

29 Dec 05

MEDIA RELEASE

ELECTRICITY TARIFF REVISION FOR THE PERIOD 1 JANUARY TO 31 MARCH 2006

1 The electricity tariff will be increased by an average of 1.45 cents per kWh for the quarter, 1 Jan to 31 Mar 06. The revised tariffs are shown in the table attached (Appendix 1). The increase is due to the higher cost of electricity arising from higher fuel oil prices.

2 Tariffs for each quarter are set in the preceding quarter based on the average fuel oil price in the forward fuel oil market in the first month of the preceding quarter. The tariffs for the quarter, 1 Jan to 31 Mar 06, are therefore adjusted based on the average forward fuel oil price of US\$48.07 per barrel quoted in Oct 05 for the Jan to Mar 06 quarter.

3 Fuel cost constitutes about 50% of the cost of electricity. The fuel sources for power generation are fuel oil and gas. Gas prices used for power generation are indexed to fuel oil price, and not crude oil price. An increase in fuel oil price will thus lead to higher electricity costs.

4 As can be seen from the chart attached (Appendix 2), although fuel oil prices now are substantially higher than in 2001, the increase in tariffs has been small in comparison. This is because the electricity industry has gained in efficiency and has passed on the cost savings to consumers.

5 The tariff adjustments have been approved by the industry regulator, the Energy Market Authority.

REVISION OF ELECTRICITY TARIFFS FROM 1ST JANUARY 2006

	Existing Tariff	New Tariff
LOW TENSION SUPPLIES, DOMESTIC All units, ¢/kWh	19.57	21.02
LOW TENSION SUPPLIES, NON-DOMESTIC All units, ¢/kWh	19.57	21.02
HIGH TENSION SMALL (HTS) SUPPLIES Contracted Capacity Charge \$/kW/month	7.04	7.04
Uncontracted Capacity Charge \$/chargeable kW/month	10.56	10.56
kWh charge, ¢/kWh	16.68	18.26
Peak period (7.00am to 11.00pm)	9.83	10.86
Off-peak period (11.00pm to 7.00am)		
Reactive power Charge ¢/chargeable kVARh	0.59	0.59
HIGH TENSION LARGE (HTL) SUPPLIES Contracted Capacity Charge \$/kW/month	7.04	7.04
Uncontracted Capacity Charge \$/chargeable kW/month	10.56	10.56
kWh charge, ¢/kWh	16.62	18.20
Peak period (7.00am to 11.00pm)	9.82	10.85
Off-peak period (11.00pm to 7.00am)		
Reactive power Charge ¢/chargeable kVARh	0.59	0.59
EXTRA HIGH TENSION (EHT) SUPPLIES Contracted Capacity Charge \$/kW/month	6.74	6.74
Uncontracted Capacity Charge \$/chargeable kW/month	10.11	10.11
kWh charge, ¢/kWh	15.69	17.26
Peak period (7.00am to 11.00pm)	9.73	10.76
Off-peak period (11.00pm to 7.00am)		
Reactive power Charge ¢/chargeable kVARh	0.48	0.48