



LESOTHO ELECTRICITY AND WATER AUTHORITY

PUBLIC HEARINGS ON LESOTHO ELECTRICITY COMPANY (PTY) LTD'S (LEC)
APPLICATION FOR TARIFFS ADJUSTMENT FOR THE FINANCIAL YEAR 2019-20

A. Introduction

The Lesotho Electricity and Water Authority (LEWA) informs Electricity Supply Industry (ESI) stakeholders and the general public that, Lesotho Electricity Company (Pty) Ltd which holds a composite licence issued in terms of Section 50 of the Lesotho Electricity Authority Act no. 12 of 2002 (LEA Act), as amended, has filed an application for a review of electricity service tariffs for Financial Year 2019/20. This Application is in line with Section 24 (3) of the LEA Act 2002, as amended.

B. The Application and tariff drivers that LEC cites therein

LEC has submitted a tariff increase Application of 14.2% on both Energy and Maximum Demand (MD) charges across all customer categories to LEWA. This translates into a Revenue Requirement of M 1.08 billion. In particular, LEC has cited the cost items reflected in the table below as the main components of its Revenue Requirement:

Table 1: LEC 2019/20 Tariffs Application

Item	Projected Cost
Electricity Bulk Purchase costs	M 444 million
Operational Expenses	M 320 million
Depreciation costs	M 109 million
Repairs and Maintenance costs	M 64 million
Diesel for Semonkong power generator	M 2.4 million
Return on assets costs	M 136 million

Copies of the application are available at LEWA offices and on the website: www.lewa.org.ls. Other copies are at the District Administrators' offices.

C. Invitation for public hearings

In accordance with Section 24(6) of the Act, as amended the ESI stakeholders and the general public are invited to participate at public hearing sessions, which are scheduled as below:

Table 2: public hearing schedule

Date	Venue	Time
13 February 2019	Mokhotlong: Mokhotlong Hotel	09:00am
14 February 2019	Leribe, Hlotse: Mohlakapese Guest House	09:00 am
20 February 2019	Qacha's Nek: New Central Hotel	09:00 am
21 February 2019	Mohale's Hoek: IEMS Hall, Mohale's Hoek	09:00 am
7 March 2019	Thaba-Tseka: Mohale-oa-Masite Hotel	09:00 am
14 March 2019	Maseru: Victory Hall (Mojalefa Lephole Convention Centre)	09:00 am

D. The public is requested to provide written comments to the Authority on or before the **28th February 2019 at 17:00**. Comments or enquiries may be sent to:

The Manager

Economic Regulation Department LEWA

7th Floor Moposo House, Maseru

P/Bag A315

Maseru

Email: TNtlama@lewa.org.ls

Or

secretary@lewa.org.ls

Tel: 22 312479

Fax: 22 315094