

Guiding the application of electricity-selling prices

Pursuant to the Government's Decree No. 45/2001/ND-CP of August 2, 2001 on electric power activities and electricity use;

Pursuant to the Prime Minister's Decision No. 215/QĐ-TTg of December 29, 2004 on electricity-selling prices;

After consulting with the Finance Ministry, the Industry Ministry hereby guides the application of electricity-selling prices as follows:

I. GENERAL PROVISIONS

1 This Circular guides the application of electricity-selling prices under the Prime Minister's Decision No. 215/QĐ-TTg of December 29, 2004.

The electricity-selling prices under Decision No. 215/QĐ-TTg shall apply to subjects using electricity for production, business or service purposes; daily-life consumption; to non-business administrative agencies; rural electricity management units which sign electricity trading contracts directly with units selling electricity from national grids and being licensed for electricity activities in the electricity distribution and trading domains.

The electricity-selling prices prescribed in Decision No. 215/QĐ-TTg are the prices exclusive of value added tax and determined according to the quality standards provided for in the Government's Decree No. 45/2001/ND-CP of August 2, 2001 on electric power activities and electricity use.

2. Electricity purchase and sale must be effected through meters and contracts. The signing of electricity-selling and -purchasing contracts shall comply with the provisions of Articles 26, 27 and 28 of the Government's Decree No. 45/2001/ND-CP of August 2, 2001 on electric power activities and electricity use.

3. When the electricity buyers use electricity for different purposes at different prices, the electricity sellers must install meters separately for different price levels; in cases where separate meters are yet installed, the electricity buyers and sellers shall base on the actual use of electricity to determine the specific ratio for each price level and include them in the electricity-trading contracts.

4. If electricity buyers use electricity with less than 15 kWh/month, the meters' figures can be recorded once every three months. If electricity buyers use electricity in three months with less than 15 kWh, the figures indicated by the meters shall be correctly recorded and the electricity sellers may collect a fixed charge being equal to the value of 15 kWh according to the electricity-selling price table prescribed in Decision No. 215/QĐ-TTg and account them into electricity sale turnovers.

5. The retail prices of daily-life electricity sold directly to peasant households by rural electricity management organizations shall continue to comply with Official Dispatch No. 1303/CP-KTTH of November 3, 1998 of the Prime Minister, Joint Circular No. 01/1999/TTLT-BVGCP-BCN of February 10, 1999 and Joint Circular No. 02/2000/TTLT-BVGCP-BCN of February 15, 2000 of the Government's Pricing Committee and the Industry Ministry.

6. The electricity-selling prices must be applied to the right subjects and the right use purposes.

The electricity buyers have the responsibility to declare correctly the electricity use purposes for calculation of electricity-selling prices strictly according to the provisions of Section III of this Circular.

If electricity buyers change their electricity use purposes, thus leading to price change, they must notify such to the electricity sellers 15 days in advance for adjustment of the contractual prices. The electricity sellers shall inspect and promptly apply the electricity-selling prices to the right subjects.

For cases where prices are wrongly applied to electricity-using subjects, thus causing damage to electricity buyers or sellers, the electricity charges shall be retrospectively collected or refunded. Where the time for wrong application of prices cannot be determined, the retrospective collection or reimbursement of electricity charge shall be calculated with the duration of 12 months dated back from the time of detection of the wrong application.

7. The purchase and sale of reactive power shall comply with Joint Circular No. 09/2001/TTLT-BCN-BVGCP of October 31, 2001 of the Industry Ministry and the Government's Pricing Committee.

8. In this Circular, the terms below shall be construed as follows:

a) "The electricity buyers" mean organizations and individuals signing contracts on purchase of electricity of electricity sellers for direct use or resale to other organizations or individuals.

b) "The electricity sellers" mean units selling electricity directly from national grids, which are licensed for electricity activities in the domains of electricity distribution and business.

