



شركة كهرباء المناطق الريفية ش.م.ع.ع
Rural Areas Electricity Company s.a.o.c

إحدى شركات مجموعة نماء
Member of Nama Group

LARGE GOVERNMENT, COMMERCIAL
AND INDUSTRIAL CUSTOMERS

COST REFLECTIVE TARIFF

CRT



 **INTRODUCTION**

On Thursday 13 October 2016, it was announced by the AER that the Council of Ministers had approved the introduction of a new tariff for high value customers.

The new tariff is designed to more accurately reflect the actual costs of providing a supply of electricity to large government, commercial and Industrial customers.

This booklet describes the key features of the new tariff and is designed to help the customers understand the new tariff structure.

 **CRT MEANING**

CRT is Cost Reflective Tariff. It is a description of a tariff structure that reflects all the cost of electricity generation, transmission, distribution & supply to the customer. Under this tariff the customers will be bearing all the cost of their electricity consumption without government subsidy.

TARGETED CUSTOMERS

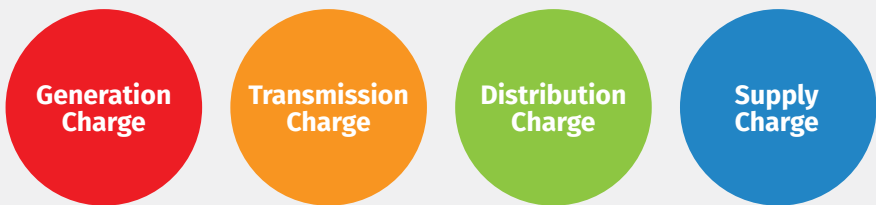
High value customers who consume above 150 MW/H a year, under the Commercial, Industrial and Government Categories are eligible to be CRT customers.

► THE TARIFF DESIGN

The total cost of energy consumed by the customer is the summation of the following factors:

$$\text{Total Cost} = \text{Bulk Supply Charge} + \text{Transmission Charge} + \text{Distribution System Charge} + \text{Supply Charges}$$

These different charges correspond to the different stages of electricity delivery to the customer as shown in the diagram below:



► BULK SUPPLY CHARGE:

The red tables below correspond to the diagram and show the cost of electricity paid to the generation companies to cover the cost of electricity generation. This value of consumption is read on hourly basis and is charged at different rates depending on the time of the day, the time of the week and the month of year. The following table shows the rate at different times;

2017 Bulk supply charge in MIS area (Musandam, Al Wusata, Al Sharqiya, al Dakhaliya & Al Dhahira region)

TOD Register Identification	T1	T2	T3	T4
Register	Off-Peak	Night-Peak	Weekday Day-Peak	Weekend Day-Peak
Time Slot	All days, 02.00 to 13.00 and 17.00 to 22.00	All days, 22.00 to 02.00	Sun. to Thur., 13.00 to 17.00	Fri. to Sat., 13.00 to 17.00
January – March	12	12	12	12
April	14	14	14	14
May – July	17	26	67	39
August – September	15	21	26	19
October	14	14	14	14
November –December	12	12	12	12

2017 Bulk supply Tariff in Dhofar area

TOD Register Identification	T1	T2	T3	T4	T5	T6
Register	On-Peak weekday	On-Peak weekend	Off-Peak Morning All days	Mid-Peak weekday	Mid-Peak weekend	Off-Peak Night All Days
Time Slot	Sun. to Thu., 00.00 to 04.00 and 15.00 to 17.00	Fri. to Sat., 00.00 to 04.00 and 15.00 to 17.00	04.00 to 11.00	Sun. to Thu., 11.00 to 15.00	Fri. to Sat, 11.00 to 15.00	17.00 to 24.00
January – March	12	12	12	12	12	12
April	33	33	19	28	25	27
May – June	53	33	28	42	25	27
July – August	13	13	13	13	13	13
Sept – Oct	17	13	13	17	13	13
Nov –Dec	12	12	12	12	12	12

Note: All prices are in Baize per Kwh and the above rates might be changed in yearly basis. The above table represents 2017 rates.

► **TRANSMISSION CHARGE (Tt):**

Corresponds to the orange Box in the diagram. This is the charge for using the transmission network depending on the amount of load consumed by the customer. The higher the customer's load is, the more he is using the transmission network. So, this charge will depend on the Maximum transmission network use during the year.

The value of this charge is 12.600 OMR KW connected per year for 2017.

This charge will change might be changed in yearly basis.

► **Distribution Charge (Dt):**

Corresponds to the green Box in the diagram. These are the charges for using the distribution network, for delivering electricity from the substation to the premises of the customer.

Customers connected on the transmission network will not pay Distribution Charges, as they do not use the distribution network.

The value of this charge is 7 bz KW/H consumed for 2017.

This rate might change yearly.

► **SUPPLY CHARGE (St):**

Corresponds to the blue Box in the diagram. This is the cost of meter reading, billing, collection and other supply services. This charge is paid per customer per year regardless of his consumption.

In case the customer has more than one meter in the same premise he will be charged 50 OMR/ year.

The value of the St is 50 Rials/ customer for 2017.

This charge might change yearly.

► METER SPECIFICATION FOR CRT CUSTOMERS

CRT customers will be provided with digital meters and automated meter reading facility. This type of meters is able to read the consumptions on hourly basis.

