

CB(1)260/12-13(09)

2013 Tariff

Presentation to LegCo Panel on Economic Development

11 -12 - 2012

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2013 Tariff : Key Changes

We share the community's concern for environmental improvement and a reliable supply of electricity at a reasonable cost

Key Changes

- **Average Basic Tariff unchanged**
- **CLP managing impact of rising fuel costs – Fuel Clause Charge increase contained at 4.6 ¢/kWh**
- **New initiatives to help customers save energy**
 - New Energy Saving Rebate to help low consumption customers
 - 6th block added to the Domestic Tariff Structure for high consumption customers
- **2013 Rent and Rates Special Rebate of 2.1 ¢/kWh**

2013 Tariff Summary

Tariff Component (¢/kWh)	2012 Tariff	Change	2013 Tariff
Average Basic Tariff	84.2	-	84.2
Fuel Clause Charge	17.8	+4.6	22.4
Average Total Tariff	102.0 (+8.4%)	+4.6	106.6 (+4.5%)
Rent and Rates Special Rebate	-3.3		-2.1
Average Net Tariff	98.7 (+4.9 %)	+5.8	104.5 (+5.9 %)

New Energy Saving Rebate

Total consumption per bill	Rebate level
200 kWh or below	9 ¢/kWh
201 to 300 kWh	8 ¢/kWh
301 to 400 kWh	7 ¢/kWh

Depending on their consumption, we estimate that

- Some 35% or 700,000 of our domestic customers and
 - Some 44% or 130,000 of our small business customers
- will see no increase or will enjoy savings in their electricity bills

We will also introduce a 6th Block to our Domestic Tariff

- For less than 1% of our domestic customers who use more than 5x the average consumption.

Rent & Rates Special Rebate

- Rebate of 3.3 ¢/kWh offered in 2012
- Rebated over HK\$1 billion so far
- In anticipation of reimbursement by Government, a 2.1 ¢/kWh Special Rebate will be provided in 2013
- We estimate that, by the end of 2013, this rebate will complete the return to CLP's customers of all of the overcharged Rent & Rates money refunded by Government

Tariff Impact for Residential Customers

Domestic Tariff

Consumption per bill* (kWh)	Tariff Impact (\$ per month)	Approx. % (Number of) Customers
0 – 400	No change or up to \$3 reduction	35% (700,000)
401 – 800	Up to \$23	35% (700,000)
>800	>\$23	30% (600,000)

