## REPUBLIQUE DE VANUATU

JOURNAL OFFICIEL



## REPUBLIC OF VANUATU

**OFFICIAL GAZETTE** 

26 JUIN 2023 NO. 35 26 JUNE 2023

#### **SONT PUBLIES LES TEXTES SUIVANTS**

#### **NOTIFICATION OF PUBLICATION**

#### **LEGAL NOTICE**

CONTENT

**PAGE** 

## UTILITIES REGULATORY AUTHORITY ACT NO. 11 OF 2007

 DETERMINATION OF MAXIMUM PRICE OF WATER FOR TEOUMA WATER SUPPLY LIMITED NOTICE NO. 28 OF 2023

1 - 29

 DETERMINATION OF MAXIMUM PRICE OF ELECTRICITY FOR LOLTONG MINI GRID, NORTH PENTECOST (AMENDMENT) NOTICE NO. 29 OF 2023

30 - 31

 DETERMINATION OF MAXIMUM PRICE OF ELECTRICITY FOR WINTUA/LORLOW ELECTRICITY COOPERATIVE SOCIETY LIMITED NOTICE NO. 30 OF 2023

32 - 54

 DETERMINATION OF MAXIMUM PRICE OF ELECTRICITY FOR THE VANUATU UTILITIES & INFRASTRUCTURE (VUI) LIMITED NOTICE NO. 31 OF 2023

55 - 68



#### UTILITIES REGULATORY AUTHORITY ACT NO.11 OF 2007

## DETERMINATION OF MAXIMUM PRICE OF ELECTRICITY FOR THE VANUATU UTILITIES & INFRASTRUCTURE (VUI) LIMITED

Notice No 3 Of 2023

In the exercise of the powers conferred upon the Authority by subsection 18(1) of the Utilities Regulatory Authority Act No.11 of 2007 (as amended), the Authority makes the following Determination.

### 1 Maximum Price of Electricity to be charged by the Vanuatu Utilities & Infrastructures Limited (VUI)

The maximum base price of electricity that the VUI is allowed to charge to its electricity customers in Santo, Vanua Lava, Ambae and Maewo is set at 52.32 Vatu/kWh. This adjustment in tariff is made because of a Government subsidy of Vatu 68,283,224 to VUI.

#### 2 Approved Customer Category Tariff Structure

The approved Customer Category Tariff Structure that VUI is to adopt is set out in the Commission Order document enclosed in this Determination and titled *Authority's Decision and Commission Order, Case U-0005-23, In the Matter of Adjusting VUI Limited's Electricity Tariff for Santo & Outer Islands Services Areas.* 

#### 3 Application of the Determined Price and Tariff Structure

The maximum price and the customer category tariff structure outlined under sections 1 and 2 are to be applied to VUI's electricity customers in Santo, Vanua Lava, Ambae and Maewo as of the next billing cycle after the Commencement Date of this Determination.

#### 4 Reneal

The Determination of Maximum Price of Electricity for the Vanuatu Utilities & Infrastructure Ltd, Notice No.165 of 2022 is repealed.

#### 5 Commencement date

This Determination commences on the date on which it is published in the Official Gazette and remain effective until 31<sup>st</sup> December 2023.

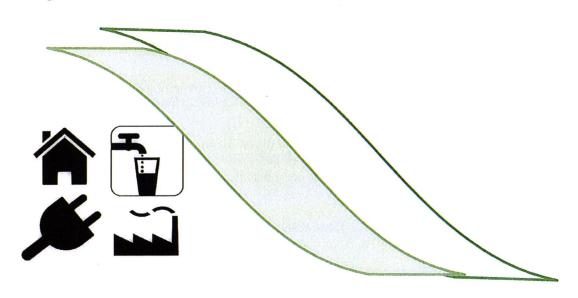


## Authority's Decision and Commission Order

#### Case U-0005-23

In the Matter of Adjusting VUI Limited's Electricity Tariff for Santo & Outer Islands Service Areas

#### May 2023



© 2023 Utilities Regulatory Authority. This publication is copyright. No part may be reproduced by any process except with the express permission of the Utilities Regulatory Authority of Vanuatu.

