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THE NEWSLETTER OF THE LESOTHO ELECTRICITY AND WATER AUTHORITY



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the newsletter informs you about the developments regarding the implementation of Government's policy decision that the former Lesotho Electricity Authority (LEA) should be transformed into a multi-sector regulatory body.

Dear readers,

We wish to welcome you to this edition of the Lesotho Electricity and Water Authority (LEWA) newsletter. As part of our communication endeavours, the newsletter informs you about the developments regarding the implementation of Government's policy decision that the former Lesotho Electricity Authority (LEA) should be transformed into a multi-sector regulatory body, assuming regulatory powers over urban water and sewerage services. The launch of LEWA was officially done in October 2013.

As a member of the Eastern and Southern African Water and Sanitation Regulators Association (ESAWAS), the Authority hosted the 2013 Conference and Annual General Meeting (AGM) to share experiences with fellow regulators on how to discharge water regulation responsibilities and mandate.

Further afield, public outreach was undertaken when LEWA interacted with representatives of Semonkong stakeholders to discuss issues pertaining to the former's mandate and regulatory issues such as customer complaints handling procedure, and standards of service in the electricity sector. In the same vein, the Authority participated in the second Regional Electricity Regulators Association of Southern Africa (RERA)

consumers' / stakeholders' communication workshop that sought to explore ways of mainstreaming consumer protection issues within RERA members' jurisdictions.

Cognisant of its responsibility to educate customers on aspects of quality of services from the service providers, LEWA paid special attention to the issues of quality of sewerage services. Also tied to this point, the Authority informs stakeholders of its endeavours to ensure that electricity connection prices are fair and equitable which are entailed in the Electricity Connection Charges Guidelines (ECCGs). A full document on ECCGs can be obtained from LEWA's offices or website.

Timely resolution of customer complaints remains one of the key priorities of the Authority. LEWA uses various mechanisms for resolving customer complaints and one of these is mediation. This cost effective, voluntary and speedy process is briefly discussed in the newsletter. Readers are therefore requested to familiarise themselves with it ☐

Ntoi Rapapa
Chief Executive

Comments Email: secretary@lewa.org.ls

LEWA launched - regulates water and sewerage services

We urge both the Lesotho Electricity Company (LEC), and Water and Sewerage Company (WASCO) to engage with the Authority constructively in order to realise the benefits and effectiveness of the regulated sectors

The Government's policy decision that the Lesotho Electricity Authority (LEA) should be transformed into a multi-sector regulatory body, assuming regulatory powers over urban water and sewerage services, was realised when the Authority was officially launched on 31 October 2013 at Lesotho Sun Hotel by the former Minister of Energy, Meteorology and Water Affairs (MEMWA) Dr. Timothy Thahane. LEA came to be officially known as the Lesotho Electricity and Water Authority (LEWA).

In a key note address, Dr. Thahane observed that the mandate of MEMWA was to provide affordable, reliable and efficient services to stakeholders in the country through various institutions such as LEWA. He further made general observations regarding the level of access to electricity services in the country, pointing out that electricity access was at 32% nationally with 4% being in the rural areas.

"The Government's target is to reach a 35% electrification rate by 2015 and if the current electrification connections rate of above 12, 000 annually is maintained, the target shall be attained by 2015," he said.

With respect to water and sewerage services, Dr. Thahane noted that the Government's target was to have universal access by 2020 as set out in the Lesotho Vision 2020. In this regard, both the Government and



The former Minister of Energy Meteorology and Water Affairs (MEMWA) Dr. Timothy Thahane (right) and LEWA Board Chairperson, Prof. F.L. Moloi (left) unveil the LEWA logo during the official launch ceremony.

3 cooperating partners were relentlessly pursuing the expansion of access to water and sewerage services.

Dr. Thahane ended by thanking all stakeholders who had made the launch a successful event.

For her part, the Chairperson of the LEWA Board Professor F.L. Moloi said that the Authority was determined to establish a regulatory system that was transparent and open to public scrutiny, in line with best regulatory practices and Government's policy.

"We urge both the Lesotho Electricity Company (LEC), and Water and Sewerage Company (WASCO) to engage with the Authority constructively in order to realise the benefits and effectiveness of the regulated sectors," she said.

In the years, since its establishment as the electricity regulator, the Authority has grown, participating in efforts to effectively and efficiently regulate the electricity industry in the country, in accordance with its statutory mandate, obligations and regional and international trends.

