

ORDER OF THE REGULATOR No.2021/E82

Approval of Tariffs

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 (“OOTR”) on the 13th October 2021 seeking approval in pursuant to Part IV Sections 19 and 20 of the Electricity Act 2010 (“the Act”) for further reduction in electricity tariffs for domestic prepaid consumers to align with the initiative of the Government of affordable electricity for Samoa households.

Findings

The Review and the findings are based on the data, information and documents attained by the Regulator from EPC.

Budget Assumptions;

1. Demand Growth of two percent (2%)
2. System Loss of 10%
3. The gradual increase in oil prices will continue during the financial year.
4. Social and Economic Impact of Pandemic continues
5. VAGST status to be maintained at Zero rated
6. Update Generation Mix in consideration of actuals for first 3 months of financial year
7. Total Production 174,235,024 kWh
8. Sales Production 156,811,522 kWh

Factors to be considered;

➤ **20% reduction to apply for Domestic Prepaid Consumers only**

- With intermittent reductions on a quarterly basis
- Domestic Consumers with monthly consumptions of 50 units and less to be entitled to a rebate
- Total tariff to be readjusted to take into account forecasted Energy Charge
- Electricity Network License Fees to be maintained at \$200k
- Ministry of Finance to waive interests for Power Sector Expansion Project loan repayments for duration of tariff reduction (FY2021/2022).

- Ministry of Public Enterprise to consider moving EPC from Public Trading Body to Public Beneficial Body – no requirement to make profits and pay dividends but still requires it to be efficient.
- VAGST status to be maintained at Zero rated

Order# 1: Application of change in tariff rates

Application of tariff reduction for Domestic Prepaid Consumers Only;

- The 2 tier Structure (1-50kWh), (51kWh and above) for Domestic Prepaid Consumers is removed, same tariff for all units (kWh)
- There is no debt charge for Domestic Prepaid consumers only for the remaining months of the FY2021/2022.
- Only Domestic Consumers with monthly consumptions of 50 units and less to be entitled to a rebate, any discrepancy is credited to account at end of each month.
- EPC to provide monthly report to OOTR for their monitoring to ensure payment of rebates to the domestic consumers below 50units consumption.
- The Energy Charge (EC) of \$0.52sene was determined by Regulator based on actual fuel and Independent Power Producers (IPPs) costs for the month of September 2021.
- The Usage Charge adjustments shall not exceed \$0.26sene
- Total Tariff for the quarter to be maintained, so based on actual Energy Charge, the Usage Charge to be adjusted accordingly (table 1).

Table 1

DOMESTIC	Debt charge	Usage Charge	Energy Charge	Total Tariff
Prepaid Meters All kWh	sene/kWh	sene/kWh	sene/kWh	sene/kWh
2 nd Quarter – Nov 2021	0.00	0.21	0.52	0.73
3 rd Quarter – Jan 2022	0.00	0.18	0.50	0.68
4 th Quarter – Apr 2022	0.00	0.09	0.54	0.63

Order# 2: Electricity Tariff rates

The following tariffs apply from 1st November 2021

Table 2

DOMESTIC	Debt charge	Usage Charge	Energy Charge	Total Tariff
	sene/kWh	sene/kWh	sene/kWh	sene/kWh
Induction Meters				
All kWh	0.07	0.26	0.52	0.85
Cash Power Meters				
All kWh	-	0.21	0.52	0.73
NON-DOMESTIC				
Induction Meters				
All kWh	0.07	0.31	0.52	0.90
Cash Power Meters				
All kWh	0.07	0.26	0.52	0.85

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

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

Daily fixed charge for 100 largest consumers

Fixed Rate Range	Proportion discount	Daily Fixed Charge	Energy Charge	Debt Charge	Usage Charge
FR1	75%	1,520	0.520	0.020	0.080
FR2	75%	1,140	0.520	0.020	0.080
FR3	75%	840	0.520	0.020	0.080
FR4	50%	380	0.520	0.040	0.160
FR5	50%	240	0.520	0.040	0.160
FR6	50%	130	0.520	0.040	0.160

Cost-reflective tariffs for customers with self-generation

Customer group	Daily Fixed Charge	Energy Charge	Debt Charge	Usage Charge
DM-C	1.4	0.52	0.00	0.00
DM-I	1.7	0.52	0.00	0.00
ND-C	6.00	0.52	0.00	0.00
ND-I	9.10	0.52	0.00	0.00
FR1	1,520	0.52	0.02	0.08
FR2	1,140	0.52	0.02	0.08
FR3	840	0.52	0.02	0.08
FR4	380	0.52	0.04	0.16
FR5	240	0.52	0.04	0.16
FR6	130	0.52	0.04	0.16

Duration of the Order

This Order shall expire on the earlier of:

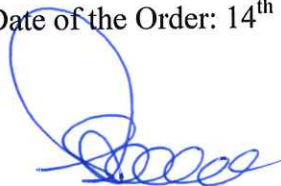
- a) The Regulator revoking this Order; or
- b) The making of a new Order by the Regulator in relation to the matters addressed herein.

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 on the 1st November 2021

Date of the Order: 14th October 2021



Lematua Gisa Fuatai Purcell
REGULATOR