

## **ORDER OF THE REGULATOR No.2018/E66**

### **Multi Year Tariff (MYT) 2018-2021**

#### **Statutory Obligations**

Sub-section 19 (1) of the Electricity Act 2010 (“the Act”) requires the Regulator to set all tariffs charged by a licensee. The Electric Power Corporation (“EPC”) submitted a proposal to the Office of the Regulator on the 18th May 2018 seeking approval in pursuant to Part IV Sections 19 and 20 of the Electricity Act 2010 (“the Act”) for new electricity tariffs and some changes in tariff structure. The proposal involves changes to the calculation of electricity tariffs for the Multi Year Tariff Financial Years (FY) 2018/2019-2020/2021. This includes reviewing some aspects of the Usage charge component and Generation costs as well as its proposed Revenue Requirement.

#### **Findings**

The Review and the findings are based on the evidence attained by the Regulator from EPC and through consultations with stakeholders who took the opportunity to provide valuable input and information.

In light of the findings and considerations in the Determination, the Regulator makes the following Order for the regulated MYT 2018/2019- 2020/2021.

#### **Order #1: Tariff Structure**

1. Current tariff classes for Domestic consumers are retained for the period of the MYT 2018-2021 as follows;
  - Cash power two-tiers [1-100kWh/month] and [101+ kWh/month]
  - Induction all kWh in **one flat rate**
  
2. Non- Domestic consumers as follows;
  - Cash power all kWh in **one flat rate**
  - Induction all kWh in **one flat rate**

#### **Order# 2: Electricity Tariff rates**

The following tariffs apply **from 1<sup>st</sup> November 2018**

**To be effective from 1 November 2018**

<b>DOMESTIC</b>	<b>Debt charge</b>	<b>Usage Charge</b>	<b>Energy Charge</b>	<b>Total Tariff</b>
<b>Induction Meters</b>	<b>sene/kWh</b>	<b>sene/kWh</b>	<b>sene/kWh</b>	<b>sene/kWh</b>
All kWh	0.07	0.26	0.39	<b>0.72</b>
<b>Cash Power Meters</b>				
1 to 100 kwh	0.07	0.12	0.39	<b>0.58</b>
101 kwh and over	0.07	0.26	0.39	<b>0.72</b>
<b>NON DOMESTIC</b>				
<b>Induction Meters</b>				
All kWh	0.07	0.31	0.39	<b>0.77</b>
<b>Cash Power Meters</b>				
All kWh	0.07	0.26	0.39	<b>0.72</b>

The energy charge shall be monitored by the Office of the Regulator on a monthly basis using this formula :***{[total cost of fuel and lube oil to generate electricity] + [total invoice from IPP paid by EPC for feed in power]}/{ total kWh electricity sold to consumers that month}***.

However it is subject to quarterly review when it deviates by more or less than 10% from approved rate and EPC to propose to Regulator for approval.

For first 100 largest Non-Domestic induction consumers only, they will be charged the new fixed daily charge discounted based on their consumption as follows:

**Daily fixed charge for 100 largest consumers**

<b>Proportion discount</b>	<b>Daily Fixed Charge</b>	<b>Energy Charge</b>	<b>Debt Charge</b>	<b>Usage Charge</b>
75%	1,520	0.390	0.020	0.080
75%	1,140	0.390	0.020	0.080
75%	840	0.390	0.020	0.080
50%	380	0.390	0.040	0.160
50%	240	0.390	0.040	0.160
50%	130	0.390	0.040	0.160

**Order #3: Service Standards**

1. Submit to the Office of the Regulator on a quarterly basis its performance report against its Key Performance Indicators.

2. Include in this report measures EPC is taking to improve its quality of service, considering the key issues raised by consumers in consultations i.e. increase in number of cash power outlets in rural areas
3. EPC to make available \$5 cash power for purchasing by consumers from its cash power outlets

## **Order# 4: Power System Expansion Plan (PSEP)**

1. Prioritise filing the Power System Expansion Plan as required under Section 27 of the Electricity Industry Act 2010 for this MYT.
2. Indicate the electricity network services licensee's plan for the next 5 years, describing capital expenditures for proposed network expansion or rehabilitation as well as new power supply requirement
3. The PSEP incorporates at a minimum all new renewable energy and any new generation added through the Power Sector Expansion Project and Rehabilitation projects. File a power system expansion plan for the Regulator's approval prior to submitting any Power Purchase Agreements for the approval of the Regulator

### **Duration of the Order**

This Order shall expire on the earlier of:

- a) The Regulator revoking this Order; or
- b) The making of a new Order by the Regulator in relation to the matters addressed herein.

### **Effective date of this Order:**

In accordance with section 20(5) of the Act, the Electric Power Corporation shall not charge the above mentioned rates until such time when the Electric Power Corporation has notified consumers of the new tariffs. The Regulator will allow the Electric Power Corporation fifteen (15) calendar days to notify the public of the change.

This order is effective from the **1<sup>st</sup> November 2018**

Date of the Order: 20 September 2018



Lefaoali'i Unutoa Auelua Fonoti

**REGULATOR**