Application to the PUC for the increase
<http://www.gplinc.com/files/Final%20return%20certificate.pdf>



QUESTIONS?



APPENDIX