

In the matter of an Application by the  
**SINGIDA URBAN WATER SUPPLY AND SANITATION AUTHORITY  
(SUWASA)**  
For a Tariff Adjustment

Background

**1.** On 21<sup>st</sup> June, 2011 SUWASA submitted an application for review and approval of six regulatory actions:

- (a) to increase water supply tariff for domestic metered customers by 8% to 15%; from 480 TZS/m<sup>3</sup> to 550 TZS/m<sup>3</sup> for less than 10 m<sup>3</sup> of water consumption; and from 600 to 650 TZS/m<sup>3</sup> for more than 10 m<sup>3</sup> of water consumption;
- (b) to increase water supply tariff for institutional metered customers by 5% to 6%, from 660 TZS/m<sup>3</sup> to 700 TZS/m<sup>3</sup> for less than 10 m<sup>3</sup> of water consumption; and from 715 TZS/m<sup>3</sup> to 750 TZS/m<sup>3</sup> for more than 10m<sup>3</sup> water consumption;
- (c) to increase water supply tariff for religious institutional metered customers by 8%, from 600 TZS/m<sup>3</sup> to 650 TZS/m<sup>3</sup> for less than 10 m<sup>3</sup> of water consumption; and from 650 TZS/m<sup>3</sup> to 700 TZS/m<sup>3</sup> for more than 10m<sup>3</sup> water consumption;
- (d) to increase water tariff for the water kiosks by 100% from 500 TZS/m<sup>3</sup> to 1,000 TZS/m<sup>3</sup>;
- (e) to increase new water connection charges by 25% to 60%, from TZS 40,000 to 50,000 for new domestic customers; and from TZS 50,000 to 80,000 for new commercial and institutional customers; and
- (f) to increase monthly meter rental charges by 150% to 300%;, from 500 to 2,000 TZS/month for domestic customers; and from 2,000 to 5,000 TZS/month for commercial and institutional customers.

Stakeholders'

**2.** Pursuant to section 19(2) (h) of the Energy and Water Utilities Regulatory Authority Act, Cap. 414, EWURA conducted an Inquiry into

Consultation

the reasonableness of the proposed tariff. This inquiry included an economic and a technical evaluation of the Application and a Public hearing that was held in Singida town on 9<sup>th</sup> November, 2011 to hear the views of stakeholders.

3. During the Public hearing, SUWASA made presentations explaining the basis of the Application and the justification of the proposed tariff increase. All stakeholders including SUWASA's customers, Government Consultative Council ("GCC"), and EWURA Consumers Consultative Council ("EWURA CCC") were given an opportunity to examine and comment on the reasonableness of the SUWASA Tariff Application. SUWASA had a chance to respond to stakeholders' comments in the meeting and later by submitting written responses to EWURA.

4. EWURA CCC was concerned, among other things, about not increasing tariffs for commercial customers' category, flat rate customers paying equal amounts irrespective of number of days of water supply, high level of non-revenue water, and a big number of disconnected customers.

5. GCC was concerned, among other things, about high water losses, the short time span since the last tariff adjustment approval, high administrative costs, a big number of disconnected customers, unrealistic population data and the need for SUWASA to search for alternative water sources.

6. From SUWASA's customers, there were concerns about incorrect billing caused by default water meters, unfair water distribution rationing, high prices charged by water vendors and failure of SUWASA to plan for non served areas.

7. At the closure of the inquiry process on 23<sup>rd</sup> November, 2011, SUWASA had reasonably responded to stakeholders' comments and EWURA had gathered satisfactory and adequate information to prudently determine the application. During the review, SUWASA was requested to provide supplementary information in support of its application.

Analysis and Adjustment

8. As a result of the inquiry EWURA concluded that SUWASA's proposed tariff was reasonable except for high operation and maintenance costs which had to be adjusted from TZS 1,085 Million to TZS 962 Million after a thorough analysis of the cost and activities to be implemented.

Decision

9. The proposed and adjusted Revenue Requirement is as shown in the table below.

**Table 1: Revenue Requirement (RR)**

	<b>Requested RR, 2011/12</b>	<b>Approved RR, 2011/12</b>
<b>OPERATING EXPENDITURE</b>	<b>TZS</b>	<b>TZS</b>
Water Production	176,558,900	176,558,900
Distribution	29,950,000	29,950,000
Repair and Maintenance	68,450,000	68,450,000
Administration	180,520,400	183,870,400
Personnel	577,151,916	450,559,856
Board	29,035,000	29,035,000
Business Promotion	9,700,000	9,700,000
Events and Donations	9,150,000	9,150,000
Financial	5,000,000	5,000,000
<b>TOTAL O &amp; M</b>	<b>1,085,516,216</b>	<b>962,274,156</b>
Depreciation	-	-
Own funded Investment	45,000,000	45,000,000
<b>TOTAL REVENUE REQUIREMENT</b>	<b>1,130,516,216</b>	<b>1,007,274,156</b>