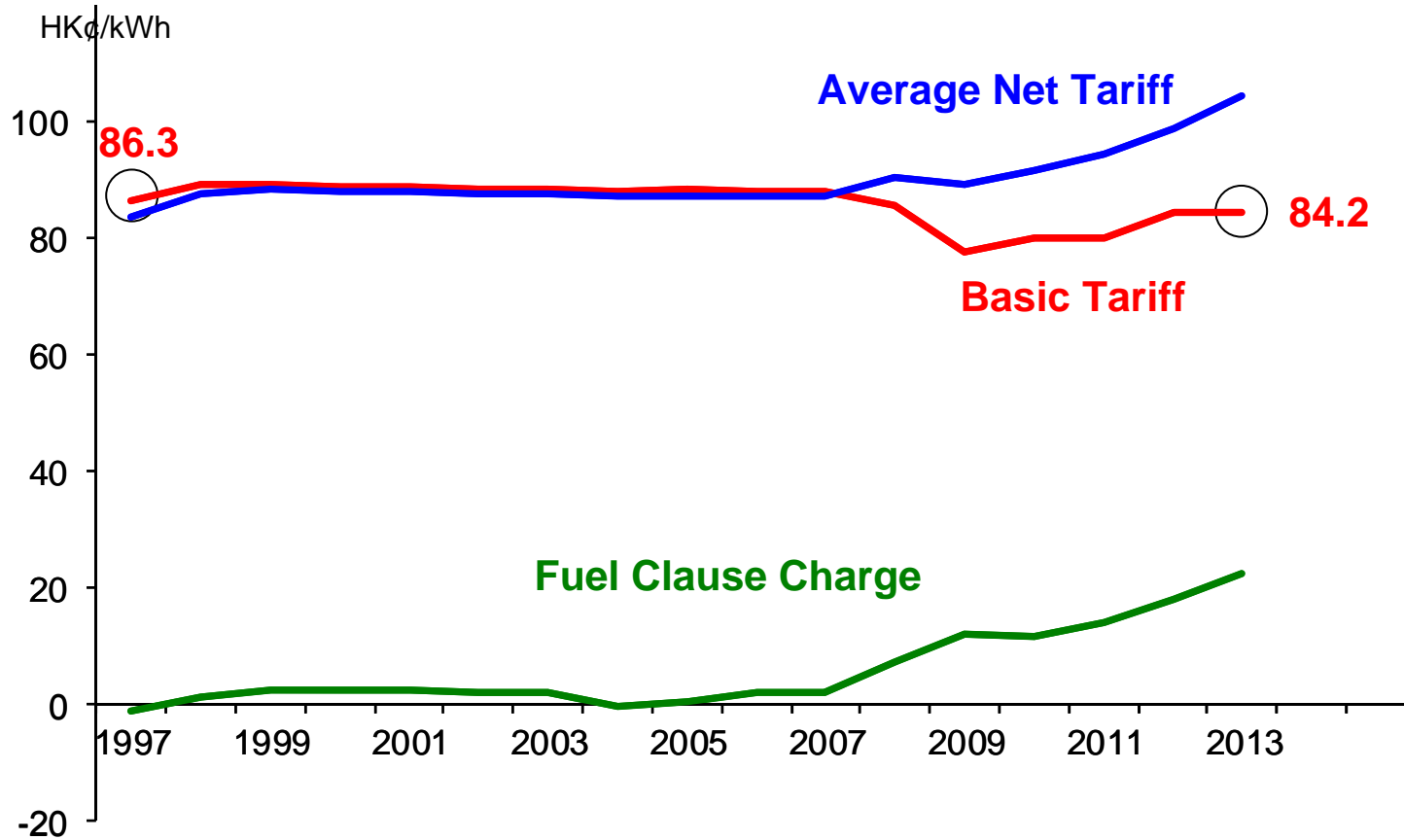
* CLP provides bi-monthly billing for domestic customers

