

[Legal Notice No. 43]

**SOLOMON ISLANDS WATER AUTHORITY ACT
(Cap. 130)**

**WATER TARIFF (AUTOMATIC BASE TARIFF AND ELECTRICITY
PRICE ADJUSTMENTS) REGULATIONS 2012**

IN exercise of the powers conferred upon me by section 24(1) of the *Solomon Islands Water Authority Act*, upon the recommendation of the Authority, and as read with section 26 of the *State Owned Enterprises Act 2007 (No.7 of 2007)*, I make these Regulations

Citation

1. These regulations may be cited as the Water Tariff (Automatic Base Tariff and Electricity Price Adjustments) Regulations 2012.

Interpretation

2. In these Regulations, unless the context otherwise requires:

"the Act" means the Solomon Islands Water Authority Act (Cap. 13);

"Base Tariff" for a customer category means the Base Tariff for that customer category as calculated in accordance with Schedule 1;

"Central Bank of the Solomon Islands" means the Central Bank established under the *Central Bank of Solomon Islands Act (Cap. 49)*;

"electricity" means electricity used for the purpose of providing water supply and wastewater treatment;

"Electricity Price Adjustment" means the Electricity Price Surcharge as calculated in accordance with Schedule 2;

"Honiara Retail Price Index for all items" means the index of changes in the retail price index for Honiara compiled by the Statistician of the Solomon Islands Government and published quarterly by the Central Bank of Solomon Islands.

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| Application | 3. | These Regulations shall apply throughout Solomon Islands. |
| Base Tariff | 4. | The Base Tariff for each customer category shall be calculated in the manner specified under Schedule 1. |
| Electricity Price Adjustment | 5. | The Electricity Price Adjustment shall be calculated in the manner specified under Schedule 2. |

MADE BY THE ACCOUNTABLE MINISTERS AT HONIARA
this thirtieth day of May, 2012.

HON. MOSES GARU
Minister for Mines, Energy
& Rural Electrification

HON. RICK HOUENIPWELA
Minister for Finance and Treasury

SCHEDULE 1
(regulation 4)

1. The Base Tariff for the purposes of calculation shall be the tariff set at 1st June 2012 ("base period") subject to the following adjustments:
- a) As at 1 October 2012 and 1 October in each year thereafter, the Base Tariff for each customer category shall be calculated as follows ("CPI Adjustment"):

$$BT_t = (CPI_{t1}/CPI_{t-2}) \times BT_{t-1}$$

where:

BT_t Base Water Tariff for each tariff block at 1 October in the current year expressed in \$ per kilolitre;

CPI_{t-1} Honiara Consumer Price Index for All Items as of 30 September of the current year;

CPII-2 = Honiara Consumer Price index for all Items as of 30 September of the immediately preceding year;

BT-1 Base Water Tariff for each tariff block at 30 September in the current year expressed in \$ per kilo litre;

- b) On 1 January 2013 the Base Tariff shall be set by increasing the Base Tariff at the time for all consumer categories by 27% ("Special Increase No 1");
 - c) On 1 January 2014 the Base Tariff shall be set by increasing the Base Tariff at the time for all consumer categories by 13% ("Special Increase No 2");
 - d) On 1 June 2017 and on 1 June of every five year period thereafter (hereinafter adjusted to become the new "base period"), the Base Tariff for each customer Category shall be adjusted by adding the Electricity Price Adjustment that applies on 1 April of that year to the Base Tariff at the time for the customer category.
2. The Base Tariff for a customer category that applies from time to time may be shown as a separate item on all bills issued to consumers who come within that customer category.

SCHEDULE 2
(regulation 5)

1. For the purpose of this schedule:

"base period" is initially set at 1 June 2012 and adjusted pursuant to Schedule 1 (d) every 5 years;

"quarter" means a period of 3 months within a year ending on 31 March, 30 June, 30 September or 31 December;

"electricity price per kwh" in respect of a quarter means the price for electricity per kilowatt hour, including the Fuel Tariff, as calculated by the Authority for that quarter;

2. As at 1 October 2012 and at the beginning of each quarter thereafter, the Electricity Price Adjustment for each customer category shall be calculated as follows:

$$EPS_n = (ET_n - ET_b) \times ECR_n$$

where:

EPS_n = Electricity Price Surcharge for the current quarter, expressed in \$ per kilolitre;

ET_n = Electricity Price per kwh for electricity purchases by SIWA in Quarter the current quarter, expressed in \$ per kilowatt hour;

ET_b = Electricity Price per kwh for electricity purchases by SIWA in the Base Period, expressed in \$ per kilowatt hour;

ECR_n = SIWA electricity consumption requirement in Quarter n, expressed in kWh of electricity consumed per kilolitre of water sold

3. The Electricity Price Adjustment that applies from time to time may be shown as a separate item on all consumers' bills.
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