

**ORDER OF THE REGULATOR No.2017/E54**

**Multi Year Tariff (MYT) Annual Review and Electric Power Corporation (“EPC”)  
Proposal 2017**

**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”) filed an application with the Regulator on 7<sup>th</sup> June 2017 for a multi-year tariff (MYT) Annual Review that requested changes to electricity tariff rates and its rate structure.

In its application, EPC proposed a reduction of \$0.03 sene/kWh for the debt charge. For the usage charge, EPC proposed the introduction of a lower lifeline tariff rate for Domestic Cash power and Induction users with electricity consumption below 50kWh/month. EPC, however, proposed significant increases in the usage charge for all other users with consumption above 50kWh.

The impact of EPC’s proposed lifeline rate would be to change the existing tariff structure for Domestic Cash power consumers from its current two-tier structure range of [1-100kWh] & [101+] to a two-tier structure of [1-50kWh] & [>50kWh]. Domestic Induction consumers would move from the current flat rate tariff to the same two-tier structure as proposed for Domestic Cash power consumers.

**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 Financial Year 2017/2018.

**Order #1: Tariff Structure**

1. Current tariff classes for Domestic consumers are retained 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> December 2017**

**To be effective from 1  
December 2017**

<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	0.48	<b>0.81</b>
<b>Cash Power Meters</b>				
1 to 100 kwh	0.07	0.12	0.48	<b>0.67</b>
101 kwh and over	0.07	0.26	0.48	<b>0.81</b>
<b>NON DOMESTIC</b>				
<b>Induction Meters</b>				
All kWh	0.07	0.36	0.48	<b>0.91</b>
<b>Cash Power Meters</b>				
All kWh	0.07	0.26	0.48	<b>0.81</b>

The energy charge is subject to review and approval by the Regulator on a monthly basis.

## **Order #3: Service Standards**

1. Submit to the Office of the Regulator on a quarterly basis its performance against its Key Performance Indicators.
2. Include in this report measures EPC is taking to improve its quality of service, considering but not limited to: increases in the number of outlets for cash power sales, availability of \$10 scratch cards, free call code for scratch cards)
3. Within two weeks of the end of the period, submit to the Regulator the first report on the first quarter July-September 2017.

## **Order #4: Multi- Year Tariff filing for 2018-2021**

1. Undertake a comprehensive review of expenditures to determine what a reasonable efficient utility should be able to recover through a regulated tariff, with a multi-year tariff filing for 2018-2021.
2. Propose appropriate capital provision.
3. Propose incentives when customers pay their electricity bills in advance.

4. Submit a complete tariff filing with the Regulator five (5) months before the end of current financial year. As such, EPC must file its Multi-Year tariff application by **31<sup>st</sup> January 2018**.

#### **Order# 5: Power System Expansion Plan**

1. File with its Multi-Year tariff case, a power system expansion plan as required under Section 27 of the Electricity Act 2010 that incorporates at a minimum all new renewable energy and any new generation added through the Power Sector Expansion Project and Rehabilitation projects.
2. 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> December 2017

Date of the Order: 10<sup>th</sup> November 2017



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Lefaoali'i Unutoa Auelua Fonoti  
**REGULATOR**