Present at this occasion were some of the Ministers, District Administrators and Councillors, high ranking Government officials, Boards of parastatals, Heads of Ministries' or Departments, Parastatals and Public Institutions, LEWA Board Members, Government Officials and Chief Executives, representatives of the private sector Organisations, Members of the Eastern and Southern Africa Water and Sanitation (ESAWAS) Regulators Association, and Media representatives □

LEWA hosts ESAWAS conference and AGM

The significance of the hosting of the ESAWAS Conference and AGM was that it came at a time when LEWA's assumption of regulation of urban water and sewerage services was in its sixth month of existence.

Lesotho Electricity and Water Authority (LEWA) hosted the 7th Eastern and Southern African Water and Sanitation Regulators Association (ESAWAS) Conference and Annual General Meeting (AGM) in Maseru, Lesotho from 28 October 2013 to 01 November 2013.

During the 2013 Conference, AGM theme was 'Regulation through Innovation' which was meant to highlight the need for ESAWAS Members to explore ways of being innovative in regulating the water supply and sanitation sector by ESAWAS member regulatory bodies.

The conference was officially opened by the former Minister of Energy, Meteorology and

Water Affairs (MEMWA), Dr. Timothy Thahane who expressed a wish that ESAWAS membership could grow from the current six to more and urged the regulatory bodies that were participating in the Conference, but which were not ESAWAS' members to join the Association.

Dr. Thahane explained the likely spins off of the transformation of Lesotho Electricity Authority, into Lesotho Electricity and Water Authority which had taken place on 01 May, 2013 when Water and Sewerage Company (WASCO) was issued with a license by the Authority.

"The benefits of having multi-sector regulators in smaller economies such as ours are, but not limited to, reduction of cost of regulation, ability to attract higher calibre employees for the regulator due to the wider scope of opportunities and challenges and a centred approach in resolution of customer complaints, tariffs' determinations, licensing and capacity building," Dr. Thahane said.



4 LEWA Chief Executive, Assoc. Prof. Ntoi Rapapa (middle) interacts with outgoing ESAWAS Chairperson Mr. Kelvin Chitumbo of National Water and Sanitation Council of Zambia) - (left) and Mr. Haruna Masebu of Electricity and Water Utilities Regulatory Authority of Tanzania-(right).

He also emphasised the importance of sharing of knowledge, experiences and best practices amongst regulators as a means of improving capacity building and performance of regulators, commending ESAWAS for its efforts to capacitate its members by initiating water and sanitation regulators' peer reviews.

"This is an extremely important exercise and I invite ESAWAS members to come to Lesotho in three years time from now, in order to peer review our regulatory

system substance and impact and recommend to us as to how we can improve further", he stated.

The former Minister concluded by urging the Conference delegates to earnestly deliberate on the way forward towards realising the ideas of ESAWAS, highlighting the key areas of interest for LEWA as being, monitoring of service providers' performance through consumer feedback □



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Semonkong stakeholders - voice concerns to LEWA

The meeting was opened by one of the Semonkong councillors Mr. Tumelo Thejane who remarked that the people from the town were gratified to meet with the Authority and were eager to interact with the latter.

On 15 November, 2013 the Lesotho Electricity and Water Authority (LEWA) held a meeting with representatives of Semonkong stakeholders to discuss, in the main, LEWA Customer Complaints Handling and Resolution Processes and Electricity Quality of Service Standards (QOS) and to hear stakeholders' perspectives regarding the same.

The meeting was opened by one of the Semonkong councillors Mr. Tumelo Thejane who remarked that the people from the town were gratified to meet with the Authority and were eager to interact with the latter.

Outlining the purpose of the meeting, the LEWA representative Mr. Shao Khatala remarked that the visit was the first one that the Authority had taken to Semonkong, since the advent of regulation in the electricity, urban water and sewerage sectors.

The meeting was held with the representatives of various stakeholders groups. He provided an overview of the mandate of the Authority, adding that it was important that stakeholders embraced regulation as it was an exercise aimed at, amongst other things, balancing and protecting stakeholders' interests in the quest for attaining enhanced service provision.

Coming to the core of the meeting agenda, Mr. Khatala explained the LEWA procedures that pertain to complaints lodging and resolution and Quality of Service Standards (QOS) on matters such as electricity connection quotations and other service delivery timelines to be adhered to by the Lesotho Electricity Company (LEC) in the execution of its mandate.

