



In the matter of an Application by the
“BUKOPA URBAN WATER SUPPLY AND SEWERAGE AUTHORITY”
 (“BUWASA”)

For a Tariff Adjustment, Submitted on 26th May 2008
(TR-W-08-015)

ORDER No.08-011

On 26th May 2008, the Energy and Water Utilities Regulatory Authority (EWURA) received an application dated 12th May 2008 from Bukoba Urban Water Supply and Sewerage Authority (“BUWASA”) for an increase in its tariff and charges for water supply services. BUWASA has requested for an increase in tariff on water supply from a weighted average of TZS 513 to 650 per m³ for metered customers. This is an increase of about 26.7%. As regards service charges, the Applicant has requested for increases ranging from 14.3% to 20% over the current charges. In addition, the Applicant has requested for an increase in meter rent charges ranging from 1.2% to 14.3% over the current charges. According to the application, new connection fees and reconnection charges are proposed to remain unchanged. BUWASA requested that the requested tariff and charges, if approved, take effect from 1st July 2008.

The proposed tariff increase aims at assisting BUWASA to cover fully, the costs incurred in the process of water production, distribution and maintenance of the water supply networks, including depreciation of assets, replacements and minor extensions in order to expand customer base and improve service delivery.

EWURA is empowered by the Energy and Water Utilities Regulatory Authority Act, Cap 414 (“EWURA Act”) to regulate tariff and charges adjustments in the water and sewerage sector.

EWURA conducted an Inquiry into the reasonableness of the proposed tariff as well as other charges. This inquiry included an economic and a technical evaluation of the Application and a Public Inquiry that was held in Bukoba Municipality on 31st July 2008 to hear the views of stakeholders including the Consumer Consultative Council and Government Consultative Council and the general public. During the Public Inquiry several issues were raised that led to further discussions with BUWASA and submission by the Applicant of supplementary material in support of the proposed tariff increase.

As a result of the Inquiry, EWURA concluded that BUWASA's proposed tariff was reasonable except for distribution, repair and maintenance expenses which were unreasonably high because they covered cost items which are supposed to be treated as investments.

The Board of Directors of EWURA having met on 3rd October 2008 to consider this matter decided as follows:-

1. BUWASA water supply tariffs shall increase by a weighted average of 16.38% over the existing tariff. Service charges shall increase by a range of 14.3% to 20% over the current charges while meter rent charges shall increase by a range of 1.2% to 14.3% over the current charges. New connection fees and reconnection charges shall remain unchanged. The schedules of approved tariff increase by customer category and service charges are as shown in Table numbers 1 to 5 below. The increases in tariff and charges shall take effect from 1st November 2008.

Table 1: Schedule of Current, Proposed and Approved Metered Water Tariffs

	Category	Current Tariff (TZS/m ³)	Consumption m ³	Proposed Tariff (TZS/m ³)	Approved Tariff (TZS/m ³)
1	Domestic	475	0-5	580	545
		475	>5-10	590	554
		475	>10	615	577
2	Institutions	550	0-5	670	629
		550	>5-10	685	643
		550	>10	715	671
3	Commercial	550	0-5	680	639
		550	>5-10	690	648
		550	>10	720	676
4	Industrial	600	0-5	750	704
		600	>5-10	760	714
		600	>10	780	732
5	Bulk Consumer	700		900	845
6	Kiosk	350		400	376

Table 2: Schedule of Current and Proposed Service Charges

	Category	Current Charges (TZS per Month)	Proposed Charges (TZS per Month)	Approved Charges (TZS per Month)
1	Domestic	700	800	800
2	Institutions	800	920	920
3	Commercial	900	1,060	1,060
4	Industrial	1,500	1,800	1,800

Table 3: Schedule of Current and Proposed Meter Rent Charges

	Meter Size	Current Charges (TZS per Month)	Proposed Charges (TZS per Month)	Approved Charges (TZS per Month)
1	½" - ¾"	700	800	800
2	1" - 1½"	1,700	1,800	1,800
3	2"	5,500	5,600	5,600
4	4"	8,500	8,600	8,600

Table 4: Schedule of Current and Proposed New Connection Charges

	Category	Current Charges (TZS per Connection)	Proposed Charges (TZS per Connection)	Approved Charges (TZS per Connection)
1	Domestic	15,000	15,000	15,000
2	Institutions	20,000	20,000	20,000
3	Commercial	25,000	25,000	25,000
4	Industrial	100,000	100,000	100,000

Table 5: Schedule of Current and Proposed Reconnection Charges

	Category	Current Charges (TZS per Connection)	Proposed Charges (TZS per Connection)	Approved Charges (TZS per Connection)
1	Domestic	5,000	5,000	5,000
2	Institutions	10,000	10,000	10,000
3	Commercial	15,000	15,000	15,000
4	Industrial	30,000	30,000	30,000

