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LEGAL NOTICE NO. 83 OF 2011

**Lesotho Electricity Authority
(Universal Access Fund) Rules, 2011**

Pursuant to sections 34 and 35 of the Lesotho Electricity Authority Act, 2002¹,
I,

ZOLA TSOTSI

Chairman of the Board of the Authority, make the following Rules:

Citation and commencement

1. These Rules may be cited as the Lesotho Electricity Authority (Universal Access Fund) Rules, 2011 and shall come into operation on the date of publication in the Gazette.

Interpretation

2. In these rules, unless the context requires otherwise.

“Act” means Lesotho Electricity Authority Act, 2002;

“Advisory Committee” means an Electrification Advisory Committee established by the Authority in terms of section 16 of the Act;

“Authority” means the Lesotho Electricity Authority established pursuant to section 3 of the Lesotho Electricity Authority, 2002;

“Board” means the Board of Lesotho Electricity Authority established in terms of section 4 of the Act;

“customer” means a person who takes and uses a supply of electricity;

“developer” means a person who proposes to or develops an electrical system for new area electrification;

“electricity system” means a combination of plant and lines which is capable of producing or delivering electrical energy to customers connected to that system;

“Fund” means the Universal Access Fund established under Rule 3 of these Rules;

“Government” means the Government of Lesotho;

“Lesotho Electricity Company” means the Lesotho Electricity Company established in terms of Lesotho Electricity Company (Proprietary) Limited (Establishment and Vesting) Act, 2006²;

“Lesotho Electricity Company network” means the system of electrical wires and plant operated by Lesotho Electricity Company within its service territory for the purposes of giving a supply of electricity to customers;

“member” means a member of the Board;

“Minister” means the Minister responsible for natural resources;

“new area electrification” means the giving of a supply through an electrical system to areas which do not have access to electricity;

“person” has the same meaning as in the Interpretation Act, 1977³;

“service territory” means an area defined as exclusive supply for Lesotho Electricity Company or its successor.

Establishment of Fund

3. There is established a Fund to be known as the Universal Access Fund.

Purpose of the Fund

4. The purpose of the Fund is to -
 - (a) receive and disburse funds so as to facilitate the development and expansion of electricity service infrastructure in areas where there are no such services and to provide access to the greatest number of users;
 - (b) provide funding towards the construction and upgrading of electrical systems for new area electrification;

- (c) provide financial assistance towards the education and training of local communities in the safe and efficient use of electricity; and
- (d) provide financial assistance to support research relevant to the supply of electricity to areas where there is no access to electricity ;

Payments into the Fund

5. (1) The fund shall consist of the following -
- (a) monies raised from electrification levies;
 - (b) grants made by any donor agencies, financiers or any other person; and
 - (c) money paid from the Consolidated Fund.
- (2) The Board shall, following consultations with the Ministry of Natural Resources, review the need for the existence of the Fund.

Administration of the Fund

6. (1) The Fund shall be administered by the Board.
- (2) For the purposes of administering the Fund, including but not limited to evaluation of projects, the Board may appoint an advisory Committee comprising representatives of electricity stakeholders.
- (3) The Board shall select membership of the Universal Access Fund Advisory Committee in consultation with the Minister.

Submission of Projects

7. (1) Requests for grants to finance projects from the Fund may be submitted by the Ministry responsible for Natural Resources for consideration by the Board.

(2) Submissions made for the funding of the capital cost of electrification projects shall be made to the offices of the Authority.

(3) Submissions made in terms of subrule (1) shall contain -

- (a) the name and location of the project, which shall be supported by a map showing the area and delineating the extent of the projects, and shall also include a definition of the physical boundaries or points of interconnection with other electrification projects or the Lesotho electricity company network;
- (b) the name and summary details of the person submitting the projects;
- (c) a technical description of the projects, including -
 - (i) the point of interconnection with a source of supply or the means of generation including a technical specification of the plant, intended mode of operation, fuel source, and anticipated output;
 - (ii) the means by which electricity is to be conveyed to customers' premises from the point of interconnection or the generation source;
- (d) a financial description of the projects, including -
 - (i) the number of customers and customer categories to be connected in any relevant year;
 - (ii) the amount of grant requested;
 - (iii) the schedule of capital expenditure to be made;

(4) Submissions made pursuant to the rule shall provide information, described in subrule (3) and any other information that may be required to enable the financial and technical assessment of the proposed projects.

Evaluation of Projects

8. (1) Evaluation of electrification projects submitted in terms of rule 7 (2) shall be done by the Board.

(2) The evaluation of electrification projects submitted in terms of subrule (1) shall if necessary, be supported by technical and financial assessment of the projects.¹

Determinations by the Board

9. (1) The Board shall determine and assess projects which are to be granted monies from the Fund.

(2) In making its determination under this rule, the Board shall consider -

- (a) the monies available in the Fund for disbursement;
- (b) the number of potential customers that any project would connect; and
- (c) the subsidy level requirement of any project from the Fund.

(3) Determinations made by the Board pursuant to this rule (9) shall be noted in the minutes of the meeting and, in particular, shall specify for each project that has been awarded a grant -

- (a) the amount of the grant;
- (b) the timing of disbursements, and any preconditions to disbursements, which shall be so framed as to reasonably ensure that the commitments undertaken by the developer at the time of the award are met;
- (c) the information required to be submitted by the person responsible for the projects to the Board; and

- (d) any other conditions that are to be fulfilled in respect of the projects as a result of the decision to grant an award of funds.

(4) Where the Board has made a determination pursuant to subrule 9(1), the Authority shall inform the Ministry of Natural Resources.

Disbursements

10. (1) The Board shall undertake to disburse monies from the Fund to the developer of a project that has been granted an award of funds according to the determination made by the Board.

(2) No money shall be paid out of the Fund if it is in excess of the money budgeted for and approved by the Minister.

Accounting by the Board

11. (1) The Authority shall open an account in the name of the Fund with one or more recognised financial institution and deposit all monies received from the sources referred to in a rule 5 into the Fund.

(2) The Chief Executive is the accounting officer of the Fund and shall -

- (a) cause proper records to be kept of all financial transactions, assets and liabilities of the Fund; and
- (b) As soon as possible, but not later than three months after the end of each financial year, cause an income statement and balance sheet of the Fund for that financial year to be prepared.

(3) The financial records of the fund shall be audited by the Auditor General.

(4) The financial year of the Fund starts on 1 April and ends on 31 March.

Reporting by Board

12. The Board shall, in terms of the Act, submit a comprehensive report on the Fund operations to the Minister.

Repeal

13. The Lesotho Electricity Authority (Universal Access Fund) Rules 2011⁴ are repealed.

ZOLA TSOTSI
CHAIRMAN OF THE BOARD OF THE AUTHORITY

NOTE

1. Act No. 12 of 2002
2. Act No. 2 of 2006
2. Act No. 18 of 1977
4. L.N. No. 63 of 2011