Although LEWA had hoped that the above issues would form the basis of discussions with Semonkong stakeholders, it emerged from the latter's responses and questions that they were more interested about service delivery issues in light of their experiences with the same in the area.

A representative of the Semonkong business owners Mr. Tlelebenya Molibeli explained that the town was experiencing a shortage of electricity supply. He said this was also the most pressing problems faced by business and homes in Semonkong.

"Electricity supply is available only between 8 o'clock in the morning and 10 o'clock at night. This means that we are forced to use electricity only for a short period of time even during freezing conditions. For a long time promises have been made that this situation would be addressed but nothing has happened so far", Mr Molibeli added.

Echoing the same sentiments Mr. Molelejane Mohale, a representative of the local farmers further explained that the businesses in Semonkong were encountering some problems because once electricity supply was cut, frozen food items go wasted especially in summer months.

As it is the norm, LEWA had invited the regulated utilities to be part of the discussions. The Lesotho Electricity Company (LEC) had sent a delegation which was made up of the Generation Supervisor Mr Tšosi Makhetha and the Information Officer Ngaka Thamae. The Water and Sewerage Company (WASCO) was not able to come.

6 For its part, LEC explained that due to low water levels in the 'Maletsunyane river weir, it could not generate a reliable electricity supply to the town.

Consequently, the utility had to resort to diesel generators to supply electricity. Generating electricity with diesel was a costly option and the electricity supply to the town had to be rationed.

LEC further undertook to remove silt from the 'M'aletsunyane weir once funds were available to store more water to generate adequate electricity supply during the summer rains.

The Company noted that the envisaged measure would be a short term one because in the long term, the Semonkong system must be connected to the national electricity grid.

It also emerged from the discussions that the electricity customers were of the opinion that connection charges were high and not calculated transparently by LEC. In this regard, LEWA responded that the Authority had approved the Electricity Connection Charges Guidelines (ECCGs) document to guide LEC in implementing transparent electricity connection charging methodology.

Meanwhile, issues pertaining to water and sewerage services regulation were not discussed because a reticulated water supply system in the Semonkong area was not functional as it was under construction.

Local area chief's councillors, senior Government employees in Semonkong, farmers and water and electricity customers in Semonkong attended the meeting □

RERA member explore ways to enhance customer issues

RERA members had to prioritise consumer protection issues on their agendas because the Association was part of the global regulatory community that is increasingly embracing the centrality of observing consumer standards in regulation.

The second Regional Electricity Regulators Association of Southern Africa (RERA) consumers' / stakeholders' communication workshop that sought to explore ways of mainstreaming consumer protection issues within RERA members' jurisdictions was held on 16 October, 2013 in Pretoria, South Africa. The workshop was a sequel to the one that was held in Windhoek, Namibia from 19 to 20 August 2013, on the same agenda.

Opening the meeting, Chairperson Mr. R Mukabe of the Energy Regulation Board of Zambia (ERB) observed that RERA members had to prioritise consumer protection issues on their agendas because the Association was part of the global regulatory community that is increasingly embracing the centrality of observing consumer standards in regulation.



Opening the meeting, Chairperson Mr. R Mukabe of the Energy Regulation Board of Zambia (ERB)

“Some members have not tacitly embraced the centrality of consumer protection in their regulatory processes. Rather they have implicitly couched them into several functions and this has invariably stifled the development of robust consumer protection practices and policies.”

“Some members have not tacitly embraced the centrality of consumer protection in their regulatory processes. Rather they have implicitly couched them into several functions and this has invariably stifled the development of robust consumer protection practices and policies”, Mr. Mukabe noted.

The workshop reviewed individual RERA members’ experiences with regard to enhancing effective communication practices with consumers (including channels for means of outreach and advocacy) or their representative bodies/ lobby groups, consumer participation in regulatory processes and consumer involvement in capacity building.

RERA Members also discussed their experiences with collaboration initiatives with national consumer protection agencies such as competition commissions, consumer associations, environmental protection agencies, standards authorities and others.

Management of national consumer protection issues, through development of bills or rights charters, development of standards related to quality of supply and service (development, compliance monitoring and enforcement) and enhancement of grievance handling procedures were also discussed.

Presenting on the status of regional regulatory consumer affairs practices at the workshop, the RERA Executive Secretary Mr. Elijah Sichone noted that one of the key responsibilities of regulators entailed consumer protection and the RERA Member had to do more in that regard.

“Protecting consumers helps enhance the performance and public image of regulators (and by the same token RERA) as well as empowering the stakeholders”, he added.

