

URA compares electricity bills across the Pacific region

The regulator for water and electricity services in Vanuatu, the Utilities Regulatory Authority (URA), has released its first “Pacific Region Electricity Bills Comparison Report”. Chairman Johnson Naviti commented: “In recent times, the price of electricity has become a controversial topic: it is often mentioned that the prices paid in Vanuatu are high, but these statements are rarely supported by facts and evidence”. In order to inform the debate on electricity prices in Vanuatu, the URA team has investigated and gathered data from 24 electricity utilities across the region.

Assisting the team in its research, Financial Analyst Olivier Fernandez stated “It is a complex process to compare electricity costs between different countries since each utility has a different structure of tariffs that can vary by customer category, levels of consumption, and even time of day.” In order to compare between electricity suppliers using different customer categories and tariff structures, the approach taken in this study has been customer-centric: bills have been calculated based on a set of “typical” customers’ consumption patterns.

Taxes and government subsidies on the price of electricity are factors that electricity suppliers have no control of other than to include them on customer bills, therefore all applicable taxes, fees and charges appearing on an electricity bill have been included in this analysis.

Based on the comparison of customer bills, the overall picture for Vanuatu is mixed, with significant differences depending on customer category:

- Small domestic customers with an average consumption of 60kWh per month in Vanuatu are charged significantly less than the regional average.
- Other low voltage customers with an average consumption of 300kWh in Vanuatu are charged significantly more than the regional average.
- Business customers using an average 10,000kWh in Vanuatu are charged more than the regional average, although this comparison is more difficult due to more complex tariffs for high voltage connections

Another conclusion that is clear from the study is that electricity customers in Vanuatu pay more tax to the government through their bills than in other Pacific countries. The overall tax burden on individuals has not been considered in this analysis, however.

We invite all the readers interested to find more about the respective customer categories and how they compare across Pacific average to download the report from the URA’s website at: www.ura.gov.vu

About the Utilities Regulatory Authority

The URA was set up under the Utilities Regulatory Authority Act No. 11 of 2007. The Authority acts independently of the Government and its primary purpose is to increase access to safe, reliable and affordable electricity and water services, and to protect the long-term interests of consumers throughout Vanuatu. In the electricity sector, the Authority 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 manages consumer disputes and advises the Government on matters related to electricity and water. It also reviews tariffs under the rules of the Concessions Agreements and relevant legislation.

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