

**ST. VINCENT ELECTRICITY
SERVICES LIMITED**

Notice to Consumers

New Electricity Rates Effective from
December 1989 Billings

**ST. VINCENT ELECTRICITY
SERVICES LIMITED**

**Notice to all
Commercial Consumers**

Miscellaneous Charges

Consumers are hereby notified that approval has been given for increases in electricity rates to apply from December 1989 billings. These increases have become necessary to allow the company to meet its contribution to major projects in addition to satisfying financial targets agreed with the funding agencies.

The new rates will be as follows:

1. DOMESTIC

Consumers using 50 units or less - All units at 42.5 cents/Kwh.

Consumers using more than 50 units - All units at 50 cents/Kwh.

Minimum charge \$5.00 per month. ^{1/}

2. COMMERCIAL

Demand charge \$12.00 per Kva. Calculated as Kwh units used divided by 125.

All units at 48 cents/Kwh.

Minimum charge \$15.00 per month.

3. INDUSTRIAL

Demand charge \$12.00 per Kw of plant installed

All units at 44 cents/Kwh.

4. STREET LIGHTING

All units at 56.5 cents/Kwh.

All Miscellaneous charges are referenced by codes which are explained on the back of the Electricity Bill.

There are two codes which relate to Commercial Consumers:

Code 2

This is the demand charge which has been in place for the past seventeen years.

The demand charge reflects the investment in plant capacity which VINLEC has made in order to supply you with electricity.

Before December 1989, this charge was based on the floor area of your premises. However, during 1989 we carried out a detailed analysis of a wide cross section of commercial consumers' actual demand on the system, and their related charges, and concluded that a floor area based method is both outdated and inadequate.

This analysis was also used to devise a new fairer method of allocating the demand charge. It was found that on average, the ratio of commercial consumption to commercial demand is 125. Therefore a consumers monthly demand is now calculated by dividing monthly consumption by 125.

Consumers affected are those who have relatively high demands for electricity, but have previously been charged on the basis of low floor areas.

Code 5

This code is ONLY used when the total monthly bill is below \$15.00. In this case we bill \$15.00 as a minimum charge, to reflect the basic cost of providing you with a service.

Notes:

1/ Effective September 2001