

2016 Tariff Review

Presentation to LegCo Panel on Economic Development

15 December 2015

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2016 Tariff Review

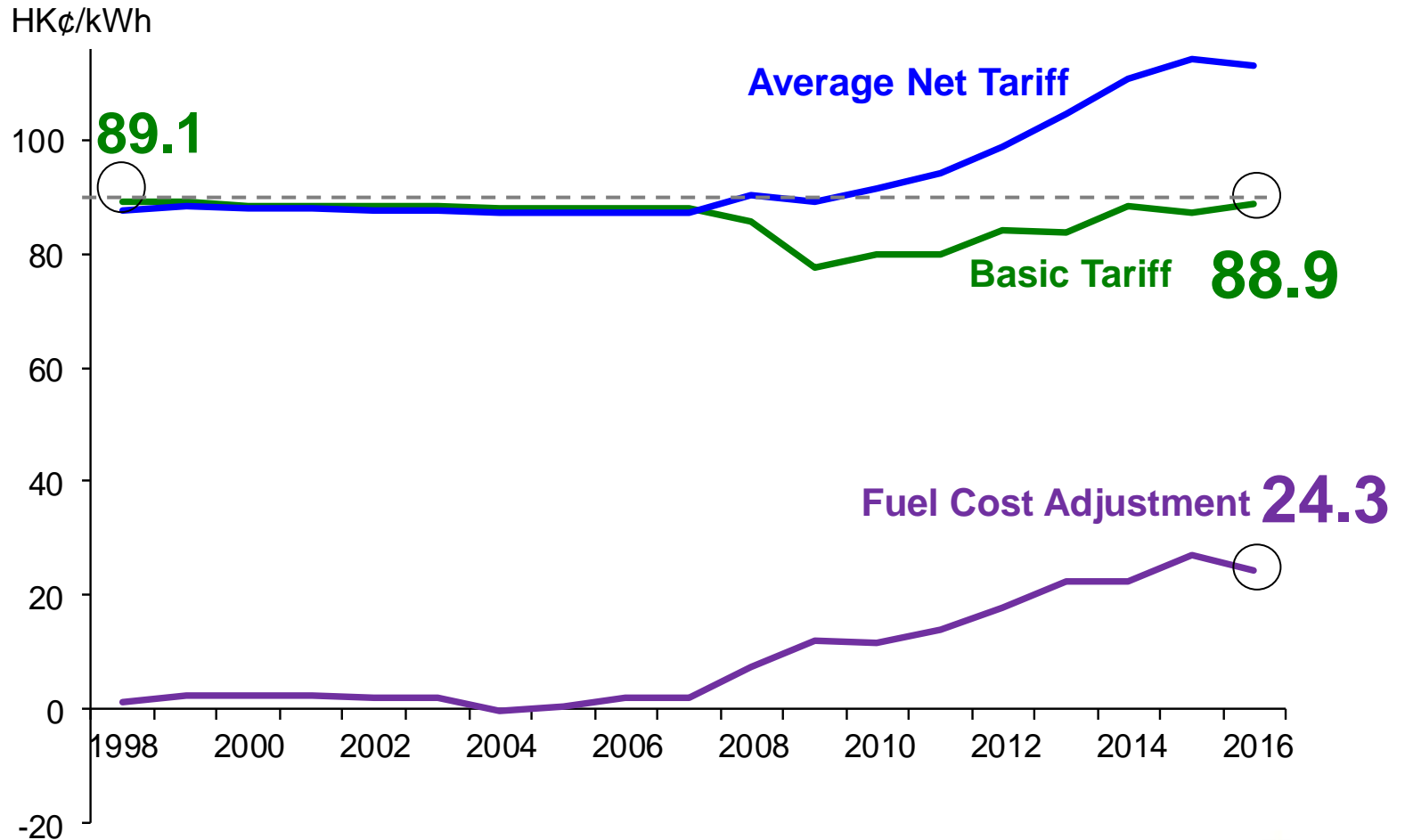
(cents / kWh)	2015 Tariff	Change	2016 Tariff
Average Total Tariff	114.2	-1.0	113.2 (-0.9%)