II. ELECTRICITY-SELLING PRICES BASED

ON VOLTAGE LEVELS, USE TIME IN THE DAY

1. Voltage based electricity-selling prices

The voltage based electricity-selling prices shall apply to all electricity buyers and prescribed in Decision No. 215/QĐ-TTg, excluding parties buying electricity at the progressive daily-life electricity retailing prices, the electricity wholesale prices applicable to rural areas, dormitories, population quarters. For the electricity-selling price applicable to any voltage, an electricity-measuring or-recording system suitable to such voltage level must be installed. The electricity charges shall be calculated according to outputs indicated by electricity-measuring or-recording systems without adding any expense.

2. Electricity-selling prices based on the use time in the day.

2.1. The electricity-selling prices are prescribed according to the time of using electricity in the day (hereinafter called the three-price form).

a) The time of using electricity in the day for application of three-price form shall be prescribed as follows:

- Normal hours: From 04.00 hrs to 18.00 hrs (14 hours).
- Peak hours: From 18.00 hrs to 22.00 hrs (4 hours).
- Ebb hours: From 22.00 hrs to 04.00 hrs of the following day (6 hours).

b) The electricity-selling prices in three-price form shall be applied to the following subjects:

- The electricity buyers using electricity for production, business and/or service purposes and being supplied with electricity via exclusive-use transformers of 25 kVA or higher or using the electricity with the average electricity output of 2,000 kWh/month or more for three consecutive months.
- The electricity buyers using electricity for purposes of water pumping for irrigation or drainage in direct service of rice, subsidiary-food production or intercropped short-term industrial plants.

c) The electricity purchase in three-price form shall be encouraged for:

- + Customers using electricity for production, business and/or service purposes, with transformers and electricity-using outputs being below the above-prescribed levels;
- + Customers using daily-life electricity with the average consumption level of 300 kWh/month or more for three consecutive months.

The electricity sellers shall have to create conditions and provide guidance for such households to install three-price meters.

2.2. The electricity sellers must prepare adequate electricity meters to be installed for electricity buyers subject to the application of three-price form. Pending the installation of three-price electricity meters by electricity sellers, the electricity prices for normal hours shall apply.

2.3. In cases where electricity meters are lost, operate inaccurately (including cases of being inaccurate temporarily) or stop working, the electricity outputs shall be calculated according to the provisions of Clauses 1, 2 and 3 of Article 40 of the Government's Decree No. 45/2001/ND-CP of August 2, 2001 on electric power activities and use and the electricity-selling prices shall be calculated according to normal hours.

2.4. Where electricity buyers subject to the application of three-price form comprise organizations, individuals using common electricity meters and being not subject thereto, the electricity sellers shall separate electricity meters of such organizations and/or individuals for signing the direct electricity-trading contracts.

If the technical conditions do not permit such separation for signing contracts with the organizations, individuals using the common meters, the electricity sellers shall install three-price meters for such organizations and individuals in order to deduct the electricity power according to actual use.

In cases where three-price meters are yet installed for such common electricity-users, the electricity buyers shall be entitled to the application of normal-hour electricity prices.

Example: Factory A is an electricity buyer having a transformer of 560 kVA and being subject to the application of three-price form, but such transformer is also used commonly by organizations and individuals being not subject thereto, including:

- The factory's dormitory using daily-life electricity or applying the daily-life electricity wholesale prices.
- Vocational training school B which is subject to the electricity prices applicable to non-business administrative agencies.

