

**GOVERNEMENT DE LA  
REPUBLIQUE DU VANUATU**

**L'office De Reglementation  
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Ministère des Finances  
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**GOVERNMENT OF THE  
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**Utilities Regulatory Authority  
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Ministry of Finance and  
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Website: [www.ura.gov.vu](http://www.ura.gov.vu)

*Utilities Regulatory Authority Of Vanuatu*

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**PRESS RELEASE**

## **URA Electricity Tariff Review Final Decision May 2010**

### **Notice of Dispute Issued 6 August 2010**

#### **VANUATU Electricity Tariff Review Update**

The Utilities Regulatory Authority (URA) published its tariff decision as part of its Electricity Tariff Review in May 2010.

A key part of the electricity tariff decision was a reduction in the electricity tariff for small domestic customers.

The Government's concern with the high price of electricity led it to request a full tariff review by the URA. The tariff decision is the result of a 12 month extensive information gathering process involving UNELCO, the Government, and submissions from stakeholders.

After considering public submissions and analyzing UNELCO's costs, planned investments and reasonable return, the URA's tariff decision set a new base price of Vatu 47.17. This tariff will translate into a price reduction of around 6.80% for most electricity users.

The Council of Ministers in its decision 58/2010 endorsed the URA's Electricity Tariff Review Final Decision May 2010; approved the addendum to the concession incorporating the URA's tariff decision and expressed its desire that UNELCO agree to its addendum and implementation of the new tariff.

UNELCO has not accepted the position of the Council of Ministers and has proposed an alternative level of tariff which reflects a base price of Vatu 48.50.

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Subsequently, the Honourable Paul Telukluk, Minister of Lands Geology Mines and Water Resources has granted approval for the URA to undertake the arbitration process to settle the dispute.

The URA now seeks to progress the arbitration process without delay and has therefore issued a **Notice of Dispute** to UNELCO to commence the arbitral process in accordance with the concession agreements.

The concession agreements provide that should any dispute arise between the Grantor and the Concessionaire as to the interpretation or the application of the present Convention (or concerning the attached Specification); it shall be submitted to two arbitrators, one appointed by the Grantor and the other by the Concessionaire.

Details of the URA's Tariff Review Final Decision Paper May 2010 can be found on the URA website at [www.ura.gov.vu](http://www.ura.gov.vu).

### **About The URA**

The URA is an initiative of the Government and was set up under the *Utilities Regulatory Authority Act No.11 of 2007*. It is independent from the Government and its purpose is to ensure safe, reliable and affordable water and electricity services throughout Vanuatu.

The URA monitors the electricity concession contracts for Port Vila, Luganville, Tanna and Malekula. It renegotiates tariffs under the rules of the existing contracts, it manages consumer complaints, and it advises the government.

The URA is funded by Government with additional support from AusAID through the Governance for Growth (GfG) Program in cooperation with the World Bank.

### **About UNELCO**

UNELCO Vanuatu Limited is a fully owned subsidiary of GDF Suez. It operates the monopoly electricity concessions for Port Vila, Luganville, Malekula and Tanna. It has operated in Vanuatu since 1939.

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