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THE NEWSLETTER OF THE LESOTHO ELECTRICITY AND WATER AUTHORITY



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Dear readers,

I would like to first and foremost thank you for taking an interest to read this publication that is produced by Lesotho Electricity and Water Authority (LEWA).



Ntoi Rapapa, Chief Executive

We have come to the end of yet another financial year, and hence we are delighted to share with you some of

the highlights of the processes and developments that took place in the last quarter of the year 2014/15.

One of the most important issues that we have to deal with is the continued need to build a strong organisation that is characterised by strong team spirit and high performance. Hence we feature some of the endeavours we took in this regard.

It is now common cause that one of our key responsibilities as a regulatory body is to determine the tariffs for services offered by licensed utilities. We publish newly approved tariffs for both electricity, water and sewerage services in the financial year 2015/16.

In our commitment to continue educating the public on regulatory matters, we discuss water efficiency tips and standards that should be observed by electricity services providers in the rural areas - Rural Quality of Services and Supply Standards (QoSSS).

It is our hope and aspiration that the information contained in this publication becomes useful to you ☐

A handwritten signature in blue ink, appearing to be 'Ntoi Rapapa'.

Ntoi Rapapa
Chief Executive

Comments Email: secretary@lewa.org.ls



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New electricity tariffs for 2015-16 approved

The decision of the Authority came following the determination of an application for a tariffs review in 2015-16 lodged by LEC in January 2015.

On 01 April 2015, new electricity tariffs for 2015/16 came into effect following the approval by Lesotho Electricity and Water Authority (LEWA) of a revenue requirement of M745, 721, 890.72 for Lesotho Electricity Company (LEC) for the financial year 2015/16.

The decision of the Authority came following the determination of an application for tariffs review in 2015-16 lodged by LEC in January 2015. In its application the utility was requesting an annual tariff increase of 18.32 percent on both energy and Maximum Demand (MD) charges and a revenue requirement of M763, 479, 924.00.

The Authority analysed the application, LEC's representations and public views made at public consultation sessions held in the country and determined that the Licencee's justification for the application was inadequate.

The Chairperson of the LEWA Board, Dr. Leboli Thamae, announced the newly approved tariffs in a press conference held on 26 March 2014, at LEWA offices.

He pointed out that percentage increases in tariffs for various customer categories would be as follows: 5.6% in tariffs for domestic customers, a 5.7% increase for street lighting, a 5.6% increase for general purpose (small businesses), and 7.0% and 6.9% increases for energy charges for High Voltage (HV) and Low Voltage (LV) Industrial/commercial customers respectively. A 5.4% increase for Maximum Demand (MD) charges for both High Voltage and Low Voltage Industrial/commercial customers was also approved.

"This effectively means, for example, that with M20.00, including VAT, a domestic customer in 2014/15 bought 16.42 units. With the approved tariffs for the financial year 2015/16 they now get 15.55 units for the same amount", Dr. Thamae explained.

The Board determined that the approved revenue requirement would, amongst others, cover the costs of bulk purchases from 'Muela Hydropower Plant (MHP), Eskom (of South Africa) and EDM (of Mozambique) as well as cater for the Company's efficient operating expenses, maintenance, labour costs and depreciation. These costs were cited by LEC as being some of the



Dr. Leboli Thamae (centre) addresses the media during LEWA press conference to announce approved electricity tariffs for 2015/16.

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drivers behind its application.

The new approved charges tariffs for LEC are shown in the table below.

Approved LEC Tariff Levels for 2015/16	
Customer Categories	Energy Charge (including levies (M/kWh)
Industrial HV	0.2155
Industrial LV	0.2326
Commercial HV	0.2155
Commercial LV	0.2326
General Purpose	1.3753
Domestic	1.2249
Street Lighting	0.7260

Customer Levy=M0.0360/kWh; Electrification Levy for both Industrial HV/LV and Commercial HV/LV=M0.02/kWh; Electrification Levy for General Purpose, Domestic and Street Lighting= M0.035/kWh.