Tariff Impact for Business Customers

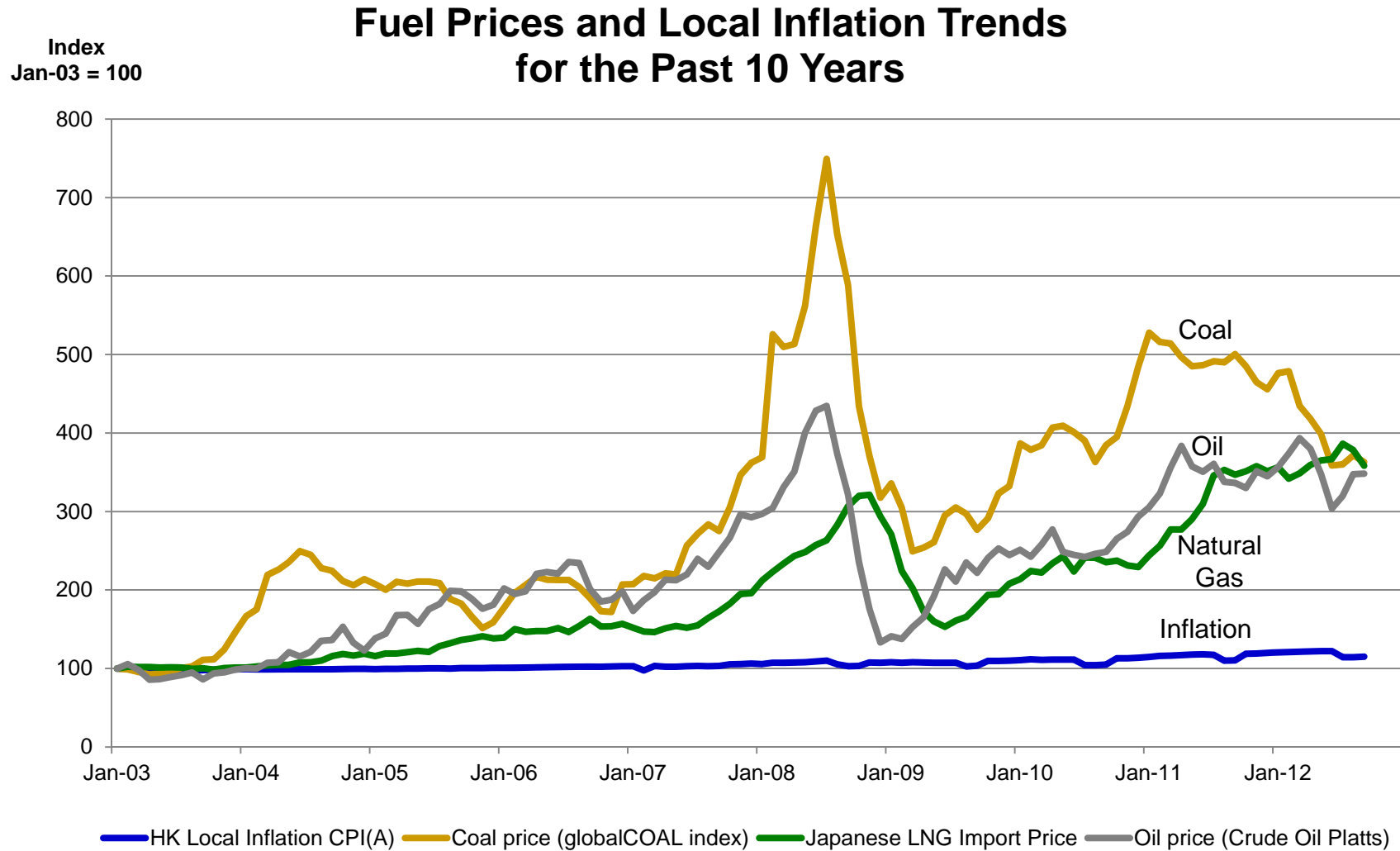
General Service Tariff

Consumption per bill (kWh)	Tariff Impact (\$ per month)	Approx. % (Number of) Customers
0 – 400	No change or up to \$6 reduction	44% (130,000)
401 – 2,000	Up to \$116	33% (100,000)
>2,000	>\$116	23% (70,000)