#### Commission Decision

In November 2021, the Utilities Regulatory Authority's Commission (the Commission) had approved a maximum electricity base tariff of 45.49 Vatu/kWh for the Vanuatu Utilities & Infrastructure Limited (VUI) to apply to its electricity customer billings for Santo only (Luganville and Port Olry).

As outlined in the Authority's Final Decision and Commission Order (Case U-0001-20) in the matter of VUI Limited's Electricity Tariff Review, the determined and issued tariff of 45.49 Vatu/kWh had included a total cost of service (for 3 years) amount of Vatu 36,783,224 for VUI's outer island service areas in Vanua Lava, Ambae and Maewo and also a reimbursement amount of Vatu 31,500,000 to VUI's Customer Security Deposits. Total amount of Vatu 68,283,224 as costs not directly related to generating and supplying electricity by VUI in Santo.

For the total amount of Vatu 68,283,224, the Authority had taken the initiative to request financial assistance from the Government through a Council of Ministers (COM) paper. The COM paper was approved, and a new policy proposal (IPP) submission was lodged by the Authority to request the Government financial subsidy for VUI Santo customers as it deemed unfair for Santo customers to be paying for VUI's outer islands cost of service and refunding Customer Security Fund money that was used to rehabilitate the electricity network in Santo due to the damages caused by tropical cycle Harold in 2019.

In March 2023, at the Vanuatu Government Parliamentary Budget Sitting, the Government subsidy amount of vatu 68,283,224 was approved. The total subsidy amount has been paid to VUI.

Following receipt of these funds by the Operator, the Authority has reconciliation VUI's costs for the outer islands and reimbursement to customer security deposits amounts that were allowed in the tariff of 45.49 Vatu/kWh and total collections VUI made during the months that VUI had applied the 45.49 Vatu/kWh tariff.

VUI had applied the 45.49 Vatu/kWh tariff in its December 2021 customer billings until the month of October 2022. In November 2022, VUI's uniform base tariff of 54.15 Vatu/kWh (as applied by VUI to all its service areas) came into effect.

Having reviewed the Authority staff's reconciliation and tariff adjustment analysis, the Commission is endorsing the revision to VUI's currently applied tariff. The new base uniform electricity tariff for VUI is 52.32 Vatu/kWh (as the adjusted tariff after Government subsidy) and the corresponding revised customer category tariffs.

VUI is ordered to start applying the revised tariff in its next billing after gazettal of this Commission Order. This new tariff is a 3.49% reduction to VUI's currently applied base uniform tariff of 54.15 Vatu/kWh.

The Commission takes this opportunity to thank the Vanuatu Government for the Government subsidy of Vatu 68,283,224 provided to lower VUI's electricity customer tariffs and we also extends our appreciation to the regulated utility (VUI) for its patience and cooperation over the years.

Mr. Paul Kaun, Chief Executive Officer (CEO) & Commissioner

Mr. John Chaniel, Chairman

Mr. Lloyd M. Fikiasi, Part-time Executive Commissioner

#### **Table of Contents**

Commission Decision
Table of Contents
1. Introduction
1.1 Purpose & Structure of this document
1.2 Legal requirements & framework4
1.3 Background
2. Methodology
3. Cost Reconciliation Analysis
3.1 Outer Island Service Area Costs
3.2 Customer Security Deposits8
3.3 Total Vatu Amount to Reconcile
4.Tariff Adjustments
4.1 Effective Period for the Adjusted Tariff
4.2 VUI's Revised Uniform Base Tariff is 52.32 Vatu/kWh
4.3 VUI's Revised Customer Category Tariffs
Notice of Grievance
List of Tables
Table 1 Case information4Table 2 Chronology of VUI electricity tariff set by the Authority since 20145Table 3 Reconciliation of Outer Island Service Area Costs7Table 4 Reconciliation of Customer Security Deposit8Table 5 Total Reconciliation Amount, in Vatu9Table 6 Base Tariff Adjustments10Table 7 Revised Customer Category Tariffs11
List of Figures  Figure 1 Implementation record of VUI base tariff of 45.49 Vatu/kWh

#### 1. Introduction

#### Table 1 Case information

Case number	U-0005-23
In the matter of	Adjusting VUI Limited's Electricity Tariff for Santo & Outer Islands Service Areas
Commencement date	8th May 2023
Date of Final Decision & Commission Order	11th May 2023

#### 1.1 Purpose & Structure of this document

In this document, it outlines the required reconciliation analysis undertaken and the adjustments made by the Authority to the Vanuatu Utilities & Infrastructure Limited's (VUI) currently applied uniform base tariff of 54.15 Vatu/kWh and the customer category tariffs, as a result of the Government subsidy of Vatu 68,283,224 paid to VUI.