Approved LEC MD Charge for 2015/16	
Customer Categories	MD Charges (M/kVA)
Industrial HV	224.7040
Industrial LV	262.4547
Commercial HV	224.7040
Commercial LV	262.4547

The figures in all the tables exclude VAT ☐

Authority approves new water and sewerage tariffs

WASCO had applied for 25% increases in volumetric charges (on both water and sewerage services) and a 6% increase in standing charges

On 01 April 2015, new water and sewerage tariffs for 2015/16 came into effect following the approval by the Lesotho Electricity and Water Authority (LEWA) of a revenue requirement of M185.33 million for water services and M30.14 million for sewerage services for Water and Sewerage Company (WASCO) in the financial year 2015/16.

In January 2015, WASCO had applied for 25% increase in volumetric charges (on both water and sewerage services) and a 6% increase in standing charges which were meant to generate a revenue requirement of M209.41 million for water services and M35.90 million for sewerage services respectively for the financial year 2015/16. The Company further requested an increase in water connection fees by M500.00 for customers in Bands A, B and C.

The Authority made an analysis of the application, WASCO's representations and public views made at public consultation sessions and determined that the Licensee's justification for application was inadequate.

In a press conference held to announce the decision of the Authority on WASCO's application, the Chairperson of the LEWA Board, Dr. Leboli Thamae said that the Authority had approved volumetric increases in water tariffs, including levies, for various customer categories (whose water consumption is indicated in brackets) as shown in the subsequent paragraphs and tables below.

The Authority analysed WASCO's application, its representations and public views made at public consultation sessions

Dr. Thamae explained that for domestic customers who are in Band A (0 – 5,000 litres) there would be a 7.9% increase, while for customers in Band B (5,000-10,000 litres), Band C (10,000-15,000 litres) and Band D (over 15,000 litres) an 8.0% increase in tariffs has been approved. A tariff increase of 5.0% was approved for all sewerage services customers.



Some of the stakeholders deliberated on WASCO's water and sewerage tariffs review application during a public consultation session in Mafeteng in February 2015

4 Regarding WASCO's application for review of standing charges, Dr. Thamae pointed that the Board had resolved that there would be no increase in standing charges for Band A customers. For customers in Bands B, Band C and Band D, a 5.0 % increase in standing charge had been approved.

WASCO's application for review of connections charges for Bands A, B and C customers was not approved.

"There will be no increase in connection charges. WASCO has been allowed more depreciation to cater for replacement of obsolete assets and any shortfall in

connections costs", Dr. Thamae added.

The Board determined that the approved revenue would, amongst others, cover the costs of WASCO's regulated businesses which are water production, distribution and sewage disposal, prompt the company to strive to improve on the quality of water and effluent to meet set standards and encourage WASCO to improve its operational efficiency by reducing non-revenue water (NRW).

The approved water and sewerage charges for 2015/16 are shown in the table below.

Approved Water and Sewerage Charges 2015/16 - Effective From 01 April, 2015		
Customer Bands	Unit Cost in Maloti per cubic meter (M/kl) ¹ including Customer Levy ²	Standing Charge in Maloti per month (M/Month)
Domestic Customers (Water Tariffs and Charges)		
Band A (0 - 5kl)	4.51	21.93
Band B (>5 - 10kl)	7.64	40.90
Band C (>10 - 15kl)	13.42	40.90
Band D (>15kl)	18.50	40.90
Public stand pipe	6.11	-
Non-Domestic Customers (Water Tariffs and Charges)		
Business and Industry	12.21	393.39
Government	12.21	272.35
Schools	12.11	272.35
Churches	12.11	196.70
Sewerage Services Tariffs		
All Domestic and Non-domestic customers	A 5.0 % increase over 2014/15 tariffs has been approved	-

¹ M/kl=Maloti per one kilolitre; 1 kl = 1,000 litres.