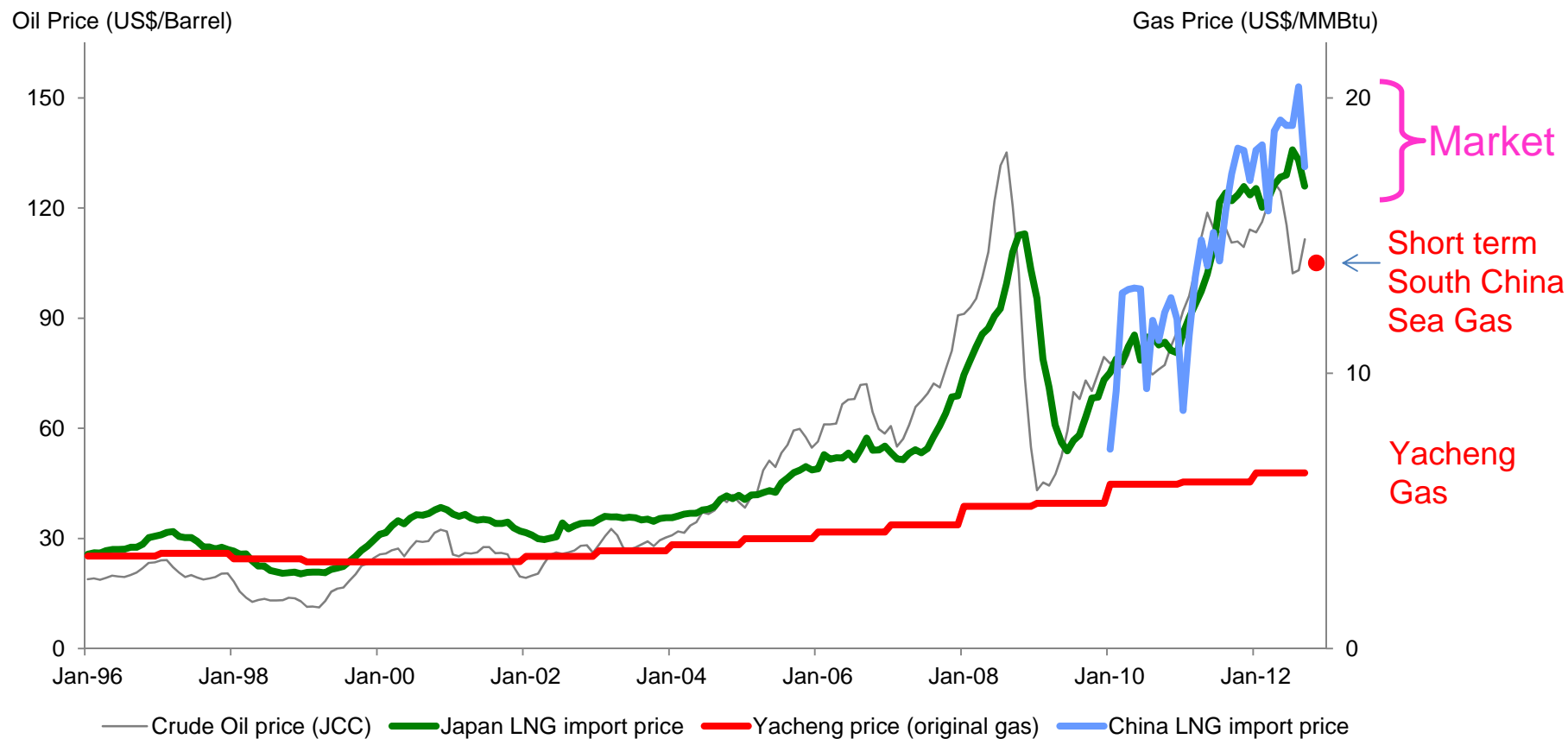
Basic Tariff still below 1997 but rising fuel cost driving increases