- Continue to offer Energy Saving Rebate Scheme



- Tariff of 2017 could be maintained at the 2016 level if the international fuel prices continue at the present level

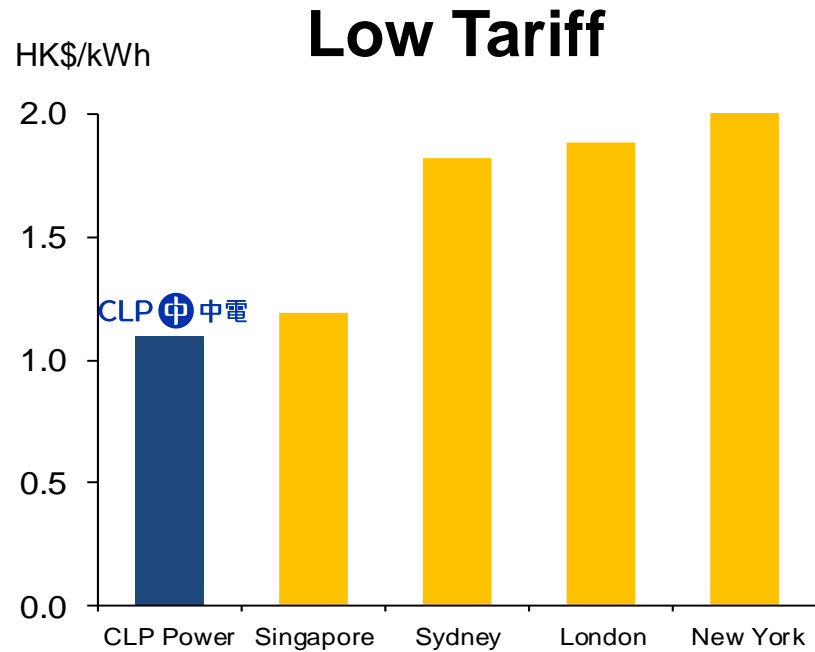
Basic Tariff Below 1998 Level



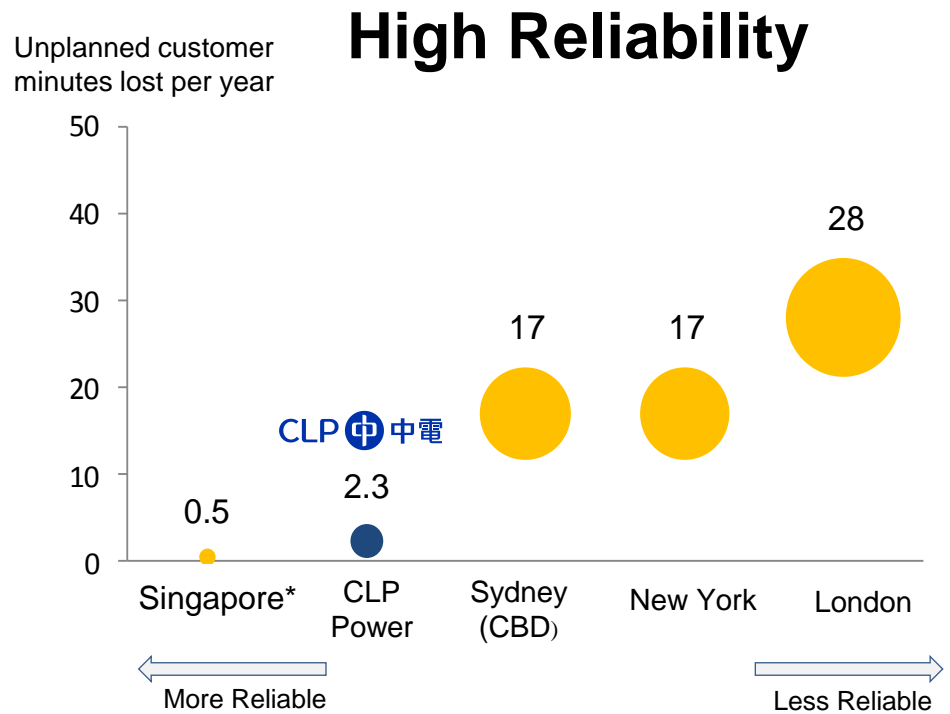
2016 Tariff Summary

Tariff Component (¢/kWh)	2015 Tariff	Change	2016 Tariff
Average Basic Tariff	87.2	+1.7	88.9
Fuel Cost Adjustment	27.0	-2.7	24.3
Average Total Tariff	114.2	-1.0	113.2 (-0.9%)