² Customer Levy = M0.2054/kl.

Development of renewable energy framework initiated

The framework is aimed at the implementation of the draft national energy policy which stipulates that renewable energy be explored.

Lesotho Electricity and Water Authority (LEWA) initiated a process to develop a regulatory framework for the development of renewable energy resources in Lesotho in early January 2015.

The regulatory renewable energy framework is aimed at facilitating the implementation of the draft national energy policy which stipulates that renewable energy is to be explored for use in the country.

Taking into consideration that Lesotho has significant wind and hydropower resources, renewable energy generation offers a promising means of reducing the country's power deficit. Lesotho has only one operational power generation plant which is 'Muela Hydro Power Plant. The generation plant is unable to meet peak power demand and additional power is imported from South Africa and Mozambique.

The renewable energy policy framework has clear set objectives and deliverables which include the development of both Independent Power Producers (IPPs) frameworks and legal instruments and of the

principles underlying the determination of tariffs for Electricity produced from renewable resources (RES-E), and a comprehensive economic and financial model.

The economic and financial model integrates cost structures, technical characteristics, economic, financial and financing parameters, to provide a basis for assessing the costs and tariffs of various RES-E technologies, pricing, and for facilitation of negotiations of Power Purchase Agreements (PPAs).

Equally as important as a deliverable is the development of Power Purchase Agreement (PPA) framework guidelines and legal instruments and of model documents for licensing small, medium and large scale RES-E projects (local- and export-oriented schemes) taking into account the legal provisions.

A workshop for local stakeholders that include amongst others LEWA and Ministry of Energy and Meteorology (MEM) staff, local electrical contractors and representatives of the institutions of higher learning was being planned for the second quarter of 2015 □



Solar panels for generating electricity at Moshoeshoe / International Airport.

LEWA holds meeting with stakeholders in Mokhotlong

Public participation seeks and facilitates the involvement of those potentially affected by or interested in a decision.

As part of the implementation of its external communication strategy and to continually create and sustain awareness about its mandate the Lesotho Electricity and Water Authority (LEWA) held a stakeholders' meeting with the Mokhotlong community on 22 January 2015.

The goal of the meeting was to enable Mokhotlong based stakeholder groups to know their rights and responsibilities in the regulatory framework, with emphasis on the tariff processes.

Mindful that two of the utilities regulated by LEWA, which are Lesotho Electricity Company (LEC) and Water and Sewerage Company (WASCO) had submitted their tariff review applications for the 2015/16 financial year by the time of this meeting, the participants

were informed about LEC and WASCO applications. Furthermore, LEWA explained the rationale for public participation in the regulatory processes, such as tariffs review.

Officially opening the meeting, the Mokhotlong District Administrator (DA), Mr. Motsamai Mokoto welcomed all participants and thanked LEWA for the organisation's persistent efforts to share important regulatory information with the Mokhotlong public over the past years.

"LEWA's sustained effort to reach out to communities in the district is commendable. It is my hope that the message brought to us today by the Authority will be well received by all participants. May this meeting be beneficial to all participants," Mr. Mokoto observed.



Mokhotlong DA Mr. Motsamai Mokoto (standing) officially opens the LEWA outreach workshop held at Mokhotlong in January 2015.

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For their part participants mentioned that the proposed tariffs increases by both utilities were unjustified because, they alleged, both LEC and WASCO had poor track record in service delivery.

LEWA urged the participants to make written submissions expressing their opinions on the tariffs applications and submit them to the office of the District Administrators (DAs), as LEWA has a working relationship with DA offices in the ten districts.

With respect to service delivery issues that were raised in the meeting both WASCO and LEC representatives were present to respond to the same. The Authority, as a matter of principle of fairness to the two utilities, requested them to take part in such meetings.

Some of the public concerns raised pertaining to WASCO services was the limited service area of the utility and they demanded to know as to why the utility

sold water to Basotho when the same is an abundant natural resource in the country. The response given here by the utility was that WASCO was mandated to render services only in towns and urban areas and that the utility did not sell water as such, but that customers had to pay for the service to their places.