Highly volatile fuel prices rising much faster than local inflation

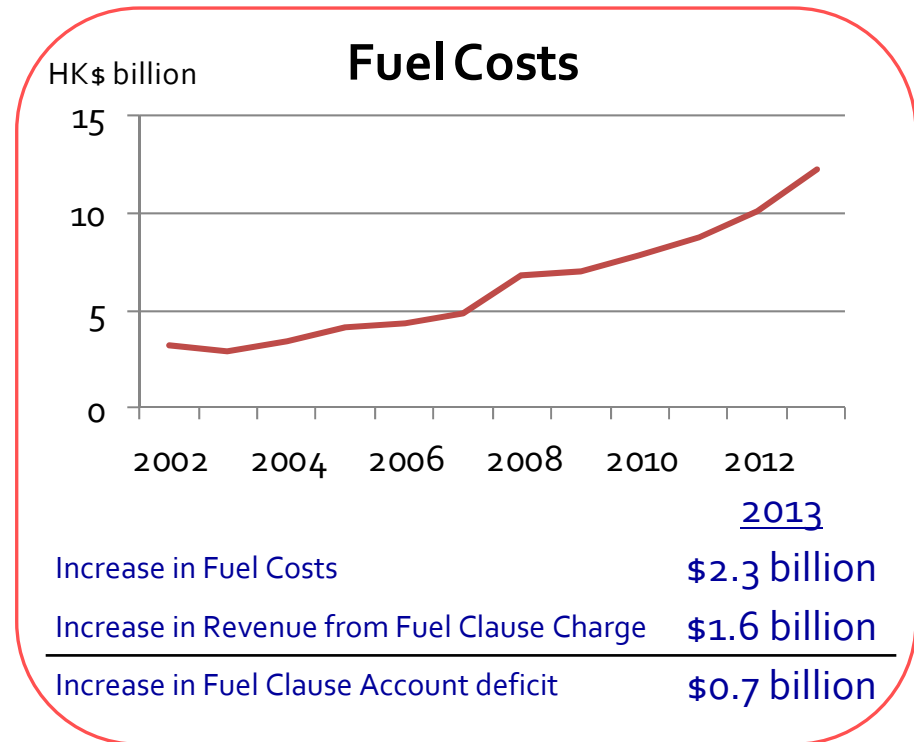
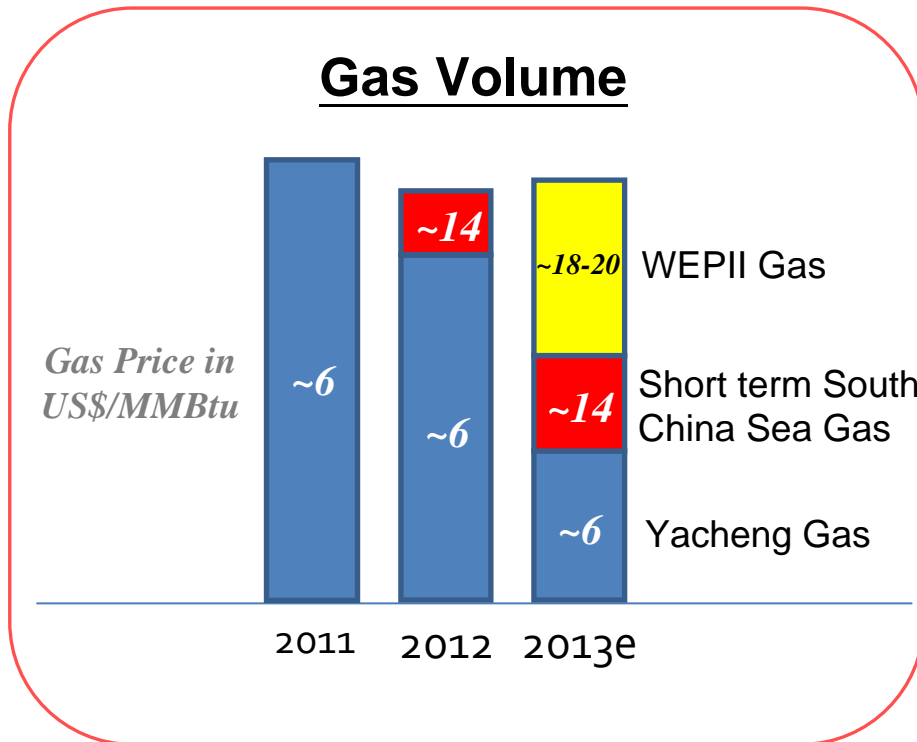


Gas Price Trend



CLP Gas Prices : Yacheng ~\$6 ; Short term South China Sea ~\$14. Market \$18-\$21

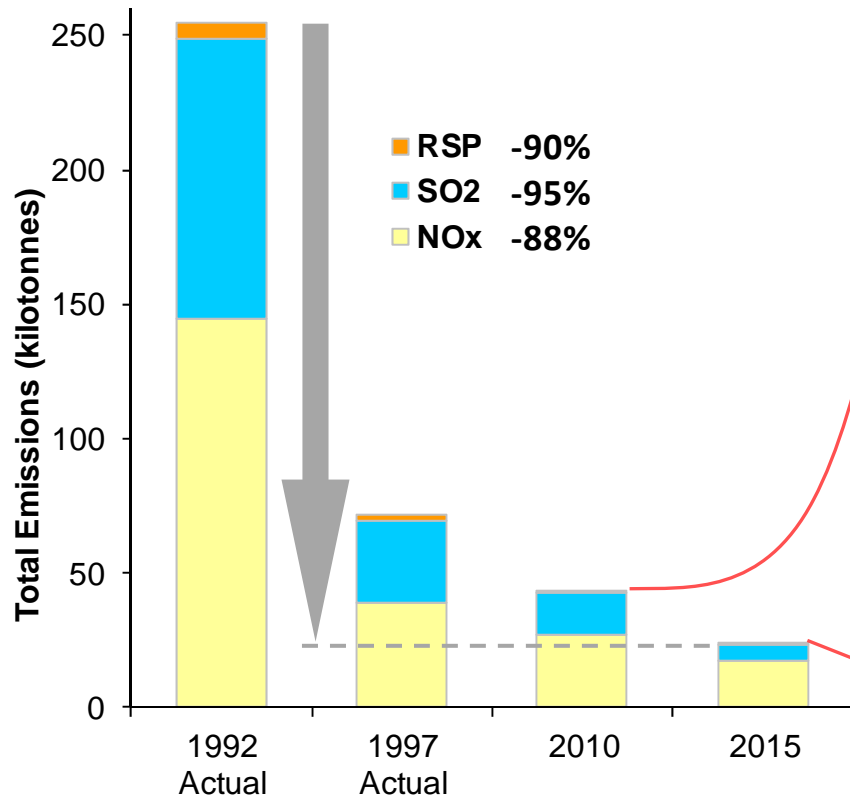
Fuel Costs in 2013 Continue to Rise Sharply