Reasonable Tariff with World-class Reliability



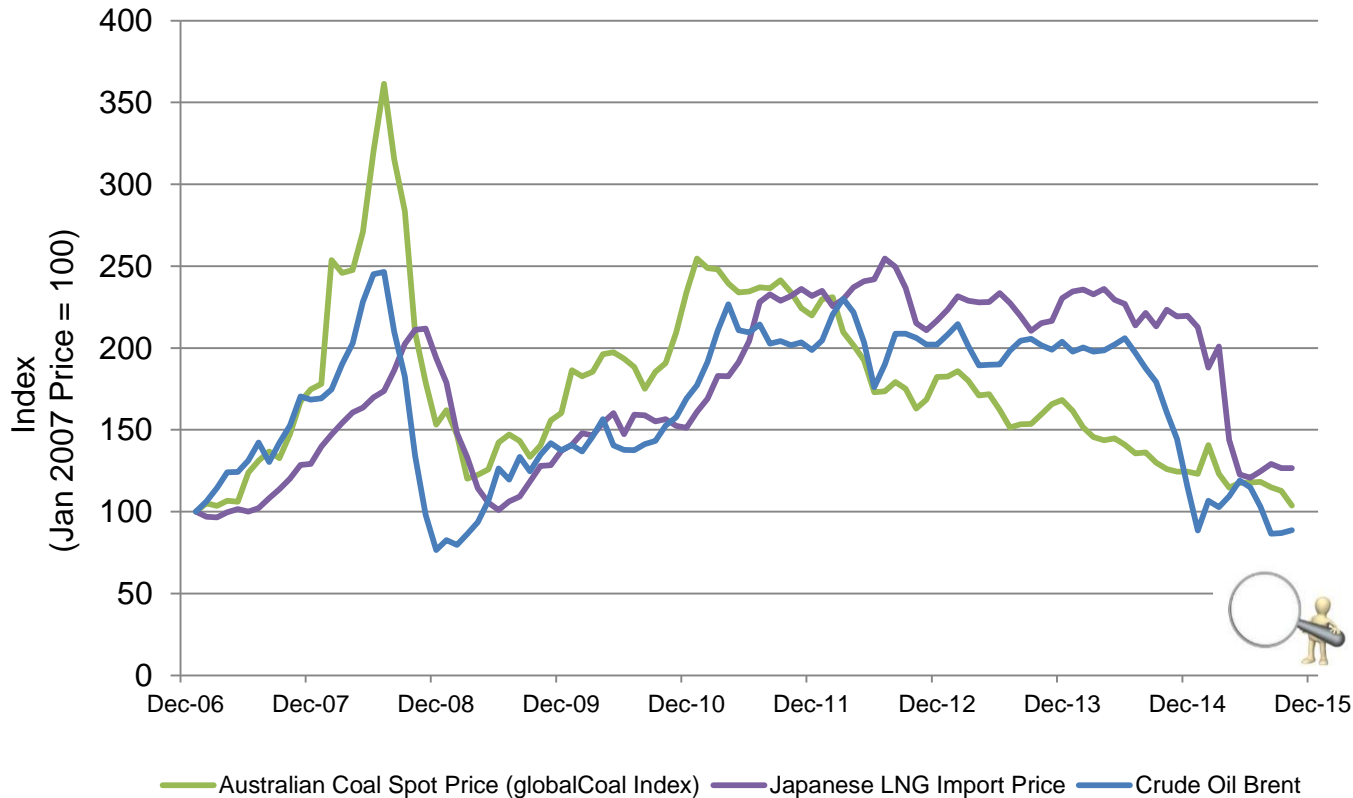
Remarks:
Comparison based on average monthly domestic consumption of 275kWh
Tariff and exchange rate at Nov 2015