These common electricity users are entitled to the installation of three-price meters for deduction, hence, the use time- based output of Factory A shall be calculated as follows:

Calculation unit: kWh

	Normal hour	Peak hour	Ebb hour
1. Commonly used electricity (according to meter)	7,856,000	2,150,000	3,450,000
2. Electricity used by vocational-training school B (according to meter)	1,572,000	457,000	356,000
3. Electricity used for daily-life activities (according to meter)	560,800	349,400	175, 000
4. Electricity used by Factory A (4 = 1- 2 - 3)	5,723,200	1,343,600	2, 919,000

III. ELECTRICITY-SELLING PRICES ACCORDING TO ELECTRICITY USERS

1. Electricity-selling prices for production

1.1. Electricity-selling prices applicable to ordinary production branches:

Applicable to all electricity buyers for use in production activities of the following branches:

- Agriculture: cultivation (including electricity used in service of irrigating industrial plants, fruit trees on acreages free from irrigation charges, of lighting to stimulate fruit trees to give high yields); cattle raising, aquaculture and other types of animal raising; production of preservatives and anti-epidemic drugs;
- Forestry;
- Fishery;
- Mining;
- Industry;
- Construction;
- Communications and transport;
- Offices of corporations and production-business managing companies shall be subject to the application of production electricity-selling prices applicable to the corresponding branches;
- Warehouses of goods (being finished products, semi-finished products) being in the process of production;
- Enterprises engaged in public-utility activities;
- Other production activities.

1.2. Electricity-selling prices applicable to particular production branches:

a) The selling prices of electricity used for water irrigation and drainage shall apply to electricity buyers using electricity for purposes of irrigation and drainage in service of rice, vegetable, subsidiary food production, intercropped short-term industrial plants (jute, rush, ground nuts, bean and pea...), rice seed production, fruit trees, fruit tree saplings with the collection of irrigation charges, including electricity used at the offices of agencies performing the tasks of managing, exploiting irrigation works.

b) Electricity-selling prices for other particular production branches shall apply to the following subjects:

- The electricity buyers using electricity for production of clean water (including electricity used at clean water- business offices) to meet the daily-life consumption, production and business demands and fully satisfying such conditions as: Having clean-water business license; selling daily-life clean water for population quarters at prices set by provincial/municipal People's Committees.

Where the electricity buyers are organizations or individuals engaged in clean-water production in villages, communes for sale to households, if electricity is used from the outlets of general meters, it shall be calculated at other purpose prices of the wholesale prices for rural areas; if electricity is used under separate contracts, it shall be calculated according to clean-water production electricity prices.

- The electricity buyers using electricity for water pumping for drainage against water logging and treatment of waste water of cities, provincial towns.

- The electricity buyers using electricity for steel, iron, clindon refinery; production of caustic soda, urea, apatite ore; yellow phosphorus shall only be entitled to apply this price table to electricity output used for steel refinery (including processes in support of steel refinery, pig-iron refinery including furnace intake, air ventilation, oxygen production in the complex); iron, clindon-refining chain; urea fertilizer, apatite ore, yellow phosphorus production chains; chains for production of commercial caustic soda of contents of 30% or higher.

It shall not apply to outputs of electricity used for other processes or other purposes by the buyers.

1.3. Electricity-selling prices applicable to industrial parks:

For industrial park management boards, which sign contracts for purchase of electricity from electricity sellers at the general meters and resell electricity to electricity-using organizations and individuals in the industrial parks, the electricity-selling prices shall apply as follows:

a) The electricity sellers sell electricity to the industrial park management boards at the general meters at the prices applicable to production branches prescribed in Decision No. 215/QĐ-TTg (except for cases prescribed in Item b, Section 1.3 below).

b) In cases where the industrial park management boards buy electricity from electricity sellers and resell electricity to organizations and/or individuals using electricity for production purposes in the industrial parks at the same voltage level: The electricity sellers shall sell electricity to the industrial park management boards at the general meters at the prices applicable to the production branches prescribed in Decision No. 215/QĐ-TTg, reconciling 2%. The electricity output for calculation of reconciling prices shall be based on the actual output used monthly by the customers in the industrial parks buying electricity at the same voltage level bought from the electricity sellers by the industrial park management boards.

c) The industrial park management boards shall sell electricity to households using electricity in the industrial parks strictly according to the electricity-selling price tables prescribed in Decision No. 215/QĐ-TTg.