Projected Fuel Clause Account deficit by end of 2013 is \$1 billion

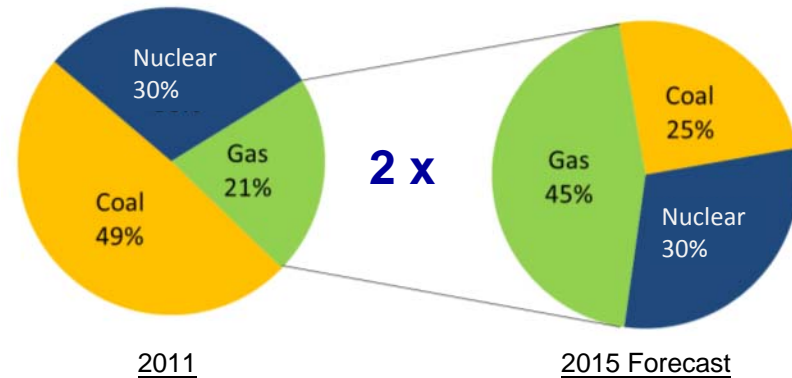
Rising Costs to Deliver Improved Air Quality

- Emission caps for power stations have been increasingly tightened



2015 Emissions Cap

- Fuel mix change needed to meet 2015 emissions caps
- Doubling gas volume from the current level, with new gas at higher prices than gas secured 20 years ago



Practical Help for Customers to Save Energy

Residential

Web Tools

Over 26,000 households



Tailor-made Optimization Plan
Boosts Energy Efficiency at Home

By understanding and assessing your energy consumption pattern at home, we will give you a tailor-made plan to suit your needs. Just 3 simple steps and you can learn how to use electricity wisely and save more for your family and the environment.

Eco綠適家居優化計 optimizer

Get personalized tips on how to make your home more eco-friendly in just 8 minutes!

Start Now

SMEs

Energy Billboard

Over 2,700 businesses



WELCOME! MEASURE YOUR ENERGY PERFORMANCE AGAINST YOUR PEERS

CONSUMPTION DISTRIBUTION

TYPICAL ENERGY CONSUMPTION PATTERN BREAKDOWN OF CHINESE BUSINESS INDUSTRY

- Air Conditioning - 40%
- Water Heating - 15%
- Cooking - 20%
- Lighting - 10%
- Refrigerating - 15%
- Others - 5%

Larger Customers

Consumption Data

Over 1,800 major customers



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Meter Online Premium Service
Know More Save More