LOAD AGGREGATION SCENARIO

- CRT customer load must be aggregated.
- All the load of the customer in a single site (single mulkya and Krouki and same entity renting or owning the premises) that are commercial, industrial or government will be calculated as 1 unit.
- If the legal entity “Customer” has more than 1 rental contract for several offices in a single site, this is still considered a single customer and his load needs to be aggregated.
- In a commercial building if there are residential customers and commercial, the commercial customer’s load needs to be aggregated, as per the rules above.
- If the customer is renting several offices in the same site and using these for different businesses, their load will be aggregated.
- Meter wil be automated.





► ELIGIBILITY CUSTOMERS

After identifying the CRT customers, the following condition should be applied to check the applicability of the tariff to the potential customer.

New Customer (With connected load or Aggregate Load less than 60kw)

The customer is given a normal meter with permitted tariff and the normal customer segment and category.

If this customer crosses the 150,000 KWH on 12 months rolling:

- His meter will be replaced with a meter that matches the CRT specifications.
- He will be subject to CRT from the next months

New Customer (with connected load or Aggregate Load between 60kw and 100 kw)

- These customers will get a CRT meter
- These customers will NOT be charged with CRT from the first day of their connection.
- RAECO will monitor these customers on monthly basis.
- When a customer's load is between 60kw and 100kw reaches the 150,000KWH consumption in the last 12 months, the following will happen:
 - He will be subjected to CRT tariff from that day on.
 - He will be billed retrospectively on CRT (for the past 12 months)



New Customers (with connected loads or Aggregate Load Above 100 kw)

- He will be given a meter that matches the CRT specifications,
- These customers will be subject to the CRT tariff from day one.
- If the customer does not reach 150,000KWH for 12 months, he will be refunded retrospectively.
- He will be removed from CRT tariff
- He will remain under monitoring. In case consumption reaches 150,000KWH in 12 months period at any time he will be subject to CRT again.

Existing Customers

Current meter replacement plans are for customer identified whose 2016 consumption is 150,000KWH under commercial, industrial and government categories.

► THE OBJECTIVE OF CRT

The implementation of the CRT will reduce the investment in the electricity network to cope with the increasing peak load demand. When the peak load of the network is high, the government will have to invest in their electricity infrastructure to be able to provide electricity at the peak load, considering that the cost of electricity at peak load is very high.

Applying CRT will drive customers to reduce their peak load, in order to reduce the value of their bill. When the peak load of the network is reduced or at least sustained, the government can reduce the amount of investment in the network, and direct the savings to other critical national projects.

On a national level, implementing CRT will reduce the amount of subsidy the government pays for electricity sector. High value customers will no longer receive government subsidies for electricity. This will help the government direct the savings from subsidies to other critical projects the country needs to maintain its growth and sustainability.



► CRT BILL LAYOUT

تفاصيل الفاتورة (بالريال العماني) Bill Details (OMR)

القيمة Charge	الاستهلاك (kWh) Consumption (kWh)	التعرفة Rate	الوقت Time Zone*
24	2000	0.012	T1
12	1000	0.012	T2
24	2000	0.012	T3
24	2000	0.012	T4

Time Zone Consumption
Calculation for Jan

حساب قيم الاستهلاك لشهر
يناير

Bulk Supply Charges

Total Energy
Charge

84

اجمالي الطاقة
المستهلكة

تكلفة توليد الطاقة

Transmission Charges

Transmission
System Charge

100.8

تكلفة نقل الطاقة

تكلفة النقل

Distribution Charges

Distribution
System Charge

49

تكلفة توزيع
الطاقة

تكلفة التوزيع

Supply Charges

Supply
Service Charge

4.167

تكلفة التزويد
بالطاقة

تكلفة التزويد

Disconnection/
Reconnection Fees

0

رسوم القطع
والإعادة

Adjustments

0

التعديلات

Other Charges

0

الرسوم الأخرى

Bill Value

Total Current
Month Dues

237.967

إجمالي مستحقات
الشهر الحالي

اجمالي الفاتورة

Previous
Outstanding

المستحقات
السابقة



CRT Questions & Answers



How do I know whether my charges are CRT based or not?

If you are under commercial, industrial and government categories and your consumption reaches 150MW/h a year, RAECO will communicate with you to implement CRT.

What if I have more than one meter or account at the same premise?

Consumption at all accounts at the same premises (covered by a single krookie/mulkiyah) will be aggregated to determine if the supply to the premises is eligible for the new CRT or not. In this case the supplies for non-CRT eligible purposes, such as residential use will be excluded.

The consumptions of all the meters in the same premises will be aggregated to determine whether you are eligible for CRT or not.

What if I have a number of different premises? will my meter's consumptions be aggregated?

The eligibility of the CRT depends only on the consumption aggregated at the same premise, while consumption at different premises will not be aggregated.

Are there plans to include residential customers in the CRT in the future?

The Authority has no plans to extend the CRT to residential customers. Decisions to change the CRT applicable to residential customer tariffs can only be taken by the Council of Ministers.

If I am a CRT customer and sold my business after six months with a total consumption of 80,000 KWH, and if the new buyers consume more than 160 KWH towards the end of year, will the respective charge be applied to the new customer or to me ?

Each customer is considered a separate legal entity. Monitoring will restart from the date of new customer moving to the new premise.

Who will bear the cost of the CRT Meter As per existing procedures?

New customers will bear the cost of the meter, as per the normal procedure. Existing customers will get their meters replaced, upgraded or configured free of charge.

Who has decided to change the tariff to CRT?

It is the Council of Ministers in Oman

Is the CRT tariff the same for all customer segments (government, Commercial and Industrial)?

The customer segments eligible for CRT are government, industrial and commercial. The CRT tariff is the same for customers across these categories.

Will CRT customers receive a different treatment for settling their bills?

Same usual procedures and regulations for payment will apply





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