This report is structured as follows:

- Section 2 outlines the Methodology undertaken in conducting the reconciliation and tariff adjustments;
- Section 3 provides the Cost Reconciliation Analysis; and
- Section 4 details the Tariff Adjustments.

#### 1.2 Legal requirements & framework

The Authority is established as the independent regulator of electricity and water services in Vanuatu and is authorized under the *Utilities Regulatory Authority Act No.11 of 2007 (as amended)* (the Act), among other matters, to:

- Ensure the provision of safe, reliable and affordable regulated services;
- · Maximize access to regulated services throughout Vanuatu; and
- · Promote the long-term interest of consumers.

Section 18 of the Act empowers the Authority to determine the maximum price a utility can apply to its customers for a regulated service(s). Accordingly, the Authority is authorized to determine the maximum tariff to be charged and such determination is effective from the date of its gazettal.

Furthermore, Section 13 of the Act provides for the general power of the Authority. Subsection 13(1) provides for the power of the Authority "to do all things that are necessary or convenient to be done for or in connection with the performance of its functions."

With consideration to the above legal framework and other provisions of the URA Act and the Law in general, the Authority conducts this tariff adjustment review exercise.

#### 1.3 Background

VUI's tariff reviews, when the utility was operating under a Memorandum of Understanding (MOU) agreement with the Vanuatu Government, were conducted and applied for a minimum tariff setting period of one year before the tariff was revised.

The scope of the tariff reviews that the Authority had conducted from the years 2014 to 2018 were limited review primarily to assess the impacts of VUI's generation and operational costs and allowing an operation and maintenance only tariff to the regulated utility.

Tabled 3 below is a summary of the Authority's tariff determinations for VUI since the year 2014.

Table 2 Chronology of VUI electricity tariff set by the Authority since 2014

URA Case number	Final Decision and Order (FDO) Tariff	FDO Issued date	Tariff control/setting period	Tariff to be applied in
U-0001-14	47.07 VT/kWh	March 2014	Year 2014	Santo
U-0001-15	40.52 VT/kWh	June 2015	Year 2015	Santo
U-0001-16	36.29 VT/kWh	January 2017	Year 2016/2017	Santo
U-0002-17	38.52 VT/kWh	September 2018	Year 2018/2019	Santo
U-0001-20	45.45 VT/kWh	November 2021	Year 2021-2023	Santo
U-002-22	54.15 VT/kWh	October 2022	Year 2023	Santo, Vanua Lava, Ambae and Maewo

Source The Authority

After the signing of VUI's Concession Deed between the Vanuatu Government and VUI on 12th June 2019, the Authority had issued a Santo only maximum base tariff of 45.49 Vatu/kWh and the corresponding customer category tariffs in November 2021. It was a three-year tariff, that is the 45.49 Vatu/kWh tariff was to be implemented for the years from 2021 to 2023. However, the duration of implementation did not eventuate.

In 2022, the Authority conducted a review of VUI's outer island service area costs with the intention of determining and issuing an outer island only tariff for VUI to charge to its customers in Vanua Lava, Ambae and Maewo.

From the Authority's tariff analysis for VUI's outer islands, results show that the simulated tariffs for the different scenarios: a uniform tariff for the outer islands and for individual island tariffs, was more than 150 Vatu/kWh. This was deemed unaffordable by the Authority, that is if such a tariff of more than 150 Vatu/kWh was issued by the Authority for VUI to implement in its outer island service areas, customers will go off-grid and the operator will have no reason to remain operating but to vacate the outer islands.

Hence, the viable option taken by the Authority was to amend the scope of the tariff review and issue a maximum uniform base tariff of 54.15 Vatu/kWh and customer category tariffs to VUI Limited to apply to all its service areas for a one year period. The details of the 54.15 Vatu/kWh tariff determination are provided in the Authority's Decision and Commission Order (Case U-002-22) of October 2022, in the matter of VUI Limited's Electricity Tariff Review-Santo & Outer Islands Service Areas.

