



中華電力
CLP Power

2003 Tariff Review

Sharing the Benefits

CLP Rebates **\$910,000,000** to Customers

10 December 2002

Key Considerations for 2003 Tariff Review



- § **CLP is fully aware of the current difficult economic environment faced by our customers**
- § **A tariff package designed to meet the needs of both residential and non-residential customers**
- § **Total cost for this package is about HK\$910 million, or about 3.7% reduction of our 2003 electricity price, funded mainly by the Development Fund**



中華電力
CLPower

CLP 2003 Tariff Rebate of \$910,000,000

Residential

1,770,000 customers

- § 1.5 ¢/u based on 2002 consumption; OR
- § a minimum of \$250 per customer

Non-Residential

276,000 customers

- § 1.5 ¢/u based on 2002 consumption; OR
- § a minimum of \$700 per customer
- § Extending Business Relief Rebate of 0.2 ¢/u to 2003

§ Rebate credit to customers in the first bill in 2003

§ Rebate due primarily to higher China & local sales and CLP cost control



Benefits to Residential Customers

% of Customers	Monthly Consumption (kWh)	Min. Tariff Reduction	Months of Free Electricity
20%	0 - 120	20%	> 2 months
40%	Up to 200	12%	> 1 month
60%	Up to 300	8%	About 1 month
80%	Up to 490	5%	> 0.5 month

§ About 60% of Residential Customers (i.e. about 1,000,000 accounts) will enjoy one month or more of free electricity

Benefits to Residential Customers



**One month FREE
Electricity for
1,000,000 customers**



**\$250 minimum rebate amount
would offer meaningful benefit
for small customers**





Benefits to Non-residential Customers

§ General Services Tariff Customers

% of Customers	Monthly Consumption (kWh)	Min. Tariff Reduction	Months of Free Electricity
20%	0 – 100	60%	> 7 months
40%	Up to 380	16%	About 2 months
60%	Up to 930	7%	About 1 month
80%	Up to 2600	2%	>1/4 month

Rebate Range

§ Bulk Tariff Customers

\$5,000-\$450,000

§ Large Power Tariff Customers

\$200,000-\$4,000,000

§ Rebate amounts for large commercial and industrial customers would be considerable through the ¢/u scheme

Benefits to General Services Tariff Customers (<20,000 units/month)



One month FREE Electricity for 160,000 Customers*



Office

Annual Consumption	Rebate
≤ 46,666 units	\$700
> 46,666 units	1.5¢/u

≤ 46,666 units

\$700

> 46,666 units

1.5¢/u

* 60% customers will enjoy 1 month free electricity



Eatery

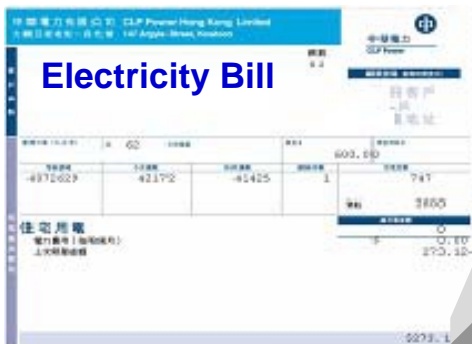


Shops

Benefits to Bulk Tariff Customers (>20,000 units/month)



Rebates:
\$5,000 to \$450,000
per Customer



Hospital



Factory



Restaurant



Hotel

Benefits to Large Power Tariff Customers



Rebates:
\$200,000 to \$4,000,000
per Customer



CLP Shares the Benefits with the Customers



Over the years, CLP has offered the following tariff reductions:

	Effect on the Year's Electricity Price	\$M
§ Tariff level frozen since 1998 for the 5 th year	-	-
§ \$50/customer Tax Rebate in 1999	-0.4%	90
§ \$200/customer Centenary Rebate in 2001	-1.7%	380
§ \$220/customer rebate in 2002, and reduction of tariff by 0.3 cents	-2.2%	560
§ 1.5¢/u rebate in 2003, based on 2002 consumption (min.\$250/Residential & \$700/non-Residential)	-3.7%	910
	Total	1,940

Summary

- § CLP provides Hong Kong with a reliable electricity supply at reasonable cost
- § The 2003 rebates will provide immediate benefit to our customers
- § The per-unit rebates will benefit large customers
- § Small customers will enjoy at least one month free electricity from minimum rebates

**CLP shares the result of our hard work
with the customers**



中華電力

CLP Power

**CLP strives to work for the
long term benefit of Hong Kong**