

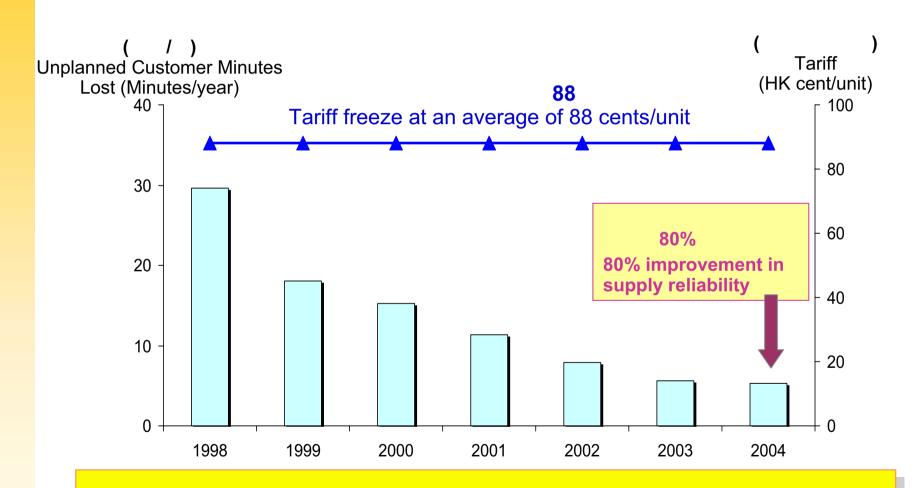
# 2005

CLP Power Continues to Freeze Tariff in 2005 - the Seventh Consecutive Year since 1998

Presentation to ES Panel 16/12/2004



### **Stable Tariff and World Class Supply Reliability**



Stable tariff and reliable electricity supply are important to Hong Kong's social and economic growth



## **Increasing Pressure on Operations**

International coal prices have doubled since mid-2003

Lower-than-expected electricity sales growth due to cooler weather this year

#### 2005 Tariff

• 0.5 0.3 0.2

• 0.6 1.1 0.5

#### Tariff frozen in 2005 - net tariff remains unchanged since 1998

- Fuel Clause increase by 0.5 ¢/u, from a rebate of 0.3 ¢/u to a charge of 0.2 ¢/u;
  and
- SoC Rebate increase by 0.5 ¢/u, from 0.6 ¢/u to 1.1 ¢/u

 <u>Current</u>	<u>Changes</u>	05 1 Effective Jan. 05	Components <u>¢/u</u>
88.4	-	88.4	Average Basic Tariff
-0.3	+0.5	0.2	Fuel Clause
<u>-0.6</u>	<u>-0.5</u>	<u>-1.1</u>	SoC Rebate
<u>87.5</u>	-	<u>87.5</u>	Average Net Tariff



#### **Conclusion**

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CLP supports Hong Kong's growth with a highly reliable electricity supply at reasonable cost

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Prudent financial management, fuel diversification strategy and continued productivity improvement enable CLP to freeze its tariff for 7 consecutive years

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CLP will continue to act responsibly to maintain our tariff at a reasonable and stable level