10. The Board of Directors of EWURA having met 16<sup>th</sup> December 2011 to consider this matter decided as per the Order below::

# **THE WATER SUPPLY AND SANITATION ACT**

**(CAP. 272)**

**ORDER**

**No. 11-**

**020**

*(Made under section 28(d))*

## **THE SINGIDA URBAN WATER SUPPLY AND SEWERAGE AUTHORITY ("SUWASA") TARIFF ADJUSTMENT ORDER, 2011**

- Citation
1. This Order may be cited as the Singida Urban Water Supply and Sanitation Authority ("SUWASA") Tariff Adjustment Order, 2011 and shall come into force on 1<sup>st</sup> January, 2012.
- Tariff adjustment
2. The water supply tariff within the Singida Urban Water Supply and Sanitation Authority (SUWASA) are hereby adjusted as specified in the Schedule to this Order.
- Conditions
3. The approved tariffs shall be subject to the following conditions:
- (a) on or before 31<sup>st</sup> March, 2012, SUWASA shall submit its plan to:
    - (i) reduce Non Revenue Water (NRW) from the current value of 26% to 20% or less by 30<sup>th</sup> June, 2013;
    - (ii) raise the current metering ratio from 69% to 100% by 30<sup>th</sup> June, 2013; and
    - (iii) to upgrade billing software to be able to recognize payments made after end of months reconciliation by 30<sup>th</sup> June, 2012;
  - (b) on or before 30<sup>th</sup> June, 2012, SUWASA shall submit to EWURA its revised Business Plan, Longterm Financial Plan and Asset Management Plan;
  - (c) SUWASA shall include with all its future reports submission to EWURA, a status report on implementation of the following investment activities:
    - (i) rehabilitation of broken pumps and installation of a new pump at Uhasibu and Kitimo boreholes;

- (ii) construction of pumping main connecting the borehole at Utemini and Kititimo to the respective booster stations;
  - (iii) fencing all boreholes well fields; and
  - (iv) construction of additional office building;
- (d) on or before 30<sup>th</sup> September 2010, SUWASA shall submit a status report on the implementation of customer outreach programme. A status report on the implementation of that programme shall be included with all future Applications for tariff and charges adjustment and considered by EWURA in evaluating the reasonableness thereof; and
- (e) SUWASA shall continue to provide EWURA with information about its financial and operating condition in accordance with the requirements of EWURA, and also copies of the progress report on the on-going water supply project. This information will be used by EWURA to evaluate SUWASA's performance in comparison with other utilities and the improvement of its performance over time. This evaluation will be considered by EWURA in evaluating the reasonableness of all future requests for tariff adjustment.

Revocation

4. The Singida Urban Water Supply and Sewerage Authority Tariff Adjustment Order No. 10-018 of 1<sup>st</sup> December, 2010 is hereby revoked.

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**SCHEDULES**

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**Table 1: Current and Approved Metered Tariff**

Category	Consumption Bracket	Current Tariff	Approved Tariff
	(m <sup>3</sup> )	(TZS/m <sup>3</sup> )	(TZS/m <sup>3</sup> )
Domestic	0-10	480	550
	>10	600	650
Institutional	0-10	660	700
	>10	715	750
Commercial	0-10	650	650
	>10	700	700
Religious Institutions	0-10	600	650
	>10	650	700
Water Tanks (Bowers)	-	1,500	1,500
Kiosks	TZS/20 litre	500	TZS20/20Lt

**Table 2: Current and Approved Flat Rate Tariff**

Category	Current Rate	Approved Rate
	TZS/month	TZS/month
Domestic	8,000	8,000
Commercial	15,000	15,000
Institution	15,000	15,000
Religious	12,000	12,000

**Table 3: Current and Approved Operational Charges**

Type of Charges	Customer Category	Current Rate	Approved Rate
		TZS	TZS
New Connection Charges	Domestic	40,000	50,000
	Commercial	50,000	80,000
	Institution	50,000	80,000
Meter rent charges	Domestic	500	1,000
	Commercial	2,000	2,500
	Institution	2,000	2,500
Reconnection Charges	ALL	10,000	10,000
Service Line Alteration Charges	ALL	10,000	10,000

HARUNA MASEBU  
 Director General  
 EWURA  
 Dar es Salaam  
 16 December.2011