When conducting the reconciliation analysis, the below highlighted main factors were being considered:

- The Authority's tariff setting period (meaning the intended implementation period) for the 45.49
  Vatu/kWh tariff and the correlating customer category tariff was for the years 2021 to 2023.
- Due to the delayed completion of the tariff by the Authority, the 45.49 Vatu/kWh base tariff and
  the customer category tariffs was implemented by VUI onto customers in December 2021. VUI
  continued to apply the tariff from December 2021 billings to October 2022.

60

3. In November 2022, VUI applied the gazette uniform base tariff of 54.15 Vatu/kWh and the corresponding customer category tariffs to all its customers. This tariff is intended for a one year period, however it is now adjusted following the Government subsidy amount paid to VUI by the Vanuatu Government to assist VUI to lower its electricity tariff.

Figure 1 Implementation record of VUI base tariff of 45.49 Vatu/kWh

URA Commission Approved Tariff- Santo only	45.49	Vatu/kWh		
Applied onto customer bills, starting from	Dec-21			
Duration of Tariff application	Dec-21	to	Oct-22	Total= 11 months

Source The Authority

#### 2. Methodology

The following process was undertaken by the Authority in undertaking its reconciliation analysis of the costs and making the required adjustments to revise VUI's currently applied uniform base electricity tariff of 54.15 Vatu/kWh:

- Calculate total amount to reconcile for each of the costs by accounting for the difference between total amount that was allowed through the tariff of 45.49 Vatu/kWh (considering the tariff implementation date and period) and the total Vatu amount collected by VUI from implementing the tariff.
- 2. The amount to reconcile for each of the costs (as determined in step 1) is offset/deducted from individual total Government subsidy amount, that is the total Government subsidy amount for Outer Island Service Area Costs is Vatu 36,783,224 and for Refund to Security Deposit is Vatu 31,500,000. The remaining balance from this calculation is the total amount to return to VUI customers or in other words lower VUI's currently applied tariff.
- The individual remaining total amounts (calculated in step 3) are added together to derive the total Vatu amount to reduce VUI's allowed Required Revenue amount as allowed in the 54.15 Vatu/kWh tariff.
- 4. The combined total (as determined in step 4) is divided by the total projected demand amount for VUI as issued in the 54.15 Vatu/kWh. This is a conversion from the combined total Vatu amount into a Vatu/kWh rate.
- 5. The current base tariff is then reduced by the computed Vatu/unit rate (amount from step 4).

Furthermore, the adjusted base tariff must be reflected in VUI's customer category billing determinants. A reduction is made to VUI's total required revenue (as calculated in step 3 above). The percentage reduction of the uniform base tariff amount of 3.49% is applied to VUI's current customer category tariffs. With the application of a straight-line decrease in rates, the Authority's analysis show that the operator will over-collect in revenue (more than the total revised required revenue amount), hence further reduction is made to the rates for 'Over 120 kWh' consumption in Low Voltage customer category and the consumption/variable rate for High Voltage customer category. These are outlined in section 4 of this report.

#### 3. Cost Reconciliation Analysis

The two components that were factored into VUI's 45.49 Vatu/kWh tariff for which the Vanuatu Government has provided Government subsidy for are: Outer Island Service Area Costs and Customer Security Deposits.

The total Government subsidy amount paid to VUI is Vatu 68,283,244. The Authority's reconciliation analysis for each of the costs components is detailed in the following subsections.

#### 3.1 Outer Island Service Area Costs

The Authority had allowed a total cost amount of Vatu 36,783,225 for outer island service area costs in the 45.49 Vatu/kWh tariff for the years 2021 to 2023. The 45.49 Vatu/kWh tariff was implemented by VUI in December 2021 billings until October 2022 (11 months in total).

For the 11 months that VUI had implemented the 45.49 Vatu/kWh tariff, from the Authority's analysis VUI should have recovered a total amount of Vatu 11,236,500. In obtaining this obtain, the Authority has pro-rated the allowed Vatu 12,258,000 in the tariff (year 2022) for the 11 months period of tariff implementation. A difference of Vatu 1,021,500 is reconciled as not collected by VUI and is allowed to VUI for the year 2022.

