

ELECTRICITY ACT

(Cap. 128)

TARIFFS

I, Hon. Bradley Tovosia, Minister for Mines, Energy and Rural Electrification, and I, Hon. Harry Kuma, Minister for Finance and Treasury, under section 21 of the *Electricity Act* (Cap. 128) and with reference to section 26 of the *State Owned Enterprises Act 2007* (Act No. 7 of 2007), give notice that, on the recommendation of the Authority, I have fixed the Fuel and IPP Tariff specified in Schedule 1 and the Non-Fuel Base Tariff specified in Schedule 2, which on and from 1 May 2021 are the tariffs in accordance with which the Authority must charge the prices for the supply of electricity.

SCHEDULE 1

FUEL AND IPP TARIFF

- 1 The Fuel and IPP Tariff must be calculated according to the following formula:

$$FC_m = \frac{FFC_m + FCT_m}{FEC_m}$$

Where:

- (a) FC_m = Fuel and IPP Tariff (SBD/kWh) in month m ; and
- (b) FFC_m = Forecast Fuel and IPP Costs (SBD) in month m ; and
- (c) FCT_m = Fuel and IPP Cost True-Up (SBD) in month m ; and

- (d) FEC_m = Forecast Energy Sales Collected (kWh) in month m ; and
 (e) m = forthcoming month.

- 2 Forecast Fuel and IPP Costs must be an estimate of Allowed Fuel and IPP costs in the forthcoming month, prepared using the best endeavours of the Authority. The estimate should take account of, but not be limited to, movements in fuel prices and the seasonality of applicable renewable resources such as solar and hydro inflows.
- 3 Forecast Energy Sales Collected must be an estimate of Allowed Energy Sales Collected in the forthcoming month, prepared using the best endeavours of the Authority. The estimate should take account of, but not be limited to, seasonal fluctuations in demand for energy and the connection of new customers.
- 4 Fuel and IPP Cost True-Up must be calculated according to the following formula:

$$FCT_m = AFC_{m-2} - FC_{m-2} \times AEC_{m-2} + FCT_{m-2}$$

Where:

- (a) AFC_{m-2} = Allowed Fuel and IPP Costs (SBD) in month $m-2$; and
 (a) AEC_{m-2} = Allowed Energy Sales Collected (kWh) in month $m-2$; and
 (b) Month $m-2$ means the month two months prior to the month in which the Fuel and IPP Tariff shall apply. For the avoidance of doubt, if calculating the Fuel and IPP Tariff for the month of March (m), then month $m-2$ is the previous January.
- 5 Allowed Energy Sales Collected must be calculated according to the following formula:

$$AEC_m = AES_m \times TCR_m$$

Where:

- (a) AES_m = Actual energy sales billed (kWh) in month m ; and
 (b) TCR_m = Target Collection Rate (%) in month m , as defined at Tariff Reviews.
- 6 Allowed Fuel and IPP Costs must be calculated according to the following formula:

$$AFC_m = \left(AFU_m \times \frac{THR_m}{AHR_m} + AIC_m \right) \times \frac{I - AEL_m}{I - TEL_m}$$

Where:

- (a) AFU_m = Actual fuel costs (SBD) in month m ; and
 (b) THR_m = Target Heat Rate (litres/kWh) in month m , as defined at Tariff Reviews, which represents the target average efficiency of the Authority's power plants that convert a fuel into heat and into electricity;

and

- (c) AHR_m = Actual Heat Rate (litres/kWh) in month m , which represents the average actual efficiency of the Authority's power plants that convert a fuel into heat and into electricity; and
- (d) AIC_m = Actual IPP Costs (SBD) in month m ; and
- (e) AEL_m = Actual Energy Losses (%) in month m , measured as the actual difference between energy leaving the power station gates and energy delivered to customer meters, as a percentage of energy leaving the power station gates; and
- (f) TEL_m = Target Energy Losses (%) in month m , as defined at Tariff Reviews, measured as the target difference between energy leaving the power station gates and energy delivered to customer meters, as a percentage of energy leaving the power station gates.

SCHEDULE 2

NON-FUEL BASE TARIFF

The Non-Fuel Base Tariff is calculated in accordance with the following:

Customer category	Payment category	Consumption block	Non-Fuel Variable Charge (SBD/kWh)	Demand Charge (SBD/kW/month)
Domestic	Postpaid and Prepaid	< 50 kWh	3.22	-
		50 - 200 kWh	3.70	-
		> 200 kWh	4.19	-
Commercial	Postpaid and Prepaid	All	3.23	-
Industrial	Postpaid and Prepaid	All	3.10	-
Non-Regular	Postpaid	All	-	1,000.00

Made this twenty-nine day of April 2021.

HON. BRADLEY TOVOSIA
MINISTER FOR MINES, ENERGY
AND RURAL ELECTRIFICATION

HON. HARRY KUMA
MINISTER FOR FINANCE AND
TREASURY

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