



ST.VINCENT ELECTRICITY SERVICES LTD.

P.O. Box 856 Paul's Avenue Kingstown St. Vincent & The Grenadines West Indies

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For immediate release

25th May 2022

FUEL SURCHARGE RATE AND ELECTRICITY COST

Customers of St. Vincent Electricity Services Limited are advised that although the basic rate for energy has not changed since 1989 for Domestic Customers and 2011 for Commercial and Industrial Customers, the rising cost of fuel is causing an increase in the overall cost of electricity. Customers are reminded that the base rate for electricity includes less than five percent of the cost of the fuel used to generate electricity. Since December 2021 the average cost per gallon of fuel used by the company to generate electricity has increased by over 30 percent, resulting in a similar change in the Fuel Surcharge rate. During this period the average cost of fuel has moved from \$8.84 per gallon to \$11.50 in April, while the Fuel Surcharge rate has moved from 44.71 cents per kWh to 59.48 cents per kWh.

During the month of May, the company has seen further increases in the price of fuel that would lead to an even larger increase in the Fuel Surcharge Rate. Although the Customs Service Charge (CSC) of 6 percent on the price of fuel has been removed, the company has thus far paid an average of approximately \$14.20 per gallon for fuel purchased in May. This represents an increase of \$2.70 per gallon over April's cost. This will result in a further increase in the Fuel Surcharge rate on customers' electricity bills for the month of June.

The price that VINLEC pays for fuel to generate electricity is a reflection of the price of fuel on the international market. The company is hopeful that this upward trend will soon be reversed. This will ultimately lead to lower price for the fuel used to generate electricity and a consequential reduction in the Fuel Surcharge rate.

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Please contact the Manager Customers Services at sharris@vinlec.com for any clarification.