2. On or before 30th June 2009, BUWASA shall meter all its Customers.
3. BUWASA shall reduce the Unaccounted for Water (UfW) from 54% to 40% by 30th June 2009.
4. On or before 30th June 2009, BUWASA shall reduce the ratio of number of staff per 1,000 connections from 12 to 10.
5. On or before 31st March 2009, BUWASA shall submit to EWURA a detailed implementation report of the investments projects and a detailed expenditure report for the funds provided for depreciation in the 2008/09 budget.
6. BUWASA shall continue to provide EWURA with information about its financial and operating condition in accordance with the requirements of EWURA. This information will be used by EWURA to evaluate BUWASA's performance in comparison with other utilities and the improvement of its performance over time. This evaluation will be considered by EWURA in determining the reasonableness

of all future requests for tariff adjustment. In particular BUWASA shall ensure that the accuracy of information provided in monthly reports is improved.

Simon F. Sayore
Chairman of the Board
EWURA

Haruna Masebu
Director General
EWURA

Dar es Salaam 3rd October 2008



Ombi la Mamlaka ya Majisafi na Majitaka Bukoba Mjini (“BUWASA”) la
Kurekebisha Bei ya Huduma za Maji lililowasilishwa Tarehe 26 Mei, 2008

(TR-W-08-015)

Agizo Na. 08-011

Mnamo tarehe 26 Mei, 2008 Mamlaka ya Udhhibiti wa Huduma ya Nishati na Maji (“EWURA”) ilipokea ombi la Mamlaka ya Majisafi na Majitaka Bukoba Mjini (“BUWASA”) la tarehe 12 Mei 2008 la kuongeza bei na gharama za huduma ya maji. Katika ombi hilo BUWASA iliomba ongezeko la bei kutoka wastani wa bei wa Shilingi 513 hadi Shilingi 650 kwa mita moja ya ujazo wa maji kwa wateja wenye dira. Ongezeko hilo ni la wastani wa asilimia 26.7. Kuhusu gharama za huduma, BUWASA iliomba ongezeko la gharama za huduma ya maji la kati ya asilimia 14.3 na 20 ukilinganisha na gharama za sasa. Vilevile, BUWASA iliomba ongezeko la gharama za kukodi dira za maji la kati ya asilimia 1.2 na 14.3 ukilinganisha na gharama inayotozwa sasa. Kutokana na maombi ya BUWASA gharama za maunganisho mapya na yale ya kurudisha huduma ya maji baada ya kukatiwa, hayatabadilika. BUWASA ilipendekeza marekebisho ya bei na gharama za huduma ya maji zianze kutumika rasmi tarehe 1 Julai 2008.

Pendekezo la bei na gharama za huduma linalenga kuisaidia BUWASA kukidhi gharama za uzalishaji na usambazaji maji, ukarabati wa miundombinu ya maji, gharama za uchakavu na upanuzi wa miundombinu ili kuongeza wateja na kuboresha huduma.

Sheria iliyounda EWURA, “Energy and Water Utilities Regulatory Act” (Sura ya 414)”, imeipa EWURA uwezo wa kisheria wa kudhibiti marekebisho ya bei katika sekta ya majisafi na majitaka.

EWURA ilifanya taftishi kuhusu uhalali wa ombi hilo la ongezeko la bei na gharama za huduma ya majisafi. Taftishi hiyo ilihusisha tathmini ya masuala ya kiuchumi na ya kiufundi pamoja na kufanya mkutano wa hadhara katika Manispaa ya Bukoba tarehe 31 Julai 2008 ili kupata maoni kutoka kwa wadau ambao ni Baraza la Watumiaji Huduma zinazodhibitiwa na EWURA, Baraza la Ushauri la Serikali na wananchi wa Bukoba. Hoja zilizotolewa katika taftishi, zilipelekea EWURA kuitaka BUWASA itoe maelezo zaidi kuhusu ombi lake la kuidhinishiwa bei za majisafi na gharama za huduma.

Kufuatia kukamilika kwa taftishi hiyo, EWURA imefikia uamuzi kwamba ombi la nyongeza ya bei lina mantiki na ni halali, ukiondoa kupanda kusiko sahihi kwa gharama za usambazaji, uendeshaji na matengenezo zilizotokana na kujumuisha gharama za uwekezaji katika gharama hizo.

Bodi ya Wakurugenzi ya EWURA katika kikao chake cha tarehe 3 Oktoba 2008 ilijadili ombi la BUWASA na kutoa maamuzi yafuatayo:

1.0 Bei za majisafi za BUWASA zitaongezeka kwa wastani wa asilimia 16.38 kulingana na bei za sasa. Wakati gharama za huduma zitaongezeka kwa kati ya asilimia 14.3 na asilimia 20 kulingana na gharama za sasa, gharama za kukodi dira za maji zitaongezeka kwa kati ya asilimia 1.2 na 14.3. kulingana na gharama za sasa. Gharama za kuunganisha wateja wapya na zile za kurudisha maji kwa wateja waliokatiwa huduma ya maji zitabaki kama zilivyo sasa. Bei na gharama hizi za majisafi zitaanza kutumika rasmi tarehe 1 Novemba 2008.