Example: Industrial Park A management board buys electricity from the electricity seller at the voltage of 110 KV for resale to households using electricity for production in the industrial park:

+ If Industrial Park A management board sells electricity to ordinary production households in the industrial park at the voltage of 6 KV:

The prices at which the Industrial Park A management board makes payment with the electricity seller shall be calculated as follows:

--	--

	Electricity-selling price (VND/kWh)
- Normal hours	785
- Ebb hours	425
- Peak hours	1,325

Industrial Park A management board shall sell electricity to ordinary production households in the industrial park at the voltage of 6 kV as follows:

	Electricity-selling price (VND/kWh)
- Normal hours	860
- Ebb hours	480
- Peak hours	1,430

+ If Industrial Park A management board sells electricity to ordinary production households in the industrial park at the voltage of 110 kV:

The prices at which Industrial Park A management board shall make payment with the electricity seller are calculated as follows:

	Electricity-selling price (VND/kWh)
- Normal hours	$785 * 98\% = 769.3$
- Ebb hours	$425 * 98\% = 416.5$
- Peak hours	$1,325 * 98\% = 1,298.5$

Industrial Park A management board shall sell electricity to ordinary production households in the industrial park at the voltage of 110 kV as follows:

	Electricity-selling price (VND/kWh)
- Normal hours	785
- Ebb hours	425
- Peak hours	1, 325

2. Prices of electricity sold to non-business administrative agencies:

2.1. Electricity-selling prices applicable to non-business administrative agencies:

The electricity-selling prices applicable to electricity-buying non-business administrative agencies being:

- The State administrative agencies; non-business units; armed force units; political organizations; socio-political organizations; professional

associations;

- Embassies, diplomatic agencies, representative offices of international organizations (not managing business);

- Units operating in the domains of culture, art, press, physical training and sports (including swimming pools, tennis courts,...); radio, television stations; theatres, art performance companies; companies and cinemas, circuses, culture and information houses; gymnasiums; museums, memorial houses, exhibition houses, funeral houses, crematories;

- Sections of trade fairs, market management boards, which are provided with budgetary funding; sections of guest houses, motels of administrative agencies or non-business units, which are provided with budgetary funding. The electricity buyers must supply legal documents on the use of budgetary funding to serve as basis for determining the electricity prices according to percentages.

Example: Guest House No. 8 Chu Van An Street, Hanoi, is an unit attached to the Government Office: The sections provided with funding from the Government Office shall be entitled to prices applicable to non-business administrative agencies while sections engaged in business activities shall be subject to the prices applicable to business, service activities according to percentages.

- Health insurance or social insurance agencies.

- Research, designing, planning institutions; vocational-training, educational establishments (other than the subjects mentioned at Point 2.2, Section III of this Circular).

- Central and local organizations, agencies engaged in book and newspaper distribution (including shops), school and medical equipment supply (including shops), foreigners engaged in charity activities.

- Consultancy establishments, excluding those mentioned at Point 2.2, Section III of this Circular.

- Reserve storehouses with function prescribed by competent authorities as national reserves attached and not attached to the National Reserve Department.

- Bank in service of the poor.

- Project management units.

Goods-manufacturing activities of administrative agencies, non-business units shall be subject to the application of production electricity prices; business and service activities of administrative agencies and non-business units shall be subject to the application of business electricity prices.

2.2. Prices of electricity sold to hospitals, crèches, kindergartens and general education schools:

Applicable to the following subjects:

- Crèches, kindergartens, general education schools of all levels: primary schools, junior high- schools, senior high- schools, regular education centers (sections performing the general education), ethnic minority boarding schools of all types: public schools, semi-public schools, people-founded schools.

- Hospitals (including the electricity output for funeral houses and burning of medical wastes discharged from hospitals), medical examination and treatment establishments (including medical examination and treatment sections of preventive medicine centers), establishments for convalescence, functional rehabilitation and occupational disease treatment, detoxication establishments, consultancy offices for drug detoxication, HIV, birth control.