The workshop resolved that a consumer centric approach by RERA members would amongst other things, be characterised by the creation of regulatory consumer charters and consumer services departments and adequate staffing of the same.

Members also resolved to familiarise themselves with a study undertaken by the United States Agency for International Development (USAID) on customer protection issues as a benchmarking exercise on customer protection standards. Furthermore, a recommendation would be made to the RERA Executive at the Annual General Meeting (AGM) in Maputo, Mozambique, in November 2013, which a subcommittee should be established to oversee consumer issues in RERA as a short term measure. In the longer term, it would be imperative to establish a relevant portfolio committee.

Closing the workshop, the host, Ms Phindile Baleni née Nzimande, the Chief Executive of the National Energy Regulator of South Africa (NERSA) observed that, whilst RERA members had attained different levels of consumer protection standards, it was critical for Members to share experiences so as to introduce an element of efficiency in terms of time and resource requirements to get to the same level or at least close to required level.

“I am mindful that all of us individually stand out in one area or the other. The important point is that we all stand to benefit from each other’s rich experiences”, she added.

Other participants at the workshop were Zimbabwe Energy Regulatory Authority (ZERA), Council on Electricity of Mozambique CNELEC, Electricity Control Board of Namibia (ECB), and Institute for the Regulation of the Electricity Sector (IRSE) of Angola. Energy and Water Utilities Regulatory Authority of Tanzania (EWURA), Swaziland Energy Regulatory Authority (SERA) and Malawi Energy Regulatory Authority (MERA) had apologised for the meeting □

Standards for customers connected to WASCO sewer

A customer is entitled to be provided with a quotation within six (6) working days, where there is an existing sewerage infrastructure. The distance to connect a household to the sewer should be within 90 metres. The actual connection should be made within fifteen (15) working days thereafter.

The Lesotho Electricity and Water Authority (LEWA) has a responsibility to ensure that sewerage customers receive quality services from the service provider, Water and Sewerage Company (WASCO).

As a step towards attaining this objective, the minimum standards of performance set by the Authority in consultation with the utility must be observed by the latter. This article pays special attention to the issues of quality of sewerage services.

The indicators of the quality of service with regard to WASCO sewerage services to customers include the following important parameters:

- The correct functioning of the sewerage system;
- Standards in the maintenance of pipeworks and sewerage system;
- Standards in the connection and disconnection to the water and sewerage services;
- The billing accuracy;
- Readiness in replying to requests of information and to complaints;



WASCO water treatment plant



WASCO water treatment dams in Mphahle's Hoek

- Easy access to information from the service provider; and
- Information to customers in case of water service interruption forced or planned.

There are some important minimum service levels that are expected from WASCO. These minimum standards are detailed in the regulatory document named 'Urban Water Quality of Service and Supply Standards' (QOSSS). Some of the issues outlined in the document are discussed briefly below.

Quotations and sewer connection

A customer is entitled to be provided with a quotation within six (6) working days, where there is an existing sewerage infrastructure. The distance to connect a household to the sewer should be within 90 metres. The actual connection should be made within fifteen (15) working days thereafter.

Customers whose nearest connection point on the existing sewerage services infrastructure is greater than 90 metres, but less than 500 metres, must be provided with quotations within fifteen (15) working days. In this instance, the actual connection should be made within thirty (30) working days.

Disconnections

In a situation whereby a customer has defaulted on payment of sewer connection or has tampered with

the infrastructure or a sewer connection has been made illegally, WASCO should effect the disconnection of water supply immediately without any prior notice. Reconnection should be effected within two (2) working days after the payment of all penalties. A sewer connection shall be blocked five (5) days after written notice has been issued and the customer continues to use it following disconnection.

Effluent standards of effluent to be discharged into WASCO network

The information relating to the effluent standards of effluent to be discharged into the network should be made available to non domestic customers by WASCO. The Licensee should thereafter perform regular checks of the functionality of the pre-treatment facilities in major industries.

Sewer flooding

Another important element is with regard to sewer flooding. The flooding within the network of WASCO should be repaired by the utility within twenty four (24) hours after utility being aware of the same.

Information to customers

The following crucial information should be made available to customers connected to the sewer network.

- The responsibility upon sewer overflow;
- What to do when sewer overflow occurs; and
- How to avoid sewer overflow.

Principles for determination of connection charges

Authority has developed several documents and principles in relation to customer connections. Amongst others the Authority has developed the Electricity Connection Charges Guidelines (ECCGs). The document is intended to guide both the electricity services providers and the customers on connection charges.

