

Tariffs and charges

ECONOMIC REGULATIONS

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All transactions within the water and electricity sector now occur on an economic basis. At the point at which the distribution companies come to supply customers, the government can set tariffs below cost and make up the shortfall in revenue to the distribution companies by way of subsidies.

The tariffs and charges can be categorised as:

- Customer tariffs or standard tariffs
- The transmission use of system (TUoS)
- The bulk supply tariff (BST)

Our statement on water and electricity costs gives the actual cost of supplying water and electricity to the different customer classes. These unit costs are shown on customer utility bills under 'Actual cost'. The customer tariffs for water and electricity have been reformed, beginning from 2015, to incentivise efficient use of water and electricity by customers.

Bulk supply tariffs	+
Customer tariffs & charges	—
<p>The DoE, under the Law, has a general duty to protect the interests of water and electricity consumers as to the terms and conditions and price of supply. In practice, the DoE discharges this duty in relation to price through the economic regulation of the sector’s licensed companies. In particular, the DoE caps the revenue that can be recovered by the distribution companies. This revenue capping is based on the total economic costs of distribution and supply.</p> <p>However, in recognition of the fact that the government of Abu Dhabi has historically subsidised the supply of water and electricity, the licence for the distribution companies allows DoE (Formerly ADWEA) to direct that certain customers are 'subsidy customers', and that such customers are charged a tariff determined by DoE (Formerly ADWEA). The difference between the total revenue that can be recovered by the distribution companies and the revenue they receive from customer tariffs represents the government subsidy to the sector.</p> <p>Standard tariffs</p> <p>Standard tariffs are published by the distribution companies as indicated by DoE. Given that, presently, the total economic costs of a unit of water or electricity exceed the published tariffs, the standard tariff customers benefit from the government's subsidy.</p> <p>The present standard tariffs are charged on a per unit basis, the electricity customers are charged a unit rate per kilowatt-hour for electricity and cubic meter for water if they have a meter; otherwise, they are charged a fixed monthly amount for their water consumption.</p>	



nationality.

The DoE's current understanding of imposed tariffs for final customers is as listed below.

LARGE USER TARIFFS

Large user tariffs are available to customers whose daily consumption of electricity or water is in excess of 1 megawatt (MW) and 10,000 litres, respectively. These are required to be cost-reflective and are subject to the DoE's approval.

Please refer to our 'Electricity tariffs for large-users in the Emirate of Abu Dhabi' for further details on electricity tariffs, obtaining large user tariff, and the role of subsidies.

Connection charges

New connections for electricity and water are subject to connection charges levied by the distribution companies, subject to the DoE's approval. TRANSCO also levies connection charges on all parties connecting directly to its transmission system. In this case, connection charges cover the capital costs and the ongoing operation and maintenance costs of providing assets required to connect a user to the transmission system.

Transmission Use of System Charges



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