As previously mentioned, for the years 2021 and 2023, the annual allowed amounts of Vatu 12,000,000 and Vatu 12,525,225 respectively are allowed to VUI since the 45.49 Vatu/kWh tariff was never implemented by the operator.

Table 3 Reconciliation of Outer Island Service Area Costs

Outer Island Service Area Costs	2021	2022	2023	Total
URA Commission Approved Tariff 45.49 Vatu/kWh				
Total Allowed in Tariff, Vatu - Government Subsidy	12,000,000	12,258,000	12,525,225	36,783,225
Total VVI Collected through application of Tariff, Vatu	0	11,236,500	0	
Difference to Reconcile- Allow to VUI, Vatu	12,000,000	1,021,500	12,525,225	25,546,725

Note: URA Tariff 54.15 Vatu/kWh-Government subsidised Tariff (ie. Vatu 12,000,000 not included)

Reconciliation	Total	Comment
Actual Government total subsidy amount Paid to VUI, Vatu	36,783,224	
Less: Difference to Reconcile (allowed to VUI), Vatu	25,546,725	
Total to reimburse VUI Customers for Outer Service Costs, Vatu	11,236,499	Total to reimburse VUI Customers in tariff adjustment

#### Source The Authority

As tabled above, of the Government subsidy amount of Vatu 36,783,224 for Outer Island Service Area Costs, the Authority is reconciling (as tabled above) a total reconciliation amount of Vatu 25,546,725. That is Vatu 12,000,000 for the year 2021, Vatu 1,021,500 for the year 2022 and Vatu 12,525,225 for the year 2023.

The Government subsidy of Vatu 36,783,224 is drawn down by the Vatu 25,546,725 therefore, total amount to reimburse to VUI Customers through a tariff adjustment is Vatu 11,236,499. That is the total amount VUI has already collected in 2022.

#### 3.2 Customer Security Deposits

After the devastating impacts of Tropical Cyclone Harold in Santo in 2019, approval was provided to VUI to use Customer Security Deposit money to rehabilitate the electricity network in Santo. The total customer funds that were utilized by VUI, recorded, and submitted to the Authority was Vatu 31,500,000.

In the 45.49 Vatu/kWh tariff, a rate of 0.89 Vatu/kWh for Customer Security Deposit was included with the notion that for one kWh sold by VUI limited during the tariff setting period from 2021 to 2023, 0.89 Vatu is to be collected for each unit of power sold from customers as refund to Customer Security Deposit. Therefore, by applying the mentioned rate, the total Vatu expected to be collected from VUI customers to reimburse Customer Security Deposit is dependent on total kWh sold by VUI each year.

Table 4 Reconciliation of Customer Security Deposit

Security Deposit Refund	2021	2022	2023	Total
URA Commission Approved Tariff 45.49 Vatu/kWh				
Total Allowed rate in Tariff, Vatu/kWh	0.89	0.89	0.89	The state of the s
Total Security Deposit Recovery per year assumed in Tariff, Vatu	9,740,291	10,484,493	11,275,217	31,500,001
Estimated demand forecasted	10,991,839	11,831,664	12,723,990	
Amount collected from Customers through applied tariff of 45.49 Vatu/kWh	2022			
VUI's Actual Demand for 11 months- Santo and Port Olry, kWh	10,067,514			
Security Deposit allowed rate, Vatu/kWh	0.89			
Total Vatu Collected by VUI from customers, application of tariff 45.49 Vatu/kWh	8,960,088			
Difference to Reconcile- Allow to VUI (VUI has undercollected), Vatu	1,524,405			
Not collected due to non-application of tariff in 2021 and change in tariff in 2023	2021	2023	Total	
Estimated demand forecast, kWh	10,991,839	12,723,990		
Total Allowed rate in Tariff, Vatu/kWh	0.89	0.89		
Total Deposit to be collected in Tariff 45.49 Vatu/kWh	9,782,737	11,324,351	21,107,088	
Reconciliation	Total			
Actual Government total subsidy amount Paid to VUI, Vatu	31,500,000			
Less: Total to reimburse VUI to total amount not recovered through the tariff	22,631,493			
Remaining Government subsidy amount to reimburse to VUI Customers, vatu	8,868,507			

#### Source The Authority

As previously mentioned, the tariff of 45.49 Vatu/kWh was only applied by VUI for only 11 months, that is from December 2021 to October 2022. VUI's actual total demand for Santo is 10, 982,743 kWh in 2022. The kWh amount is pro-rated to 11 months. A total 10,067,514 kWh is then multiplied by the rate of 0.89 Vatu/kWh to equate to Vatu 8,960,088. That is the amount of Vatu to have been collected by VUI in 2022 from its Santo electricity customers as reimbursement to Customer Security Deposit.

