

11 December 2012

**CLP announces 2013 tariff adjustment and an introduction of new Energy Saving Rebate to help low consumption customers and to encourage energy efficiency**

CLP Power today announced that the Average Basic Tariff for 2013 will remain unchanged but because of increased fuel costs and an adjustment to its Rent and Rates Special Rebate arrangement, the average net tariff increase for 2013 will be 5.9%.

CLP will introduce a new Energy Saving Rebate Scheme to assist low consumption customers and encourage energy efficiency. This will result in 35% of domestic customers, about 700,000 domestic customers, and 44% of small business customers, about 130,000 business customers, seeing no increase or even enjoying a small reduction in their electricity bills. Domestic customers using 400 units or less on a bi-monthly basis and small business customers using 400 units or less per month can enjoy savings in their electricity bills.

CLP has managed to maintain its Average Basic Tariff at 2012 level due to stringent cost control and growth in electricity sales as a result of the hotter weather in 2012. However, the average total tariff will be revised upward by 4.5% to 106.6 cents per unit as a result of a 4.6 cents increase in the Fuel Clause Charge (FCC).

This increase is due to rising fuel costs as a result of use of more expensive new natural gas supplies from the second West-East Gas Pipeline. The new gas price, which is priced in line with current international benchmarks, is three times that of the gas from our existing Yacheng supply, which was contracted 20 years ago when fuel prices were significantly lower.

CLP will also provide a Rent & Rates Special Rebate at 2.1 cents per unit to all customers in 2013. We estimate that, by the end of 2013, this rebate will complete the return to CLP's customers of all of the overcharged Rent & Rates money refunded by Government.

Besides, a 6th Block will be added to the Domestic Tariff structure which will encourage high electricity consumption customers to consider energy saving. Only the very top consumption households will be affected which account for less than 1% of our customers.

Details of the 2013 tariff package are as follows:

<b>Tariff component (¢/kWh)</b>	<b>Current</b>	<b>Changes</b>	<b>2013 Tariff</b>
Average Basic Tariff	84.2	No change	84.2
Fuel Clause Charge (FCC)	17.8	+4.6	22.4
Average total tariff	102.0 (+8.4%)	+4.6	106.6 (+4.5%)
Rent & Rates Special Rebate	-3.3		-2.1
Average net tariff	98.7 (+4.9%)	+5.8	104.5 (+5.9%)

The new tariff will take effect from 1 January 2013. Impact of the new tariff is detailed in the table below:

<b>Consumption per bill* (kWh)</b>	<b>Tariff Impact (\$ per Month)</b>	<b>Approx. % (Number of Customers)</b>
<b>Residential Customers (Domestic Tariff)</b>		
0 – 400	No change or up to \$3 reduction	35% (700,000)
401 to 800	Up to \$23	35% (700,000)
>800	> \$23	30% (600,000)

<b>Business Customers (General Service Tariff)</b>		
0 – 400	No change or up to \$6 reduction	44% (130,000)
401 to 2,000	Up to \$116	33% (100,000)
>2,000	> \$116	23% (70,000)

\* CLP provides bi-monthly billing for domestic customers and monthly billing for business customers

CLP Power's Managing Director Richard Lancaster said, "As Hong Kong's largest energy supplier, we are conscious of the need to keep the 2013 adjustment to a reasonable level while ensuring reliable, safe and environmentally responsible supply of electricity to our 2.4 million customers. We have also developed new measures to promote energy conservation by introducing the new Energy Saving Rebate as well as continuing to offer tools and advice to help customers save energy.

"Further, the community can be reassured that the new natural gas supplies from West-East Gas Pipeline II means that Hong Kong can now rely on a stable and sustainable supply of clean natural gas for the coming 20 years."

CLP will inform customers of the tariff details and other associated changes through print advertisements and on its website ([www.clponline.com.hk](http://www.clponline.com.hk)). CLP customers will receive detailed information in the coming few weeks.

### **About CLP Power Hong Kong Limited**

CLP Power Hong Kong Limited ("CLP Power") is the Hong Kong utility subsidiary wholly owned by CLP Holdings Limited, a company listed on the Hong Kong Stock Exchange and one of the largest investor-owned power businesses in Asia. CLP Power operates a vertically integrated electricity supply business in Hong Kong, and provides a highly reliable supply of electricity and excellent customer services to 5.8 million people in its supply area.

**End**

A list of supplementary information about CLP 2013 Tariff Review can be downloaded from the following links:

1. [CLP 2013 Tariff Review Information Pack to LegCo Panel on Economic Development](#)
2. [Fact Sheet \(1\) - Tariff Structure](#)
3. [Fact Sheet \(2\) - Energy Efficiency & Conservation](#)
4. [Fact Sheet \(3\) – Generating Capacity & Reserve Margin](#)
5. [Chart \(1\) – CLP's Reasonable Tariff](#)
6. [Chart \(2\) – Domestic Tariff and Small Commercial Tariff Comparison with Other Cities](#)
7. [Extract from 2013 Domestic Tariff Table](#)

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