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Final Authorisation

Fiji Electricity Authority

Capital Infrastructure Consumer Deposit

Date Issue: 1 December 2017

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“To promote Competition in the Fijian Markets”

Final Authorisation of Fiji Electricity Authority Capital Infrastructure Consumer Deposit

1. Pursuant to Section 4 and Section 41 of the Fijian Competition and Consumer Commission (FCCC) Act 2010 and the Fijian Competition and Consumer Commission (Control of Prices for Retail Supply of Electricity and Ancillary Services) Order 2017, FCCC hereby makes the following authorisation.

Citation and commencement

2. This Authorisation may be cited as Final Authorisation of Fiji Electricity Authority Capital Infrastructure Consumer Deposit and is effective from **15 December 2017**.

FCCC Authorisation

3. The following is applicable to both urban and rural areas to grid extension with effect:

3.1 Residential Customers

3.1.1 For **rural domestic consumer applications**, no capital cost is to be charged for grid extensions and house wiring under the Rural Electrification Policy 2016 (REP 2016) and will be fully funded by the Government.

3.1.2 A rural domestic consumer application refers to a consumer in a rural area that is defined as any area outside of gazetted towns and cities in Fiji; a consumer in any premises in Fiji villages and settlements as well as isolated households, schools, farms and small commercial premises and squatter or informal settlements falling within town or city boundaries.

3.2 Commercial and Industrial Properties

3.2.1 An industrial or commercial consumer pays **100% upfront** of the cost of the extension as interest free deposit and receives **50% of the total revenue** generated through the consumer's consumption over the next **six (6) years, capped to the initial capital cost; and**

3.2.2 The customer under this policy will receive at the end of each period of 12 months from the date of commissioning of the extension, a refund equal to 50% of the total electricity revenue obtained from all the electrical loads considered in the original design of the extension, provided that the total amount so refunded shall not exceed the amount of the initial capital contribution and no further refunds will be made after the end of the sixth year from the date of commissioning.

3.3 Sub-property/Sub-division Properties

3.3.1 A sub-property/sub-division consumer provides a non-refundable capital contribution of **75% of the cost of the extension** as interest free deposit and **FEA** contributes **25%** of the extension, **capped at \$250,000**.

Conditions of this Authorisation

4. The following conditions apply for the purpose of this authorisation.

4.1 The capital cost of the extension should not include any mark-ups on materials and labour but with allowable mark-up no more than 15% in cases where FEA contributes towards the capital project. For any increase over and above the 15%, FEA shall make submissions to the FCCC which will be subject to the FCCC's approval.

4.2 For any upfront cost of extensions, FEA needs to provide to the consumer a clear Scope of Work on when the project work will be initiated and completed. Any variance in the project timeframes, needs to be agreed in writing.

4.3 Itemised bills and quotes are to be provided by FEA with the detailed breakdown of every costing element (line by line item) used to determine the capital cost. For itemised bills, this is a legal requirement under Section 55 of the Fijian Competition and Consumer Commission Act 2010 and Counter-Inflation (Issue of Tax invoices by Traders) Order 1998.

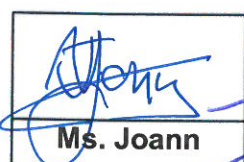
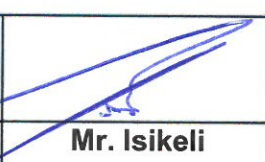
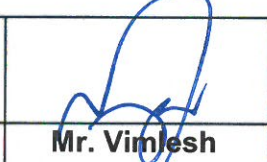
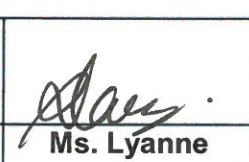
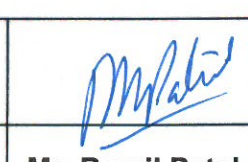
4.4 No capital costs or operational or maintenance charge is to be levied on customers seeking extension of grid in uneconomical geographical areas of rural areas. This shall be applied to consumers who fall under the Rural Electrification Policy 2016.

4.5 In cases where disputes arise, on the valuation of the capital costs for grid extension, FEA should notify the FCCC within seven (7) working days of all such disputes. The FCCC shall independently address all such disputes as per the Fijian Competition and Consumer Commission Act 2010 to ensure that the costing is vetted and appropriately valued.

4.6 FEA contractors to be allowed to carry out the necessary work for the infrastructure extension. Should the project fail, this should be a matter of negotiation between FEA and its contractors to bearing the cost.

Commissioners/Board Members:

Made and authorised this 1st day of December 2017

				
Ms. Joann Young	Mr. Isikeli Tikoduadua	Mr. Virjesh Sagar	Ms. Lyanne Vaurasi	Mr. Romil Patel
Chairperson	Commissioner	Commissioner	Commissioner	Commissioner

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