Utilities Regulatory Authority- U-0005-23, Decision and Commission Order, May 2023
Page 8 of 13

However, the total amount of Vatu projected in the 45.49 Vatu/kWh tariff to be collected by VUI in 2022 is Vatu 10,484,493. Therefore, there is a shortfall in collection by VUI in the year 2022 by Vatu 1,524,405 which is allowed to VUI in the reconciliation.

As tabled above, for the years 2021 and 2023, the allowed rate of 0.89 Vatu/kWh was not applied to VUI Santo customer bills due to delay in tariff implementation of the 45.49 Vatu/kWh in 2021 and the change in VUI's base tariff in November 2022. The uniform base tariff of 54.15 Vatu that was issued in November 2022 does not include reimbursement to Customer Security Deposits. Therefore, total amount of Vatu 21,107,088 (that is Vatu 9,782,373 for 2021 and Vatu 11,324,351 for 2023) is allowed to VUI. As shown, the Authority has multiplied total demand (kWh) for each of the years by the 0.89 vatu/kWh rate.

In combining the uncollected amounts in 2021 and 2023 of Vatu 21,107,088 and Vatu 1,524,405, total figure that is offset by the Vatu 31,500,000 (Government subsidy for Customer Security Deposit) is Vatu 22,631,493. The remaining balance of Vatu 8,868,507 is the total reimbursement amount to VUI customers.

#### 3.3 Total Vatu Amount to Reconcile

From the reconciliation calculations in subsection 3.2, the total amount to reconcile is Vatu 20,105,006.

Table 5 Total Reconciliation Amount, in Vatu

Total Vatu Reconciled to Lower VUI base Tariff	Total
Total to reimburse VUI Santo Customers for Outer Service Costs, Vatu	11,236,499
Total to reimburse VUI Santo Customers for Security Deposit, Vatu	8,868,507
Total to reduce VUI's Required Revenue of 583,502,890, Vatu	20,105,006

Source The Authority

As tabled, Vatu 11,236,499 is the recovered amount by VUI in 2022 for Outer Islands Service Area Costs and Vatu 8,868,507 is the collected amount from Customers for Customer Security Deposits in the same year.

#### 4. Tariff Adjustments

#### 4.1 Effective Period for the Adjusted Tariff

For avoidance of doubt, the effective period for VUI's adjusted uniform base tariff and the implementation of the revised Customer Category Tariffs as outlined in this document is from the gazettal date of this Commission Order to December 2023, depending on the completion and gazettal of VUI's next tariff review.

The Authority will conduct a full tariff review for VUI in the second semester of this year with plans to have it completed by October 2023.

#### 4.2 VUI's Revised Uniform Base Tariff is 52.32 Vatu/kWh

A unit rate of 1.83 Vatu/kWh is the Government subsidy amount that offsets/reduces VUI's currently applied tariff of 54.15 Vatu/kWh by. Therefore, VUI's revised uniform base tariff is 52.32 Vatu/kWh. This is a 3.49% reduction to the current base tariff.

#### Table 6 Base Tariff Adjustments

Total Vatu Reconciled to Lower VUI base Tariff	Total
Total to reimburse VUI Santo Customers for Outer Service Costs, Vatu	11,236,499
Total to reimburse VUI Santo Customers for Security Deposit, Vatu	8,868,507
Total to reduce VUI's Required Revenue of 583,502,890, Vatu	20,105,006
Total Demand (Santo and Outer islands) Forecasted in 54.15 Vatu/kWh, kWh	11,013,297
Amount to adjust VUI's base tariff by (due to Government subsidy) , Vatu/kWh	1.83

Adjustments to VUI's current base tariff	
Current base tariff, Vatu/kWh	54.15
Less: Amount of Government subsidy received, Vatu/kWh	1.83
Revised VUI base tariff for Santo and Outer Island Service Areas, Vatu/kWh	52.32