Mchanganuo wa mabadiliko ya bei kwa makundi ya wateja na gharama za maunganisho zilizoidhinishwa yameainishwa kwenye majedwali yafuatayo:

Jedwali 1: Bei za Maji

	Kundi la Wateja	Bei za Sasa (TZS/m³)	Kiwango cha Matumizi m³	Bei Zilizopendekezwa (TZS/m³)	Bei Zilizoidhinishwa (TZS/m³)
1	Majumbani	475	0-5	580	545
		475	>5-10	590	554
		475	>10	615	577
2	Taasisi	550	0-5	670	629
		550	>5-10	685	643
		550	>10	715	671
3	Biashara	550	0-5	680	639
		550	>5-10	690	648
		550	>10	720	676
4	Viwanda	600	0-5	750	704
		600	>5-10	760	714
		600	>10	780	732
5	Maboza	700		900	845
6	Magati	350		400	376

Jedwali 2: Gharama za Huduma

	Kundi la Wateja	Gharama za Sasa (TZS Kwa Mwezi)	Gharama Zilizopendekezwa (TZS Kwa Mwezi)	Gharama Zilizoidhinishwa (TZS Kwa Mwezi)
1	Majumbani	700	800	800
2	Taasisi	800	920	920
3	Biashara	900	1,060	1,060
4	Viwanda	1,500	1,800	1,800

Jedwali 3: Gharama za Kukodi Dira za Maji

	Ukubwa wa Dira	Bei ya Sasa (TZS Kwa Mwezi)	Bei Zilizopendekezwa (TZS kwa Mwezi)	Bei Zilizoidhinishwa (TZS kwa Mwezi)
1	½" - ¾"	700	800	800
2	1" - 1½"	1,700	1,800	1,800
3	2"	5,500	5,600	5,600
4	4"	8,500	8,600	8,600

Jedwali 4: Gharama za Maunganisho Mapya

	Kundi la Wateja	Gharama za Sasa (TZS kwa Uganisho)	Gharama Zilizopendekezwa (TZS kwa Uganisho)	Gharama Zilizoidhinishwa (TZS kwa Uganisho)
1	Majumbani	15,000	15,000	15,000
2	Taasisi	20,000	20,000	20,000
3	Biashara	25,000	25,000	25,000
4	Viwanda	100,000	100,000	100,000

Jedwali 5: Gharama za Kurudisha Maji

	Kundi la Wateja	Gharama za Sasa (TZS kwa Rudisho)	Gharama Zilizopendekezwa (TZS kwa Rudisho)	Gharama Zilizoidhinishwa (TZS kwa Rudisho)
1	Majumbani	5,000	5,000	5,000
2	Taasisi	10,000	10,000	10,000
3	Biashara	15,000	15,000	15,000
4	Viwanda	30,000	30,000	30,000

- 2.0 Ifikapo tarehe 30 Juni 2009, BUWASA iwe imewafungia dira za maji wateja wake wote.
- 3.0 BUWASA iwe imepunguza kiwango cha upotevu wa maji kutoka asilimia 54 hadi kufikia asilimia 40 ifikapo Juni 2009.
- 4.0 Ifikapo tarehe 30 Juni 2009, BUWASA iwe imepunguza uwiano wa wafanyakazi kwa kila wateja 1,000 kutoka 12 na kufikia 10.
- 5.0 Ifikapo tarehe 31 Machi 2009, BUWASA inatakiwa kuwasilisha EWURA ripoti ya utekelezaji wa miradi ya uwekezaji na mchanganuo wa gharama zilizotengwa kwa ajili ya uchakavu wa mitambo katika bajeti ya mwaka 2008/09.
- 6.0 BUWASA itaendelea kuwasilisha kwa EWURA taarifa zake za fedha na za utendaji kwa mujibu wa mwongozo wa EWURA. Taarifa hizi zitatumika kutathmini utendaji wa BUWASA ikilinganishwa na vyombo vingine vya utoaji wa huduma za maji na jinsi inavyoboresha huduma zake. EWURA itazingatia tathmini hii katika kufanya maamuzi ya maombi yatakayowasilishwa na

BUWASA katika siku zijazo. Pia BUWASA inatakiwa kuhakikisha kwamba taarifa zinazotolewa katika ripoti za kila mwezi zinaboreshwa.



Simon F. Sayore
Mwenyekiti wa Bodi
EWURA



Haruna Masebu
Mkurugenzi Mkuu
EWURA

Dar-es-Salaam 3 Oktoba 2008