These establishments must have founding decisions or practice licenses, issued by competent authorities. If not, they shall be subject to prices calculated for business and service activities.

2.3. Electricity-selling prices for public lighting:

To be applied to electricity buyers using electricity for the purpose of public lighting of streets, parks, alleys, temples, pagodas, churches, classified historical relics, war martyrs cemeteries, dormitories or stairs thereof, condominiums' lifts, water pumping in service of dormitories of population clusters.

3. Daily-life electricity retailing prices:

3.1. Progressive retailing prices of electricity used for everyday-life activities:

a) The progressive retailing prices of electricity used for everyday-life activities shall apply to households using electricity for their daily-life needs under electricity trading contracts signed with electricity sellers.

Example on the calculation of monthly electricity charges as follows:

Case 1: The electricity buyer uses 60 kWh in the month.

The money amount payable by the electricity buyer shall be VND 36,300, including:

+ The electricity charge for 60 kWh x VND 550/kWh = VND 33,000

+ The value added tax (10%) = VND 3,300

Case 2: The electricity buyer uses 300 kWh in the month

The money amount payable by the electricity buyer shall be VND 323,950, including:

- The first 100 kWh: 100 kWh x VND 550/kWh = VND 55,000

- The next 50 kWh: 50 kWh x VND 900/kWh = VND 45,000

- The next 50 kWh: 50 kWh x VND 1,210/kWh = VND 60,500

- The remaining 100 kWh: $100 \text{ kWh} \times \text{VND } 1,340/\text{kWh} = \text{VND } 134,000$

Total electricity charge = VND 294,500

VAT 10% = VND 29,450

Case 3: The electricity buyer uses 470 kWh in the month

The money amount payable by the electricity buyer shall be VND 658,900, including:

- The first 200 kWh: $200 \text{ kWh} \times \text{VND } 1,100/\text{kWh} = \text{VND } 220,000$

- The next 100 kWh: $100 \text{ kWh} \times \text{VND } 1,340/\text{kWh} = \text{VND } 134,000$

- The next 100 kWh: $100 \text{ kWh} \times \text{VND } 1,400/\text{kWh} = \text{VND } 140,000$

- The remaining 70 kWh: $70 \text{ kWh} \times \text{VND } 1,500/\text{kWh} = \text{VND } 105,000$

Total electricity charge = VND 599,000

VAT 10% = VND 59,900

b) The electricity buyers with households using common meters (with separate household registration books) should request the electricity sellers to install separate meters for households so that they can directly sign electricity trading contracts.

Pending the installation of separate meters for electricity-using households by the electricity sellers, it shall be temporarily applied as follows: For electricity buyers with less than 10 electricity-using households in provincial capitals, district townships, district capitals, suburbs of cities, or less than 15 households in inner areas of cities, the progressive electricity-selling prices shall apply to such households on the principle that the common progressive level for the electricity buyers shall be equal to the maximum electric power of each level prescribed in the electricity price table multiplying by the number of households using the common meters.

Example: An electricity buyer embraces 4 households using electricity through one meter, the progressive daily-life electricity retailing price levels shall be calculated as follows:

Case 1: The total output used by 4 households is 1,200 kWh or less

- $100 \text{ kWh} \times 4 \text{ households} =$ the first 400 kWh at the price of VND 550/kWh

- $50 \text{ kWh} \times 4 \text{ households} =$ the next 200 kWh at the price of VND 900/kWh.

