



UNDERSTANDING YOUR ELECTRICITY BILL (UNELCO CUSTOMERS)

1. The Authority has lately been receiving queries from UNELCO Electricity customers on their electricity bill. The Authority judge that it is essential that a general statement is issued to assist the customers in reading and understanding their electricity bill.
2. This exercise falls within one of the mandates of the Authority under the URA Act which is to inform the public of matters relating to utilities (Section 12(1)(c)).
3. There are two factors to consider when receiving your bill:

(a) UNELCO's electricity tariff (price) is adjusted on a monthly basis

4. UNELCO's electricity tariff is adjusted on a monthly basis. The revisions undertaken on the electricity tariffs monthly is made to adjust the electricity tariff to accommodate for changing costs that UNELCO incurs to provide electricity, e.g., fuel cost, material costs, etc. The revised monthly electricity tariff is referred to as '**P**'. Hence, for the month of February 2022, **P** was calculated to be VT58.06Vt/kWh.
5. Monthly prices are computed by UNELCO and verified by the URA before being charged to customers.

(b) Your Customer Category and Meter Subscription with UNELCO

6. The Adjusted Price, **P** does not apply uniformly to all customers. To promote affordability, customers considered to have less buying power are subsidized by more financially capable customers and this cross subsidy mechanism is defined in the UNELCO Concession Agreement as Customer Tariff Categories.
7. The electricity tariff is applied/charged to a customer in accordance with the customer(s) subscription and the customer category/type. The customer subscription is usually determined when you first require a connection from UNELCO and thus the meter connection subscription you are being given/installed. The customer subscription determines the customer category you are under and thus the rate applied to your consumption monthly and other charges.
8. To give you an example, attached Document 1 (Doc. 1 - Sample Customer Invoice) is a typical monthly bill for February 2022. You will note circled in red the details regarding the type of customer.
9. The type of customers, for UNELCO electricity customers are: (a) Small Domestic Consumers Tariff (**PCD**), (b) Business License Holders – Low Voltage Tariff (**TUP**), (c) Sports Fields Tariff (**T**), (d) Public Lighting (**EP**), (e) Other Low Voltage Users Tariff (**TU**) and (f) High Voltage (**MT**). The detail of these types of customer categories are set out in the attached Document 2 (Doc.2 UNELCO Tariff Structure).

10. The above is known as the Tariff Structures and is defined in the Concession Contract signed between the Vanuatu Government and UNELCO.
11. For the current example (see Doc. 1 – Sample Customer Invoice) we have a Other Low Voltage Users Tariff ('TU') and the customer subscription is **3.30 kVA**.
12. Based on the type of customer category (**TU**) and the subscription policy, the monthly revised electricity price is computed to derive the price to be charge to the customer.
13. A fixed charge is also charged to the customer depending on the customer type and meter subscription measured in kilo Volt Amperes (kVA), per the attached is **3.30 kVA**.
14. So, per the tariff structure, for a **TU** customer the revised price '**P**' is multiplied by the coefficient 1.21 to get the rate per unit of electricity to charge the customer for total electricity consumed for the invoiced month, that is **1.21 x P x kWh consumption**.
15. Additionally, customers under the **TU** customer category pay a fixed charge based on their electricity meter subscription – that is the **5 x P x 3.30 kVA**. These are all detailed in the 'UNELCO Tariff Structure' (see Doc.2 UNELCO Tariff Structure) circled in [blue](#).
16. Based on invoice above for this TU customer, the customer consumption of 214 kWh, subscription of 3.30 kVA. The February 2022 revised price (adjusted tariff) is 58.06 Vt/kWh. The customer bill is therefore computed as follows (circled [green](#) in Sample Customer Invoice).
17. **Consumption Rate:** $1.21 \times 58.06 = 70.25 \text{ Vt/kWh}$ (this rate will usually slightly differ (over/under) from rate used in invoices depending on how long the last monthly revised price **P** remains effective and when the newly revised price **P** is entered into UNELCO's billing system and customers billing period e.g., in the attached sample invoice, it is 70.06 Vt/kWh.).
18. **Fixed Charge Rate:** $5 \times 58.06 = 290.30 \text{ Vt/kVA}$ (this is not affected per the above as it is a spot rate taken to computed rate per kVA when bill is computed).
19. Once the **Consumption Rate** is determined it is multiplied by the number of kWh consumed by the customer. In the current example (See Doc.1) the rate is **70.06 VT/kWh x 214 (kWh) = 14,993 VT**.
20. Similarly, the **Fixed Charge Rate** is multiplied with the customer subscription which is 3.30 kVA to get the total of fixed charged to be paid. In this example **290.30 VT/kVA x 3.30 kVA = 958 VT**.
21. Finally, adding the Consumption and Fixed Charge together will give the customer the electricity bill to be paid: **958 VT + 14,993 VT = 15,951 VT (Tax excluded)**.
22. We hope the above is of some assistance to you in understanding your electricity bill.

23. You may contact us if you require further clarification or any assistance from us in understanding your bill.

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 Port Vila; Vanuatu Utilities and Infrastructure Ltd (VUI) in Luganville, Vanuatu Government on Tanna and Malekula. In addition, the Authority assists to resolve consumer disputes and advises the Government on matters related to electricity, water and energy policies.

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