



**Media Release: 14 September 2017**

### **URA Issues Preliminary Decision In The Matter of UNELCO's Electricity Tariff Review Invites Public Comments**

On 13<sup>th</sup> September 2017, the Utilities Regulatory Authority (URA) issued its Preliminary Decision (PD) on the tariff Application filed by UNELCO in August 2016 (revised in December 2016) in the matter of electricity tariff review for the Port Vila, Malekula and Tanna service areas.

The key objective of this review is to determine prudent and reasonable costs of service and fair level of tariffs that UNELCO customers should be charged while ensuring that UNELCO can viably maintain reliable and affordable services for its customers in these areas. The URA Staff conducted an in-depth investigation into UNELCO's financial and operational performance, its future customer demand and investment needs, and included discussions with UNELCO and the Ministry of Climate Change. This was to ensure viability of the utility to provide reliable services, recognizing Government policies, current concession contracts and the best regulatory practices in arriving at the recommendations.

The Staff has recommended to the URA Commission a base price of 38.56 Vatu/kWh which represents a 19% reduction in the contemporary base rate of 47.65 Vatu/kWh. This recommended base price is subject to monthly modifications through an adjustment formula to recognise changing factors such as fuel cost, contribution of the renewables and certain economic indicators.

With this press release the Commission is issuing a Notice of Request for Comments, providing an opportunity for feedback on the PD from UNELCO customers, Government and other interested persons on the service related requirements and electricity prices essential for reliable, safe and affordable electricity services. It also invites UNELCO to enter into discussions and negotiations, provide its feedback and any additional information that will assist the Commission to arrive at a fair and equitable Final Order.

All submission(s), comments and suggestions on the Commission's Preliminary Decision should be provided no later than 14<sup>th</sup> of October 2017.

Copies of the Preliminary Decision are available on the URA website ([www.ura.gov.vu](http://www.ura.gov.vu)) or from its offices. For further information, please contact URA Manager Corporate Belinda Reuben on 23335 or [info@ura.gov.vu](mailto:info@ura.gov.vu).

## **About the Utilities Regulatory Authority**

The URA was set up under the Utilities Regulatory Authority Act No. 11 of 2007. The URA is an independent body and its primary purpose is to maximise access to safe, reliable and affordable electricity and water services to homes and businesses, and to protect the long-term interests of consumers throughout Vanuatu. In the electricity sector, the URA monitors the concessions operated by UNELCO in Malekula, Port Vila and Tanna; and Vanuatu Utilities and Infrastructure Ltd (VUI) in Luganville. In addition, the Authority assists to resolve consumer disputes and advises the Government on matters related to electricity, water and energy policies.

### Contact Information

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