Concerns directed to LEC included the unreliability of the electricity supply in the district and the selection criteria it used to determine villages to be electrified. In relation to the above, LEC responded that it had a problem of an ageing infrastructure which needed to be replaced. LEC further noted that it was the Government that selected villages to be prioritised in electrification projects.

The meeting was highly interactive and was attended by over 30 participants who included civil servants, business owners, local district councillors, media representatives and the general public ☐

Energy efficiency tips to avoid load shedding

The Lesotho Electricity and Water Authority (LEWA) is convinced that customers' energy efficiency practices can be enhanced through appropriate information dissemination.

Energy efficiency implementation has increasingly been recognised worldwide as one of the most effective means to mitigate rising electricity prices, tackling environmental hazards like carbon dioxide emissions and enhancing energy security. The implementation of energy efficiency strategies has proved to be a cost effective means for building economies without necessarily increasing consumption.

The implementation of energy efficiency strategies has proved to be a cost effective means for building economies without necessarily increasing consumption.

There are several interrelated areas which may be considered by customers as important for implementation of energy efficiency practices as well as the use of electrical appliances and building designs.

Examples of the recommended energy efficiency practices include amongst others, insulation of houses. Insulation makes a building to use less heating and cooling energy to achieve and maintain a comfortable temperature. Tight building designs including energy efficient windows, well-sealed doors, basement slabs and foundations could reduce heat loss significantly.

Installation of fluorescent lights reduces the amount of energy required to attain the same level of brightness compared with the usage of traditional incandescent light bulbs.

In industrial settings and in domestic residences, a lot of electricity could be saved with efficiency measures that cost less than electricity itself. For instance leaky pipes remain an invisible energy culprit for years and should be fixed because loss of hot water means lots of energy used to heat up the same.

Modern freezers, ovens, stoves, dishwashers, clothes washers and dryers use significantly less energy than older ones. For example, current energy efficient refrigerators use less energy than old models. If all users could change their appliances which are more than 10 year old into new ones, much electricity may be saved annually.

The impact of energy efficiency on peak demand depends on when the appliances are used. For example,

an air conditioner uses more energy during the afternoon when it is hot. Therefore an energy efficient air conditioner would have a larger impact on peak demand than off-peak demand.

Lastly, it should be indicated that electricity efficiency is not only limited to the act of using electricity but starts with choosing and purchasing energy-saving appliances



Minimum standards for providing service to rural electricity customers

In order to protect the interests of rural based customers and to ensure that services are delivered safely and effectively, the Lesotho Electricity and Water Authority (LEWA) has developed Rural Electricity Quality of Service and Supply Standards (Rural QoSSS).

Certain basic minimum standards of service set by the Authority are highlighted below. These selected standards are published so that relevant customers may be aware of them.

Customer complaints: In cases where Customers are not satisfied with the manner in which they have been provided with services by REU, even after lodging their complaints with the latter, they may lodge complaints with the Authority.

Minimum standards for providing services to rural electricity customers		
Service	Minimum standards	
Electricity Connection	Timeframe for issuing Quotations	Time frames for making connections
	within 20 working days where network exists	within 30 working days where network exists
	Within 40 days where network extension is required.	Within 60 days where network extension is required.
Meter Reading	Customers' meters should at least be read once in 3 months.	
Disconnections	<ol style="list-style-type: none"> 1. Customers should be disconnected after 5 days of grace period where there is a default in payment. 2. Reconnection should be effected on the first working day after payments have been made. 3. Commercial customers should be given 48 hours notice prior to disconnection. 4. Disconnection should not be effected over weekends, public holidays or Fridays. 5. Disconnection should be effected immediately if a customer had tempered with the infrastructure. 6. Reconnection should be effected within two (2) working days after the payments of all penalties for tempering have been paid. 	
Customer Complaints	<ol style="list-style-type: none"> 1. Written customer complaints should be responded to in writing within five (5) working days and the matter resolved within ten (10) working days. 2. In cases where Customers are not satisfied with the manner in which they have been provided with services by REU, even after lodging their complaints with the latter, they may lodge complaints with the Authority. 	



