



LESOTHO ELECTRICITY AND WATER AUTHORITY

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

Introduction

The Lesotho Electricity and Water Authority (LEWA) has already informed the Electricity Supply Industry (ESI) stakeholders and the general public that, the Lesotho Electricity Company (LEC) has filed a tariff application modification for a review of electricity services tariffs for the Financial Year 2018/19. This application is in line with Section 24 of the LEA Act, as amended. LEC holds a composite licence issued in terms of Section 50 of the Lesotho Electricity Authority Act no. 12 of 2002 (LEA Act), as amended.

The application and tariff drivers that LEC cites therein:

In May 2018 LEC submitted a modified application for tariff adjustment of 22.1% on both the Energy and Maximum Demand (MD) charges across all customer categories, which translates into a Revenue Requirement of M 1.03 billion.

In particular, LEC has mentioned the following cost items as the main components of its Revenue Requirement:

Item	Projected Cost
The Electricity Bulk Purchases costs (mostly imports)	M 415 million
Operating Expenditure	M 297 million
Depreciation costs	M 113 million
Maintenance costs	M 64 million
Diesel for Semonkong power generator	M 2 million
Return on assets costs	M 135 million

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

Invitation for public hearings:

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

Date	Venue	Time
03 July 2018	Quthing : Hillsview	10:00 am
06 July 2018	Butha-Buthe: Crocodile Inn	10:00 am
10 July 2018	Maseru	10:00 am

Issued by :

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