



Press Release: 31 August 2012

The URA releases its Electricity Prepayment Meter Draft Decision for consultation

The Utilities Regulatory Authority (Authority) announces the publication of its Electricity Prepayment Meter System Draft Decision August 2012.

The Authority's draft decision finds that the proposed prepayment meter system is not in the long term interest of UNELCO's Port Vila customers. Reasons thereof are outlined in detail in the draft decision and include following major issues the Authority has identified and which have not been addressed by the utility thus far.

- Complexity of applying a postpayment tariff to a prepayment system;
- Lack of a cost-benefit-analysis that takes all feasible options into account;
- Lack of a customer agreement draft made available to the Authority to review;
- Lack of demand analysis and potential customer uptake over specified time periods;
- Lack of a comprehensive analysis of safety issues and remedies thereof;
- Disregard of Vanuatu's experience with current prepayment meters in Malekula and Tanna.

The draft decision explores the relevant topics in more detail, including:

- issues around the tariff, application thereof as part of the proposed prepayment system and potential future impacts on the tariff going forward;
- determination of the proposed system's costs and benefits;
- customer implications in regards to access to electricity including issues around affordability, uninterrupted supply and prepayment resale points;
- determination of the target group for the proposed prepayment meter system and customers' response to a pilot trial being conducted by UNELCO;
- requirements for specific customer agreements conditions;
- issues around safety and reliability;
- the proposed prepayment meter system's features in terms of usability and how data collection is handled;
- the proposed system's impact on customers' electricity consumption; and
- a chronological overview of submissions, events, communications and actions taken by stakeholders involved.

Submissions in response to the Authority's draft decision can be made until 17 September 2012 and can be made in person at the office of the Utilities Regulatory Authority on the ground floor of the VNPF

Building Port Vila, by regular mail to this address: Electricity Prepayment Meter System Position Paper, Utilities Regulatory Authority, PMB 9093, Port Vila VANUATU. Submissions may also be sent by email to nheschmat@ura.gov.vu or by calling on (678) 23335.

Submissions received by the Authority will be published on its website. Any confidential or commercially sensitive information should be clearly marked as such and be preferably included as a separate attachment to the public submission.

Copies of the Prepayment Meter System Draft Decision are now available to the general public from the Authority's office and on the homepage of the URA's website www.ura.gov.vu.

Enquiries can be directed to Mr. Nima Heschmat on (678) 23335.

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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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