



LESOTHO ELECTRICITY AND WATER AUTHORITY

PUBLIC NOTICE ON LESOTHO ELECTRICITY COMPANY (PTY) LTD'S (LEC) **APPLICATION FOR TARIFFS ADJUSTMENT FOR THE FINANCIAL YEAR 2018-19**

A. Introduction

The Lesotho Electricity and Water Authority (LEWA) informs Electricity Supply Industry (ESI) stakeholders and the general public that, LEC 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 the Financial Year 2018/19. This application is in line with Section 24 of the LEA Act.

B. The application and tariff drivers that LEC cites therein:

LEC has applied for a nominal average tariff increase of 23.2% on both energy and maximum demand (MD) across all customer categories which translates into M 1.04 billion revenue requirement request. LEC states that, amongst other things, costs of importing bulk electricity supply from EDM of Mozambique and ESKOM of South Africa will grow. According to the Company the operational and depreciation costs are on the increase.

In particular LEC has mentioned the following items as the main cost components of its revenue requirement:

Item	Cost
The Electricity Bulk Purchases costs (imports)	M 426 million
Operating Expenditure	M 303 million
Maintenance costs	M 64 million
Diesel for Semonkong power generator	M 2 million
Depreciation costs	M 113 million
Return on assets costs	M 128 million

C. Public access to the application:

Copies of the application can be obtained from LEWA offices and website: www.lewa.org.ls Other copies are available from the District Administrators' offices in the country.

D. Invitation for public comments:

In accordance with Section 24(6) of the Act, ESI stakeholders and general public are informed and further invited to make and forward their comments and inputs on the application for consideration before LEWA makes a final determination. Interested people who wish to present their views before the LEWA Board, at public hearing sessions, are requested to indicate so in writing, when submitting their comments. The deadline for receiving written comments is **Friday 02 March, 2018 at 17:00.**

E. Comments or enquiries may be sent to:

The Manager

Economic Regulation Department

Lesotho Electricity and Water

Authority

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