VUI's currently applied tariff (as approved by URA in November 2022)	54.15	Vatu/kWh
VUI's revised base tariff, new	52.32	Vatu/kWh
Change in base tariff	-3.49%	

Source The Authority

#### 4.3 VUI's Revised Customer Category Tariffs

With the revised uniform base tariff of 52.32 Vatu/kWh, the new customer charges to be applied by VUI to the customer categories are as follows:

**Table 7** Revised Customer Category Tariffs

VUI Customer Categories	Charges	Unit	Currently Applied Tariff (Vatu/kWh)	New Tariff (Vatu/kWh)	New Billing Coefficients (for 30 days billing period)	% change	
	Unit Charge per kWh						
Low Voltage	Up to 60 kWh	Vatu/kWh	37.50	36.19	0.69	-3.61%	
	61-120 kWh	Vatu/kWh	53.00	51.15	0.98	-3.61%	
	Over 120 kWh	Vatu/kWh	95.00	71.00	1.36	-33.80%	
	Unit Charge per kWh	Vatu/kWh	70.00	65,00	1.24	-7.69%	
High Voltage		Vatu per kVA	1,216	1,216			

Source: The Authority

As outlined in the above table, the Authority has reduced the Customer Category Tariffs for both Low Voltage and High Voltage with significant tariff reduction in customer tariff for the Low Voltage consumption tranche of 'Over 120 kWh'.

For VUI's electricity customers in the Low Voltage customer category:

- 1. 0 up to 60 kWh sold, the new tariff is 36.19 Vatu/kWh;
  - a. A reduction of 3.61% from 37.50 Vatu/kWh of 3.61%.
- 2. from 61 to 120 kWh sold, a charge of 51.15 Vatu/kWh shall apply; and
  - a. A reduction of 3.61% from 53.00 Vatu/kWh.
- 3. for more than 120 kWh, a customer charge of 71.00 Vatu/kWh shall apply.
  - a. A reduction of 33.80% from 95.00 Vatu/kWh

For VUI's High Voltage customers, a consumption rate of 65 Vatu/kWh shall be applied. This is a 7.69% reduction on the current customer tariff of 70 Vatu/kWh. The monthly fixed charge rate of 1,216 Vatu/kVA remains.

In VUI's next tariff review, the Authority will review VUI's customer categories and may implement changes to customer category classifications and billing determinants.

#### Notice of Grievance

If the utility or any affected person is aggrieved by the Authority's Final Decision and Commission Order, it may request the Authority to reconsider the decision on issues aggrieved upon. A Notice of Grievance must be submitted within 30 days of the Order's gazettal.

The Notice of Grievance submission should contain:

- · The issue or issues being contested
- A detailed description of any facts or matters supporting the grievance
- · Copies of any documents supporting the grievance
- · A detailed description of any alleged error of law or fact
- A detailed description of any relevant change in facts or circumstances since the Authorities Final Decision.

A Notice of Grievance can be addressed to:

Mr. Paul Kaun Chief Executive Officer Utilities Regulatory Authority

The Notice may be:

 Delivered in person to the URA Main Office in Port Vila or URA North Branch in Luganville at the following addresses:

# Port Vila Head Office: Utilities Regulatory Authority (URA) VNPF Compound Corner of Pierre Lamy & Andre Ballande Street Port Vila, Efate Vanuatu North Branch Office: Utilities Regulatory Authority (URA) VNPF Building (Top floor) Boulevard Higginson Street Luganville, Santo Vanuatu

- Mailed to:
   Case U-0005-23
   Utilities Regulatory Authority
   P.M.B 9093
   Port Vila
   Vanuatu
- Or Email to:
   Ms. Belinda Reuben
   Manager Corporate, URA
   breuben@ura.gov.vu

If the Authority receives a timely Notice of Grievance, it will conduct a review in accordance with Section 27 of the URA Act. If upon review the Authority determines that the grievance is justified, then it shall revoke, amend or vary the decision on the matter complained of.

The URA office can be contacted by telephone at +678 23335.

#### Utilities Regulatory Authority

PMB 9093, Corner Pierre Lamy & Andre Ballande Street | Port Vila, Vanuatu

Tel: (678) 23335 | Website: www.ura.gov.vu

Utilities Regulatory Authority- U-0005-23, Decision and Commission Order, May 2023 Page 13 of 13