



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

**MONTHLY ADJUSTED PRICE OF ELECTRICITY FOR VANUATU UTILITIES
AND INFRASTRUCTURE LIMITED FOR JANUARY 2026**

Notice No. of 2025

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 VUI Ltd's monthly adjusted electricity price for the concession of Santo, Ambae, Maewo, and Vanua Lava.

1 Monthly Adjusted Price of Electricity to be charged by VUI.

- (1) The Authority approves VUI Ltd's monthly adjusted price of electricity of **55.89Vatu/kWh** to be charged to electricity consumers of the Santo, Ambae, Maewo and Vanua Lava electricity concessions.
- (2) To avoid doubt, the tariff for the following as determined under Notice No.9 of 2024 remains unchanged:
 - (a) Consumption charge for Force Majeure;
 - (b) Consumption charge for NGEF;
 - (c) Solar Connection Charge.

3 Revised Monthly Tariff Adjustment Formula and Parameters

The revised monthly tariff adjustment formula and parameters was approved by the URA commission on 3rd July 2024 and used to adjust the price, as submitted to the Authority by VUI, are set out in the schedule.

4 Application of the Monthly Adjusted Price

The monthly adjusted price applies to electricity customers of the concessions of Santo, Ambae, Maewo, and Vanua Lava for the month of December 2025.

5 Commencement date

This Determination comes into force on 17th of December 2025.

Made at Port Vila this 17 day of December 2025.



The Monthly Electricity Price Adjustment Formula is set out below:

$$P_M = P_0 \times \left(0.26 \times \left(\frac{D_1}{D_0} \times \frac{R_1}{R_0} \right) + 0.16 \times \frac{CAPEX_1}{CAPEX_0} + \left[0.36 + 0.22 \times \left(\frac{CPI_1}{CPI_0} \times X \right) \right] \times V \right) + PPA$$

Where:

Parameter	Description of Parameter	Frequency of Adjustment
P_0	This is the base price set at 60.75 Vt/kWh	N/A
D_0	This is the weighted average cost of diesel oil per liter for VUI's concessions (except Maewo) set for the tariff period at 125.68 (2.d.p.)	N/A
D_1	This is the weighted average cost of diesel oil per liter for the prior month for VUI's concessions (except Maewo) computed as follows ¹ . $D_1 = \frac{D_{Luganville} + D_{Vanua Lava} + D_{Ambae}}{P_{Luganville} + P_{Vanua Lava} + P_{Ambae}}$ Whereby: <ul style="list-style-type: none"> • D is the diesel cost (price per liter multiplied by quantity of litres used). • P is the liters used in generation. 	Monthly
R_0	This is the portion of diesel oil output in the generation mix for VUI's concessions (except Maewo). This is set for the tariff period at 0.34 (2.d.p.)	N/A
R_1	This is the portion of diesel oil output in the generation mix for the prior month divided by the averaged total output over the trailing 12 months over VUI's concessions (except Maewo) computed as follows: $R = \frac{Diesel Generation_{m-1}}{Total Generation_{m12}}$ Whereby: <ul style="list-style-type: none"> • Diesel Generation is the kWh output utilizing diesel for the month prior. • Total Generation is the kWh output utilizing all generating sources averaged over the trailing 12 months. 	Monthly
CPI_0	This is the Consumer Price Index for Luganville set at 153.3 (2.d.p.)	N/A
CPI_1	This is the most recent Consumer Price Index published for Luganville by the Vanuatu National Statistics Office.	Annually
X	This is a weighting applied to the CPI adjustment. The weighting is determined by the Authority on VUI's performance based on SAIDI and SAIFI indicators identified by the Authority.	Annually
$CAPEX_0$	This is the cost of investment for VUI's concessions which include recovery of and on investments set at 113,712,679.	Annually
$CAPEX_1$	This is the cost of investment for VUI's concessions for the prior year. This is computed as followings: $CAPEX_1 = DEP_{n-1} + (NBV_{n-1} + DEP_{n-1} + WC_{n-1} - ZCC_{n-1}) \times RoR$ Whereby: <ul style="list-style-type: none"> • DEP_{n-1} is depreciation expense for VUI's investment in the prior year. • NBV_{n-1} is net book value for VUI's investments in the prior year. • WC_{n-1} is VUI's working capital is 10.81% of sales revenue for the prior year. 	Annually

¹ The cost of diesel index may be updated to include Maewo concession area should at any point in time when installed hydro capacity is unable to meet demand and there is reliance on diesel oil to meet this excess demand.

	<ul style="list-style-type: none"> • ZCC_{n-1} is VUI's zero cost capital identified as severance provision balance for the prior year. • RoR is VUI's reasonable rate of return set at 8.4%. 	
V	<p>This is the partial limited decoupling for VUI. This is computed as follows:</p> $V = 1 + V_A$ <p>Whereby:</p> <ul style="list-style-type: none"> • V_A is the demand in P percentage change for the prior year of more than +/- 2% band on a verage forecasted demand in P set at 11,466,207. Annual demand P is the summation of sales and demand revenue for the year divided by the weighted average monthly adjusted base price for the year. 	Annually
PPA	<p>This is VUI's cost of IPP/PPAs approved by the Authority. This is computed as follows:</p> $PPA = \frac{PPA\ Cost_{m-1}}{Sales\ Revenue_{m3}}$ <p>Whereby:</p> <ul style="list-style-type: none"> • PPA Cost is VUI's cost of purchased power from IPP/PPAs for the prior month. • Sales revenue is VUI's average sales revenue for the prior three months. 	Monthly

Applying the current indexes into the monthly electricity price adjustment formula as set-out above, the computed monthly electricity price effective for the month of January 2026 is **55.89 Vatu/kWh**.