

Panel on Economic Development

List of follow-up actions arising from the discussion
at the meeting on 16 December 2014

- (a) given that CLP estimated that the fuel cost for 2015 would be rising to \$15.45 billion while the global oil prices had fallen sharply in late 2014 –
 - (i) the point of time when CLP made the above estimation; and
 - (ii) whether the company had over-estimated the rate of increase of the fuel cost;
- (b) the movement of Consumer Price Index (A), the coal price (globalCOAL index) and the Japanese liquefied natural gas import price as at November 2014 vis-a-vis January 2014.

Responses from CLP Power

- (a) The total projected fuel cost of \$15.45 billion for 2015 was our best estimation made in October 2014 when the Tariff Review proposal was submitted to the Government. All our projected fuel prices and consumption levels were then reviewed by the Government.

CLP rarely uses oil to generate electricity therefore the drop in oil price would not have a direct effect on our overall fuel costs. Although a portion of the natural gas price is correlated, to an extent, with the oil price, the overall contract gas price is in fact affected by a basket of factors including fixed costs such as pipeline charges which would not be affected by oil price movement. Most importantly, the increase in projected fuel costs for 2015 is mainly due to the need to significantly increase gas consumption quantity as a result of the need to comply with the tightened emission caps under the Air Pollution Control Ordinance for CLP's power stations, in addition to the need to consume higher-priced gas supplies from West-East Gas Pipeline II. It should also be noted that the fuel cost for gas-fired generation is several times of that for coal-fired generation.

If the recent downward trend of oil price persists, it is expected to relieve some pressure of the increasing fuel expenses on natural gas. In such case, all benefits from the reduced fuel costs would be passed back to our customers through the Fuel Cost Adjustment mechanism.

- (b) For the avoidance of doubt, it should be clarified that the fuel price volatility chart in slide 10 of the CLP presentation displayed in the Economic Development Panel meeting on 16 December 2014 includes price index data up to those available as of October 2014, as indicated by the data line extending beyond and to the right of, and does not stop at, the x-axis point marked "1/14".

	Consumer Price Index (A)	globalCOAL	Japanese LNG Import Price*
Jan 2014	119.9	82.5	16.7
Feb 2014	120.8	77.3	16.8
Mar 2014	120.6	74.3	16.6
Apr 2014	121.3	73.4	16.8
May 2014	121.2	73.9	16.3
Jun 2014	121.2	71.9	16.1
Jul 2014	122.8	69.2	15.2
Aug 2014	115.2	69.5	15.7
Sep 2014	124.4	66.4	15.2
Oct 2014	126.9	64.3	15.4
Nov 2014	127.2	63.6	13.9

* World Bank, 2 Dec 2014

中電回覆

a)

中電在 2014 年 10 月提交予政府的 2015 年電費檢討建議方案中，我們預計 2015 年總燃料成本為 154.5 億港元。所有中電燃料價格和燃料用量的預測，皆已獲政府審閱。

中電現已絕少使用燃油發電，因此油價下跌對我們的整體燃料成本沒有直接影響。雖然部份天然氣價格在某程度上與油價相關，但經合約簽訂的天然氣價格實際上受一籃子因素影響，包括當中涉及的一些固定成本，例如經管道輸入的天然氣價格，當中已包含了管道費，而這部份是不受油價走勢影響的。

更重要的是，中電 2015 年燃料成本攀升的主要原因，是由於中電發電廠需符合《空氣污染管制條例》下大幅收緊的排放上限，導致天然氣用量需顯著增加，當中更需使用價格較高的西氣東輸二線天然氣源。值得注意的是，燃氣發電成本是燃煤發電成本的幾倍。

如果油價跌勢持續，天然氣燃料的開支壓力可望得到舒緩；因燃料開支減少帶來的好處將會如實反映於燃料調整費上，最終得益將全部歸於客戶。

(b)

我們謹此澄清，中電在 2014 年 12 月 16 日經濟發展事務委員會會議上所作簡報第 10 頁中有關燃料價格波動的圖表內，顯示的數據乃截至 2014 年 10 月所公佈的價格指數。而圖表所顯示的數據並不止於 x 軸“1/14”的標記。

	香港通脹率 CPI (A)	燃煤價格 (全球燃煤價格指標)	日本液化天然氣 進口價*
2014年1月	119.9	82.5	16.7
2014年2月	120.8	77.3	16.8
2014年3月	120.6	74.3	16.6
2014年4月	121.3	73.4	16.8
2014年5月	121.2	73.9	16.3
2014年6月	121.2	71.9	16.1
2014年7月	122.8	69.2	15.2
2014年8月	115.2	69.5	15.7
2014年9月	124.4	66.4	15.2
2014年10月	126.9	64.3	15.4
2014年11月	127.2	63.6	13.9

*世界銀行 2014年12月2日