- $50 \text{ kWh} \times 4 \text{ households} =$ the next 200 kWh at the price of VND 1,210/kWh

- $100 \text{ kWh} \times 4 \text{ households} =$ the next 400 kWh at the price of VND 1,340/kWh

Case 2: The total output used by 4 households is over 1,200 kWh

- $200 \text{ kWh} \times 4 \text{ households} =$ the first 800 kWh at the price of VND 1,100/kWh

- $100 \text{ kWh} \times 4 \text{ households} =$ the next 400 kWh at the price of VND 1,340/kWh

- $100 \text{ kWh} \times 4 \text{ households} =$ the next 400 kWh at the price of VND 1,400/kWh

- From kWh No. 1601 on, the price of VND 1,500/kWh shall apply

c) For an electricity seller comprising one household with many daily-life electricity-trading contracts (for each contract, a separate meter is installed) using electricity for daily-life activities at one location, the output for calculation of the progressive daily-life electricity prices shall be the total electricity output recorded by the meters at the location of such household.

d) Where students or laborers rent houses (for 6 months or more) and the house owners are the electricity buyers signing electricity-trading contracts directly with the electricity sellers, every 4 persons (based on temporary residence registration papers and house-renting contracts with certifications by localities) shall be calculated as one electricity-using household subject to the progressive daily-life electricity retailing prices.

e) Where electricity buyers signing contracts to buy electricity for daily-life activities at the progressive daily-life electricity retailing prices conduct other activities (production, business...) and use electricity through the daily-life electricity meters: if the electricity output measured by the meters is smaller than or equal to 50 kWh/household (with separate household registration book), the progressive daily-life electricity prices shall apply; if it is over 50 kWh/household, the price shall be calculated for every use purpose according to the percentages expressed in the contracts.

Example: An electricity buyer signing an electricity-buying contract in service of daily-life needs at the progressive daily-life electricity retailing prices conducts production, business and/or service activities and uses electricity through the common daily-life electricity meter. The electricity buyer and seller agree in the contract that the daily-life electricity shall be 80%, the production electricity 10% and the business electricity 10%.

+ If in the month this household uses 45 kWh/month, 100% daily-life electricity price shall apply at the rate of VND 550/kWh for the first 100 kWh.

+ If in the month this household uses 150 kWh, the prices shall be calculated as follows:

- The output subject to the progressive daily-life electricity prices: $150 \text{ kWh} \times 80\% = 120 \text{ kWh}$

+ The first 100 kWh at the price of VND 550/kWh

+ The next 20 kWh at the price of VND 900/kWh.

- The output subject to production electricity price (VND 895/kWh): $150 \text{ kWh} \times 10\% = 15 \text{ kWh}$;

- The output subject to business electricity price (VND 1,410/kWh): $150 \text{ kWh} \times 10\% = 15 \text{ kWh}$.

f) Customers buying electricity through their separate transformers for use for daily-life purpose, the electricity calculation prices shall be the daily-

life electricity retailing prices.

g) Where the electricity sellers adjust the time of recording figures in the meters (according to the provisions of Point c, Section 1, Article 37 of Decree No. 45/2001/ND-CP), the electricity output norm for every progressive electricity price level shall be adjusted correspondingly to the number of adjusted days.

3.2. The electricity-selling prices based on the time in the day:

Daily-life electricity using customers being the subjects prescribed at Point 3.1 above with the average use level of 300 kWh/month or more for three consecutive months are encouraged to buy electricity in form of three prices. The electricity sellers shall have to create conditions and provide guidance for these households to have three-price meters installed.

The electricity sellers shall have to guide and work out incentive mechanism for other daily-life electricity using customers to buy electricity in form of three prices.

4. Electricity wholesale prices:

4.1. The electricity wholesale prices for the countryside:

- The sale prices of electricity in service of rural daily-life activities: To apply to outputs of electricity used for purpose of daily-life activities of households using electricity in communes, cooperatives, villages, buying electricity through general meters installed at the transformer stations, regardless of whether the transformer stations belong to the electricity buyers or sellers and regardless of the voltages.

- The sale prices of electricity in service of other purposes: To apply to the electricity output used for purposes other than daily-life activities and water pumping for irrigation or drainage in service of rice production, subsidiary food crops and intercropped short-term industrial plants.