The Dilli-Dilli/ Sixondo electricity supply infrastructure is one of the stand alone rural supply systems in the country.

Importance of public participation in tariffs review process

The Authority, among others, is required to solicit public views or comments on the tariffs proposal by the regulated utilities prior to reaching the final decision on tariff levels.

Lesotho Electricity and Water Authority (LEWA) interacts and solicits public and other stakeholders inputs when making some of its major regulatory decisions. One of such processes is the process of determining electricity, water and sewerage service tariffs.

LEWA is mandated to regulate tariffs for services provided by Lesotho Electricity Company (LEC) and Water and Sewerage Company (WASCO). In terms of the enabling Act, LEA Act of 2002 as amended, the Authority, among others, is required to solicit public views or comments on the tariffs proposal by the regulated utilities prior to reaching the final decision on tariff levels.

The utilities' applications for tariff reviews should amongst others, comply with the tariff review and filing procedure established by the Authority. The procedure stipulates the manner in which the applications should be compiled and filed with LEWA. The Authority has the power to request the applicant (either LEC or WASCO) to provide additional information where the application is found to be deficient.

Once the Authority has determined that the contents of the application are complete, the public is notified through the media channels such as newspapers, radios and television to comment on it. The intention is to afford the public an opportunity to peruse the application and provide their inputs, comments and

recommendations on the same. The public is further encouraged to present their views at public hearings in writing for reasons of transparency.

Written stakeholder inputs, comments and recommendations are consolidated, and thereafter the Authority holds public hearings. This sets the stage for utilities (LEC and WASCO) to present the reasons that underpin their application for review of the tariffs. The utilities' presentations are made to both stakeholders and the LEWA Board. Stakeholders are also granted the opportunity to present their views, questions and comments on the application.

Stakeholder participation is regarded as important by the Authority during the regulatory decision making processes such as tariff review process. LEWA is in this regard guided by regulatory principles, which therefore

enable it to balance the interests of stakeholders and the regulated utilities.

The final step in the tariff determination process is the Authority's consideration and decision as to what tariffs levels would be applicable for the financial year in question. The Board arrives at this by making an in-depth analysis of the application, considering amongst others the drivers of the tariff review stated in the Licensee's application and all evidence submitted, the analysis of the consolidated public views and provisions of the regulatory framework.

The public is therefore urged to appreciate the importance of the process. It is in this spirit that both stakeholders are encouraged to take part in making a process such as this worthwhile and successful ☐



The Authority always listens to the public concerns regarding service delivery issues.

Water quality officer appointed

Mrs. Makhaba stated that it is her fervent hope that she would become a team player add value to the Authority

Lesotho Electricity and Water Authority (LEWA) has appointed Mrs. 'Mapaseka Makhaba to fill the new position of Water Quality Officer (WQO) in the Technical Regulation Water (TRW) Department commencing on 01 February 2015.

The major role of the TRW Department, in unison with other departments within the Authority, is to implement the strategic goals of LEWA specifically on water and sewerage services regulation.

"The quality of water can be described as the microbiological, physical and chemical properties of water that determines its fitness for a specific use", explained Mrs. Makhaba during a brief interview on her first day at work.

"These properties are determined by substances which are either dissolved or suspended in the water. A wide array of substances can be found in water even though only a fraction of these commonly exist in quantities



Mrs. 'Mapaseka Makhaba, Water Quality Officer

which cause them to be of concern to domestic water users," she said.

She concluded by stating that in her opinion, regulation of Water and Sewerage Company (WASCO) would ensure that the utility complied with set regulatory standards inclusive of those pertaining to water quality.