Smart Metering / AMI Pilot



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GreenPlus

Over 1,000 small / medium businesses: 10-20% energy saving



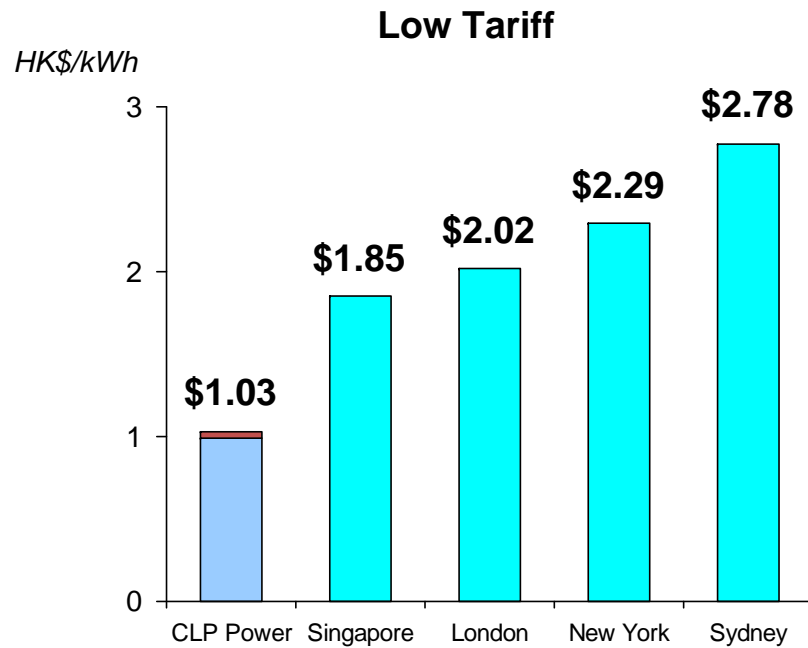
Energy Audits

Cumulative energy savings identified
~60 million kWh



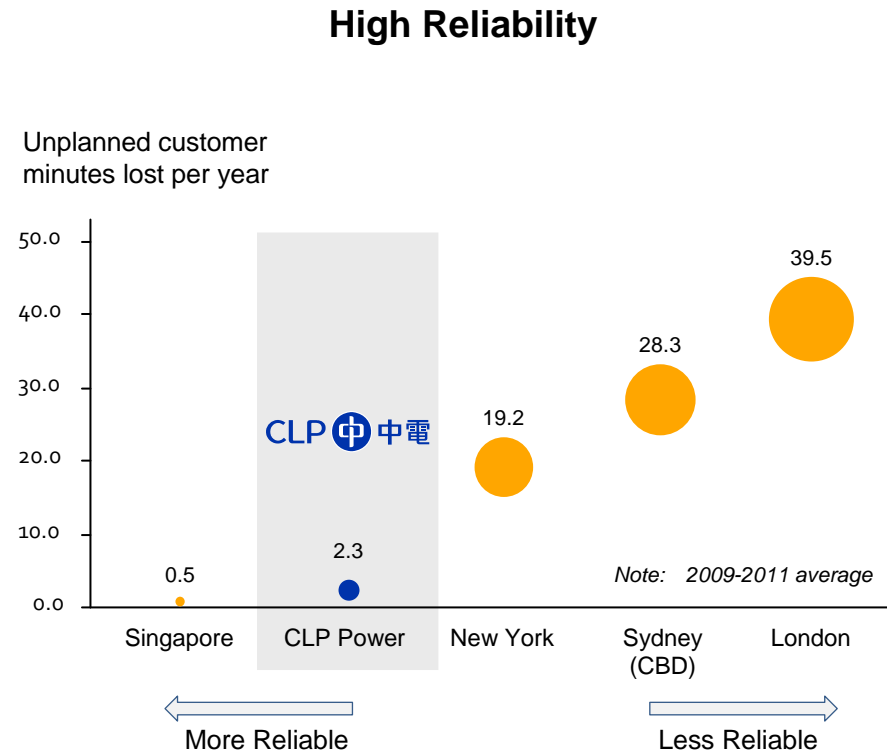
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Reasonable Tariff with World-class Reliability



Remarks:
 Comparison based on average monthly domestic consumption of 275kWh
 Tariff and exchange rate at November 2012 (CLP tariff excludes Rent &
 Rates Special Rebate)

■ CLP 2013 tariff adjustment



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2013 Tariff Summary

- Average Basic Tariff unchanged through continuous cost control
- Fuel Clause Charge increase contained at 4.6 ¢/kWh despite rapidly rising fuel costs needed to meet environmental objectives
- Help for low consumption customers
- 2013 Rent and Rates Special Rebate of 2.1 ¢/kWh
- New initiatives to help customers save energy