The electricity output calculated at price of each type (daily-life, water pumping, other purposes) is the output calculated from the electricity-measuring or- recording systems installed at transformer stations. In case of absence of separate meters for each type of price, it shall be based on the actual electricity use to determine the specific percentage for each type of price and include them in the electricity-trading contracts.

- The electricity-selling prices applicable to electricity outputs used for water pumping for irrigation or drainage in service of rice production, subsidiary food crops and intercropped short-term industrial plants according to the percentages at the general meters shall be the electricity-selling prices for water pumping for irrigation and drainage at normal hours.

- Where the electricity buyers use electricity for other purposes (production, business...) with 50% or more for one meter, the production electricity prices shall apply with corresponding voltages prescribed in Decision No. 215/QĐ-TTg, reconciling 10%.

Example 1: The electricity buyer has the meter installed at the transformer station of 6 kV and supplies daily-life electricity for 100 rural households, accounting for 45% of the output, electricity for irrigation and drainage water pumping, for 5% and electricity for other purposes, 50%. The electricity outputs shall be calculated at the following prices:

+ 45% electricity output shall be calculated at the rural daily-life electricity wholesale price of VND 390/kWh.

+ 5% electricity output shall be calculated at the water pumping electricity price of VND 600/kWh at normal hours.

+ 50% electricity output shall be calculated at the 10% reconciliation-production electricity price of VND 774/kWh ($860 \times 0.9 = 774$).

Example 2: The electricity buyer has the meter installed at the transformer station of 6 kV and supplies daily-life electricity for 100 rural households, accounting for 55% of the electricity output, water pumping electricity accounting for 5% and electricity for other purposes, 40%; the electricity outputs shall be calculated at the following prices:

+ 55% electricity output shall be calculated at the rural daily-life electricity wholesale price of VND 390/kWh.

+ 5% electricity output shall be calculated at the water pumping electricity price of VND 600/kWh at normal hours.

+ 40% electricity output shall be calculated at the electricity price of VND 730 kWh for other purposes.

- In cases where a transformer station is designed with separate outgoing feeders for other communes, cooperatives, villages or hamlets in order to enjoy the wholesale price, the condition that the general meter be installed at the transformer station should be ensured.

- In cases where transformer stations of state-run agricultural farms or forestry farms supply electricity for both their employees and the peasants according to separate transmission lines and cannot conduct separate electricity measurement for every subject, the prices shall be calculated as follows:

+ The electricity output supplied to their employees shall be calculated at the wholesale prices applicable to dormitories and population quarters.

+ The electricity output supplied to the peasants shall be calculated at the rural electricity wholesale price.

- In cases where the transformer stations of state-run agricultural farms or forestry farms supply electricity for both their employees and the peasants living mixedly and specific subjects cannot be identified, the rural daily-life electricity wholesale prices shall apply; for electricity used for other purposes, the prices of electricity used for other purposes in dormitories or population quarters shall apply.

4.2. Electricity wholesale prices applicable to dormitories, population quarters:

- The sale prices of electricity used in service of daily-life needs applicable to the electricity output in service of daily-life activities of:

+ Population quarters, dormitories of agencies (including diplomatic missions, international organizations), workshops, factories, construction sites, state-run agricultural farms, forestry farms, stations, farms..., where the electricity buyer comprises 10 or more electricity-using households, for villages, hamlets, communes (failing to meet the conditions for rural electricity wholesale); provincial towns, district capitals, townships, suburbs of cities, and 15 households or more for cities.

+ Dormitories of pupils, students, agencies, enterprises, armed force units, establishments for elderly or disabled people, orphanages....

+ Lodgings of religious persons in temples, pagodas, churches....

- The sale price of electricity used for other purposes: To apply to electricity outputs used for purposes other than daily-life activity purpose.

The electricity wholesale prices for dormitories, population quarters shall apply only to places where the electricity sellers have no conditions yet to retail electricity to consuming households.