Mrs. Makhaba further stated that it was her fervent hope that she would become a team player and add value to both the Authority through her contributions her experience, knowledge and expertise in the field.

The Authority welcomes Mrs. Makhaba as part of the LEWA team and wished her all the best in the execution of her duties as Water Quality Officer □

Electricity is deadly when used carelessly!

We rely on electricity to get on with our daily lives. From the moment we wake up right through the day and down to sleeping time, electricity plays a big part in our day-to-day living. Hence, it is no surprise that when something becomes so familiar, we tend to forget how powerful and **dangerous** it can potentially be.



Lesotho Electricity and Water Authority
has mandate to ensure safety of the public in relation to electricity supply and usage.

Third motivational team building session held

Chief Executive observed the successes and challenges of 2014/2015.

The third and last motivational team building session of the financial year 2014/15 for Lesotho Electricity and Water Authority (LEWA) staff was held from 23 to 25 March 2015 at Orion Mohale Lodge.

In his official remarks to open the workshop, the LEWA Chief Executive, Assoc. Prof. Ntoi Rapapa, observed that, despite some successes in 2014/15 financial year, there had been challenges in many respects but expressed appreciation that all staff were able to attend the event. He also outlined the significance of the workshop.

“This is the last workshop that we have this year. However I am hopeful that afterwards, it we will start to appreciate the benefits of addressing the organisational and personal goals, have serious introspections and desire to work as a team”, Assoc. Prof. Rapapa added.

Some of the specific objectives of the programme were to promote good interpersonal relationships amongst employees and transfer of knowledge amongst employees, encourage effective and efficient communication amongst employees and foster cooperation and team spirit in the work place.

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LEWA staff members following the teambuilding session held at Mohale Orion in March 2015.

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The third session on team building entailed presentations and games that were geared towards the individual members of the team, discovering their personalities and getting to know each other at personal level as well as learning to appreciate their interdependence. In this regard topics covered included balancing the wheel of life, deploying strategies for a great/winning team understanding one's character, exploring one's inner space, stress management and organisational effectiveness.

"It is important for a person to understand his or her character. Some millennia ago, philosopher's such as Pythagoras and Hypocrates, observed that a person's character can do two things: build or destroy them. This is still a reality in the contemporary world", observed one of the session facilitators Dr. Calvin Motebang.

Besides the presentations, the session had a lot of engaging discussion concerning the application of

principles at work, which were coupled with team building games or play therapies.

Building on the two previous team building workshops held in 2014, the workshop sessions further sought to help the team members to know each other even better. It also endeavoured to get team members to play games with a lot of laughter. Such activities were intended to help the team members to improve in working together as a team, for effective service delivery.

At the close of the workshop, LEWA employees indicated that they would endeavour to apply all the principles they have learnt at work and have clear goals.

"The presentations were relevant to the LEWA context and participants and we have interacted in an open manner" observed Mrs. 'Malehlohonolo Mokhosi, one of the sessions participants □



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Lesotho Electricity and Water Authority
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Concerned about urban
Water Quality?
As well as...

- connection quotations • connections
- disconnections • reconnections • network disruptions?

The Authority has developed urban water and sewerage services regulatory instruments. Of these instruments, is the Urban Water Quality of Service and Supply Standards (QoSSS). QoSSS sets out minimum service and quality standards for the Water and Sewerage Company (WASCO) in provision of water and sewerage services. WASCO has undertaken to implement QoSSS provisions with effect from October 2013.

*In pursuit of quality service delivery
of urban water and sewerage.*

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How much do you know about LEWA

Mainly through the Consumer Affairs Department, the Lesotho Electricity and Water Authority (LEWA) consistently pursues sustainable empowerment of stakeholders in regulation of electricity and urban water and sewerage services. To this end, various efforts at communicating with the public using different means, such as electronic and print media, are undertaken.

For more information, please contact Lesotho Electricity & Water Authority at:

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