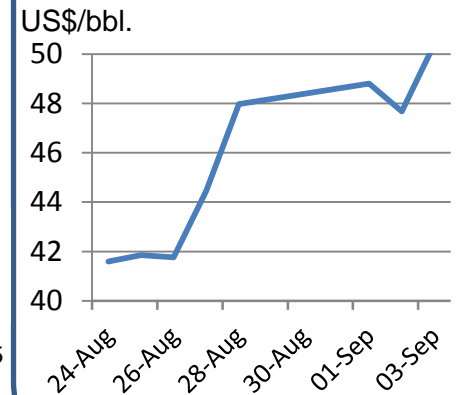
Remarks: 2012-2014 average

* There is no overhead lines in Singapore

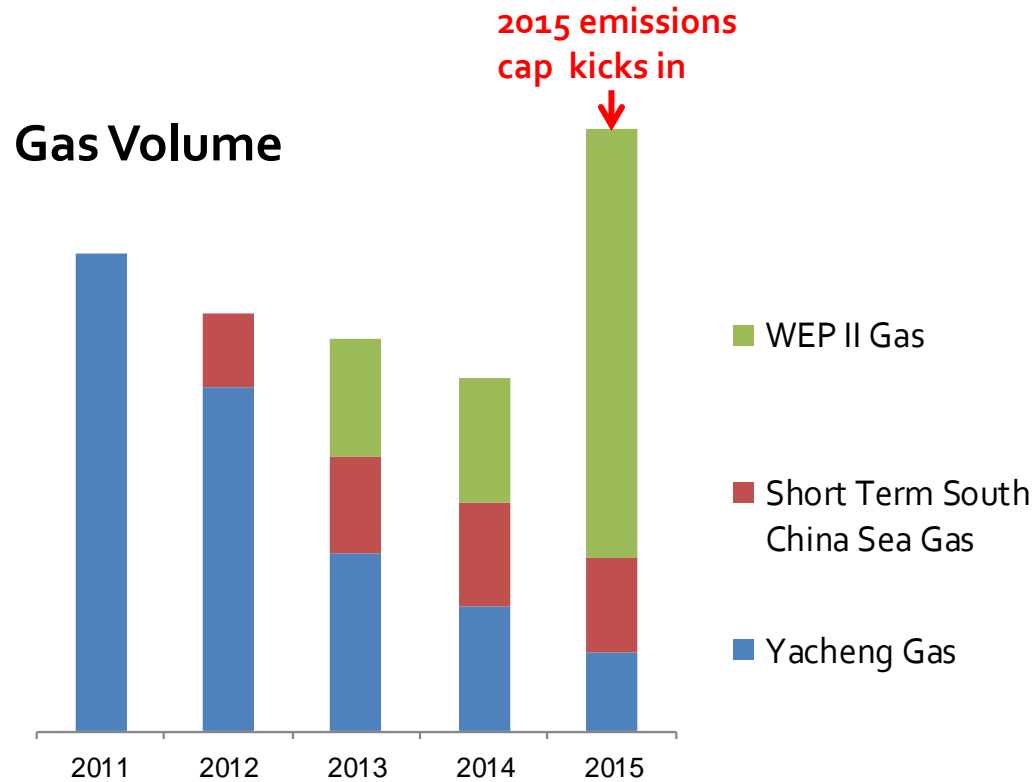
Highly Volatile Fuel Prices



24 Aug - 3 Sep, 2015
**Oil price shot up 21%
 in 7 trading days.**



Fuel Cost



- Gas consumption volume this year has almost doubled that of 2014. Total fuel expenditure increased by about a quarter
- More WEP II gas is burnt while Yacheng gas further depletes

Fuel Clause Account (FCA) Helps Stabilise Tariff

- International fuel prices are highly volatile. In view of the political tension worldwide, oil price is hard to predict and is beyond power companies' control
- More higher cost gas will be burnt to meet the emission caps to be further tightened in 2017
- FCA mechanism reflects actual fuel costs. Positive balance of FCA helps smooth out fuel cost volatility when needed.

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