At places where the electricity sellers have conditions to retail electricity to electricity-consuming households but the customers refuse to buy electricity at retail prices, the electricity sellers may apply the progressive daily-life electricity retail prices multiplying by the actual number of households using electricity as provided for at Point b, Clause 3.1, Section III of this Circular.

5. Selling prices of electricity used for business activities:

The selling prices of electricity used for business activities shall apply to subjects using electricity for business, service purposes, including:

- Companies, shops, department stores, business establishments wholesaling and/or retailing supplies, goods including shops selling pesticides, veterinary drugs, plant varieties, animal breeds;
- Money-dealing establishments including commercial banks, savings funds, financial companies, securities companies;
- Cable television broadcasting, ground digital television companies;
- Lottery companies of all economic sectors;
- Organizations engaged in insurance operation (excluding social insurance, health insurance);
- Tourist sites, photo shops, dancing halls, karaoke bars, massage parlors;
- Food and drink catering shops, hair stylists, laundries, tailors', car and motorbike washing establishments;
- Advertising activities according to operation demands of production, business and service establishments.
- Car, motorbike, transport means garages, consumer goods repair and renovation shops;
- Hotels, motels, inns, guest houses of organizations, individuals; houses leased for use as residence places or offices where house owners sign electricity-buying contracts;
- Electricity used in ticket counters, goods forwarding stations, waiting lounges (including lobbies), shops, goods-selling counters at airports, railway stations, car terminals, seaports;
- Electricity used at traffic toll booths, car parks;
- Electricity used in goods storehouses in the circulation process;
- Offices, headquarters of corporations, companies of all economic sectors, which perform the tasks of business and/or business administration;
- For post and telecommunication activities of all organizations, individuals:

Based on the electricity use purposes to determine different subjects (production, business establishments or non-business administrative units) for appropriate electricity-selling prices.

Example: Electricity used in the postal equipment-manufacturing factories shall be subject to production electricity prices; electricity used in postal supplies companies shall be subject to business electricity prices; electricity used in the Post and Telecommunication University shall be subject to electricity prices applicable to non-business administrative agencies.

- Organizations and individuals using electricity for both production and business activities in the post and telecommunications domain shall be subject to the electricity prices calculated as follows:

+ The Post Offices of the provinces of Cao Bang, Bac Can, Lang Son, Lao Cai, Yen Bai, Ha Giang, Tuyen Quang, Lai Chau, Son La, Thanh Hoa, Nghe An, Ha Tinh, Quang Binh, Quang Tri, Gia Lai, Kon Tum, Dac Lac, Dac Nong:

* 97% of the electricity output shall be subject to production electricity price.

* 3% of the electricity output shall be subject to the business electricity price.

+ The Office of the Post and Telecommunications Corporation, the Post Offices of the provinces of Dong Nai and Ba Ria-Vung Tau and the cities of Hanoi, Hai Phong, Da Nang, Ho Chi Minh, other post and telecommunications business units:

* 70% of the electricity output shall be subject to the production electricity price.

* 30% of the electricity output shall be subject to the business electricity price.

+ The Post Offices of the remaining provinces, the inter-provincial Telecommunications Companies and Stamp Companies:

* 90% of the electricity output shall be subject to the production electricity price.

* 10% of the electricity output shall be subject to the business electricity price.

IV. IMPLEMENTATION ORGANIZATION

1. This Circular guides the application of electricity price tables issued together with Decision No. 215/2004/QĐ-TTg as from January 1, 2005 nationwide. The previous stipulations contrary to this Circular shall all be annulled.

2. Vietnam Electricity Corporation and all other electricity-selling units shall organize the implementation of this Circular.

3. The Industry Services shall coordinate with the Finance Services of the provinces or centrally run cities in inspecting the application of electricity-selling prices, particularly the rural daily-life electricity-selling prices.

4. Any problems arising in the course of implementation should be reported to the Industry Ministry and the Finance Ministry for timely consideration and solution./.

THE MINISTRY OF INDUSTRY
VICE MINISTER
(Đã ký)

Chau Hue Cam