

PORT VILA, 2<sup>nd</sup> JULY 2010

Mr Carmine PIANTEDOSI  
URA  
PORT VILA  
VANUATU

Our ref. : N°662 /10/PME/aw  
Subject : Price adjustment for water

Dear Carmine,

Please find enclosed, the price adjustments for water, for the second semester 2010, in accordance with the Contract for the Management and Operation of the Water Supply Service in PORT VILA.

Yours faithfully,

  
Philippe MEHRENBERGER  
Managing Director

CC : The Honourable Minister of Lands and Natural Resources

**UNION ELECTRIQUE DU VANUATU LTD**

Rue de Paris - BP 26 - Port Vila - Vanuatu

Tél. (+678) 22 211 - Fax (+678) 25 011 - Urgence (+678) 26 000 - Email : unelco@unelco.com.vu

Santo : BP 17 Luganville - Tél. (+678) 36 425 - Fax (+678) 36 428 - Urgence (+678) 36 636 - Email : unelco.santo@unelco.com.vu

Mallicolo : BP 019 Lakatoro - Tél. (+678) 48 409 - Fax (+678) 48 415 - Urgence (+678) 77 44 323 - Email : unelco.mallicolo@unelco.com.vu

Tanna : BP 899 Tanna - Tél./Fax : (+678) 88959 - Email : unelco.tanna@unelco.com.vu

SA AU CAPITAL DE 525.773.650 VATUS - RC 3370

**WATER SUPPLY SERVICE IN PORT-VILA**  
**PRICE ADJUSTMENT FOR WATER**  
**July 2010**

Prices are adjusted in accordance with **addendum 3** of the Contract for the Management and Operation of the Water Supply Service in Port-Vila.

The base rates **A<sub>0</sub>** and **P<sub>0</sub>** above shall be adjusted sixmonthly by application of the rise and fall formula:

$$A = A_0 \times R$$

and

$$P = P_0 \times R$$

where

$$R = 0.10 + 0.30 \times \frac{M}{M_0} + 0.30 \times \frac{E}{E_0} + \left( 0.25 \times \frac{T}{T_0} + 0.05 \times \frac{I}{I_0} \right) \times \frac{\$AUD}{\$AUD_0}$$

Description of the indices:

**M** Average of the daily wage for a single male not receiving board or lodging in PORT-VILA at IFIRA WHARF and STEVEDORING, (IW), classified as an "inexperienced labourer", and of the classification "PO2" with the Public Service, (PO2).

**T** The price index of articles produced by manufacturing industries – Fabricated metal products (274-276), published by the Australian Bureau of Statistics, for the first quarter of the semester preceding the adjustment of tariffs

**I** The price index of articles produced by manufacturing industries – Electronic equipment and other machinery (283-286), published by the Australian Bureau of Statistics, for the first quarter of the semester preceding the adjustment of tariffs

**E** Price of the kWh (excluding fixed fee) for high voltage applicable on the day of adjustment of tariffs

**AUD** is the Average of the daily currency exchange rate for the three months period preceding the date of adjustment of tariffs, as published by the Banque d'Hawaï in the column "selling rate", for the Australian dollar (AUD) to Vatu in Vatu/AUD)

The indices applicable are as follows:

INDEX	VALUE	DATE
IW	872	déc-03
IWo	872	août-98
PO2	1560	janv-09
PO2o	1365	août-98
M	1216	janv-09
Mo	1118	août-98
T	169,2	mars-10
To	101,2	juin-04
I	128,4	mars-10
Io	105,5	juin-04
E	35,83	juil-10
Eo	21,25	août-98
S AUD	92,59	juin-10
S AUDo	80,23	août-98

$$R = 0.1 + 0.30 * \frac{1216}{1118} + 0.30 * \frac{35,83}{21,25} + (0.25 * \frac{169,2}{101,2} + 0.05 * \frac{128,4}{105,5}) * \frac{92,59}{80,23}$$

R = 1,4848
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Quarterly subscription:

$$A = A_o \times R$$

Size of meter	Ao	A
	Subscription in Vatu as at August 1998	Subscription in Vatu as at July 2010
15 mm	510	757
20 mm	820	1 218
25 mm	2050	3 044
30 mm	5 140	7 632
40 mm	7 200	10 691
above	10 290	15 279
Subscribers whose quarterly water consumption is less than 25m3 for a quarter shall benefit from a subscription of:		379

Price of the m3:

$$P = P_o \times R$$

$$P = 61,13$$

Range of consumption		Vatu / m3 as at August 1998	Vatu / m3 as at July 2010
0 to 50 m3 / quarter	P <sub>o</sub> x R	41,17	61,13
51 to 100 m <sup>3</sup> / quarter	P x 1.3	53,52	79,47
101 to 200 m <sup>3</sup> / quarter	P x 1.4	57,64	85,58
more than 201 m3 per quarter	P x 1.5	61,75	91,70

### Water connection works

The price adjustment coefficient for water connections is calculated as follows:

$$R_b = \left( M.O. \times \frac{M}{M_o} + Mat. \times \frac{T}{T_o} \right) \times \frac{\$AUD}{\$AUD_o}$$

with: M.O.= 40%  
Mat.= 60%

$$R_b = \left( 0,4 \times \frac{1216}{1118} + 0,6 \times \frac{169,2}{101,2} \right) \times \frac{92,59}{80,23} \quad R_b = 1,5929$$

Diameter of the connection	Size of the meter	Lump sum cost of connection for a length of not great than 10 meters	x R <sub>b</sub>		Supplement per meter above 10 meters	
			August 1998	July 2010	August 1998	July 2010
20	15 mm	15 000	23 894	700	1 115	1 115
25	20 mm	28 000	44 601	1 300	2 071	2 071
30	25 mm	33 000	52 566	1 500	2 389	2 389
40	30 mm	39 000	62 123	1 800	2 867	2 867
50	40 mm	47 000	74 866	2 200	3 504	3 504

Security deposit

$$= P \times M3$$

Size of meter	m3	Deposit in Vatu
15 mm	50	3 057
20 mm	100	6 113
25 mm	200	12 226
30 mm	500	30 565
40 mm	700	42 791
au delà	1 000	61 130

Intervention on water connection and penalties:

	<b>m3</b>	<b>Vatu</b>
Cancellation of a subscription	30	
Cutting off supply due to prolonged absence	30	1 834
Transfer without interruption of supply	30	
Cutting off of supply and reconnection including removal of meter	60	3 668
Cutting off of supply for non-payment	120	7 336
Intervention resulting from water service being unable to access the meter	120	
Reconnection of supply cut off following a breach of agreement	300	18 339

Frais d'établissement du dossier:

**= 10 x P**

**611 Vatu**