



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

**MONTHLY ADJUSTED PRICE OF ELECTRICITY FOR VANUATU
POWER AND WATER AUTHORITY CONCESSION FOR MARCH
2026**

Notice No. of 2026

In the exercise of the powers conferred upon the Authority by subsection 13(1) and section 18 of the Utilities Regulatory Authority Act No.11 of 2007 (as amended), the Authority makes the following approval of VANPAWA's monthly adjusted electricity price for the concession of Malekula and Tanna.

- 1 Monthly Adjusted Price of Electricity to be charged by VANPAWA.**
The Authority approves VANPAWA's monthly adjusted electricity price of 68.91 Vatu/kWh to be charged to electricity consumers of the Malekula and Tanna electricity concessions.
- 2 Revised Monthly Tariff Adjustment Formula and Parameters**
The revised monthly tariff adjustment formula and parameters was approved by the URA commission on 6th November 2025 and used to adjust the price, as submitted to the Authority by VANPAWA, are set out in the schedule.
- 3 Application of the Monthly Adjusted Price**
The monthly adjusted price applies to electricity customers of the concessions of Malekula and Tanna for the month of March 2026
- 4 Commencement date**
This Determination comes into force on 04th March 2026.

Made at Port Vila this 04th day of March 2026.



SCHEDULE

The Monthly Electricity Price Adjustment Formula is set out below:

$$P = P_0 \times \left(0.43 \times \left(\frac{G}{G_0} \right) \times \left(\frac{N}{N_0} \right) + 0.57 \right) + PPA + x$$

Where:

P0	Base Tariff
P	Adjusted Tariff (Monthly)
G	is the variable that calculates the evolution of the weighted unit cost of diesel and lubricant oil
N	is average proportion of power generated from thermal generation (diesel and copra oil) and is calculated as a ratio of thermal generation in overall generation.
PPA	is the total amount of power purchase invoices accrued in the prior month, expressed in Vatu.
X	is the variable to account for any over/under recovery by VANPAWA due to delay in the implementation of the amendments to Case U-0001-25.
P0	64.29 Vatu/kWh
G0	124.62
N0	0.76

Calculations of G, N and PPA are outlined in Table below.

G	$G = 0.996 \times G_{TM} + 0.004 \times LO_{TM}$
	G_{TM} is the weighted average cost of diesel fuel, delivered to the Tanna and Malekula power stations. It is calculated by computing the total amount of accrued diesel invoices for the preceding 2 months over the number of respective liters purchased.
	LO_{TM} is the weighted average cost of Lubricant Oil delivered to the Tanna and Malekula power stations. It is calculated by computing the total amount of accrued Lubricant Oil invoices for the preceding 2 months over the number of respective liters purchased.
N	$N = \frac{kWh_{TTM}}{kWh_{TTM} + kWh_{RTM}}$
	kWh_{TTM} is the total number of kilowatt-hours produced by VANPAWA thermal generation power plants on Tanna and Malekula, expressed in kilowatt-hour generated. It is calculated and updated once a month based on the sum of the trailing twelve months. The trailing twelve months are counted from (and including) the 2 months preceding the tariff adjustment.
	kWh_{RTM} is the total number of kilowatt-hours produced by VANPAWA renewable generation power plants on Tanna and Malekula, expressed in kilowatt-hour generated. It is calculated and updated once a month based on the sum of the trailing twelve months. The trailing twelve months are counted from (and including) the 2 months preceding the tariff adjustment. Note that it does not include power purchased from IPP.
PPA	$PPA = \frac{PPA_T + PPA_M}{V}$
	PPA_T is the power purchased from any IPP on Tanna for the preceding 2 months from the tariff adjustment.
	PPA_M is the power purchased from any IPP on Malekula for the preceding 2 months from the tariff adjustment.
	V is the trailing twelve months demand beginning from the preceding 2 months computed as the sales revenue divided by the adjusted price (P) for the respective month.
X	$X = \frac{\alpha}{V}$

	α is the under/over collected amount computed as the VT/kWh difference between the actual tariff implemented and the effective tariff. This amount is multiplied by the demand in P for the relevant period to arrive at the under/over collected amount. The Authority will determine the months for recovery based on the under/over collected amount to ensure affordability.
	V is the trailing twelve months demand beginning from the preceding 2 months computed as the sales revenue divided by the adjusted price (P) for the respective month.

The computed monthly electricity price effective for the month of March 2026 is **68.91 Vatu/kWh.**