The Lesotho Electricity and Water Authority's (LEWA) objectives that are in line with its mandate include ensuring that electricity connection prices are fair and equitable. In order to attain that, the Authority has developed several documents and principles in relation to customer connections.

Amongst others the Authority has developed the Electricity Connection Charges Guidelines (ECCGs). The document is intended to guide both the electricity services providers and the customers on connection charges. This is also geared towards addressing what is commonly known as 'free-riding' and 'unjust enrichment', whereby new customers get cheaper

connections to the infrastructure paid for by other customers. Hereunder is the brief outline of the 'Guidelines'.

The purpose of the Guidelines is three-fold: Firstly, they are aimed at setting a clear standard on deciding connection charges applicable for transmission and distribution customers.

Secondly, they define the technical requirements available at the time of applying for connection.

Thirdly, the Guidelines provide a clear picture on how to deal with future developments, including resolution of disputes relating to connection charges.



Rural residences connected to electricity infrastructure

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The general principle of the guidelines is that a customer may pay for one of the two categories of connection costs. The first one is where there is no electricity network, while the second is where there is an electricity network.

If there is no network, LEC should make an assessment to determine if at the locality in question, there would be any future potential customers. If so, the customer would pay the standard connection charge.

The shared costs must be recovered through the tariff or the shared network charges. In essence, the costs would be shared when more than one customer benefits from the provision of the network infrastructure.

In the second instance, if it becomes apparent that it would be unlikely that there would be future customers, then the connection would be dedicated to such one

customer. In this category, all costs would be allocated to one customer at the time of connection.

Of paramount importance is that if at the later stage, the network which had been previously dedicated becomes shared, then the refund principles are applied and the customer is refunded. That is, if the connection that was originally considered to be dedicated becomes shared in the future, the initial customer would be refunded based on four factors.

These are the initial connection charge, the time value of money, and the remaining life of the agreement that a customer may have with a service provider on the network and is pro-rated to indicate extent of the respective connections.

The benefit of this new methodology is that it is intended to allow electricity customers to fairly share costs of electricity connection □

Mediation as a mechanism for complaints resolution

The mediator avoids taking sides, making judgments or giving guidance. Only effective communications and building of consensus between the parties is developed. The mediator assists parties to generate options to meet the needs of each party on all issues.

As already mentioned in previous editions, Lesotho Electricity and Water Authority (LEWA) uses various mechanism for resolving customer complaints and one of these is mediation.

The Authority, after investigating a complaint may thereof form an opinion that the complaint may be resolved by mediation between a customer and a licensee.

Mediation is an effective way of resolving complaints/ disputes without the need to go to a court of law. It involves an independent third party, a mediator (LEWA in this case), who helps both sides to reach a mutual

agreement. The Authority only mediates in complaints that are within its mandate.

The mediator avoids taking sides, making judgments or giving guidance. Only effective communications and building of consensus between the parties is developed. The mediator assists parties to generate options to meet the needs of each party on all issues. The focus of a mediation meeting is to reach a common sense settlement agreeable to both parties in a dispute.

Mediation is an efficient and cost-effective way of achieving that result while preserving, and at times even enhancing, the relationship of the parties involved.

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Some complaints relate to the issue of wayleave in residential areas

The principal characteristics of mediation proceedings are:

- **Mediation is a non-binding procedure controlled by the parties.**

A party to mediation cannot be forced to accept an outcome that he/she does not like, as the mediator is always not a decision-maker.

- **Mediation is a confidential procedure**

In mediation, the parties cannot be compelled to disclose information that they prefer to keep confidential. If, in order to promote resolution of the dispute, a party chooses to disclose confidential information or make an admission, that information cannot be provided to anyone in the future.

The information cannot be disclosed even in subsequent court litigation outside the context of the mediation. Mediation's confidentiality allows the parties to

negotiate more freely and productively, without fear of exposure.

- **Mediation is an interest-based procedure**

In court litigation or arbitration, the outcome of a case is determined by the facts of the dispute and the applicable law.

In mediation, the parties can also be guided by their interests. As such, the parties are free to choose an outcome that is oriented as much to the future of their relationship.

Because mediation is non-binding and confidential, it involves minimal risk for the parties and generates significant benefits. Indeed, it could be said that, even when a settlement is not achieved, mediation never fails, as it causes the parties to define the facts and issues of the dispute.

In any event, it prepares the ground for subsequent

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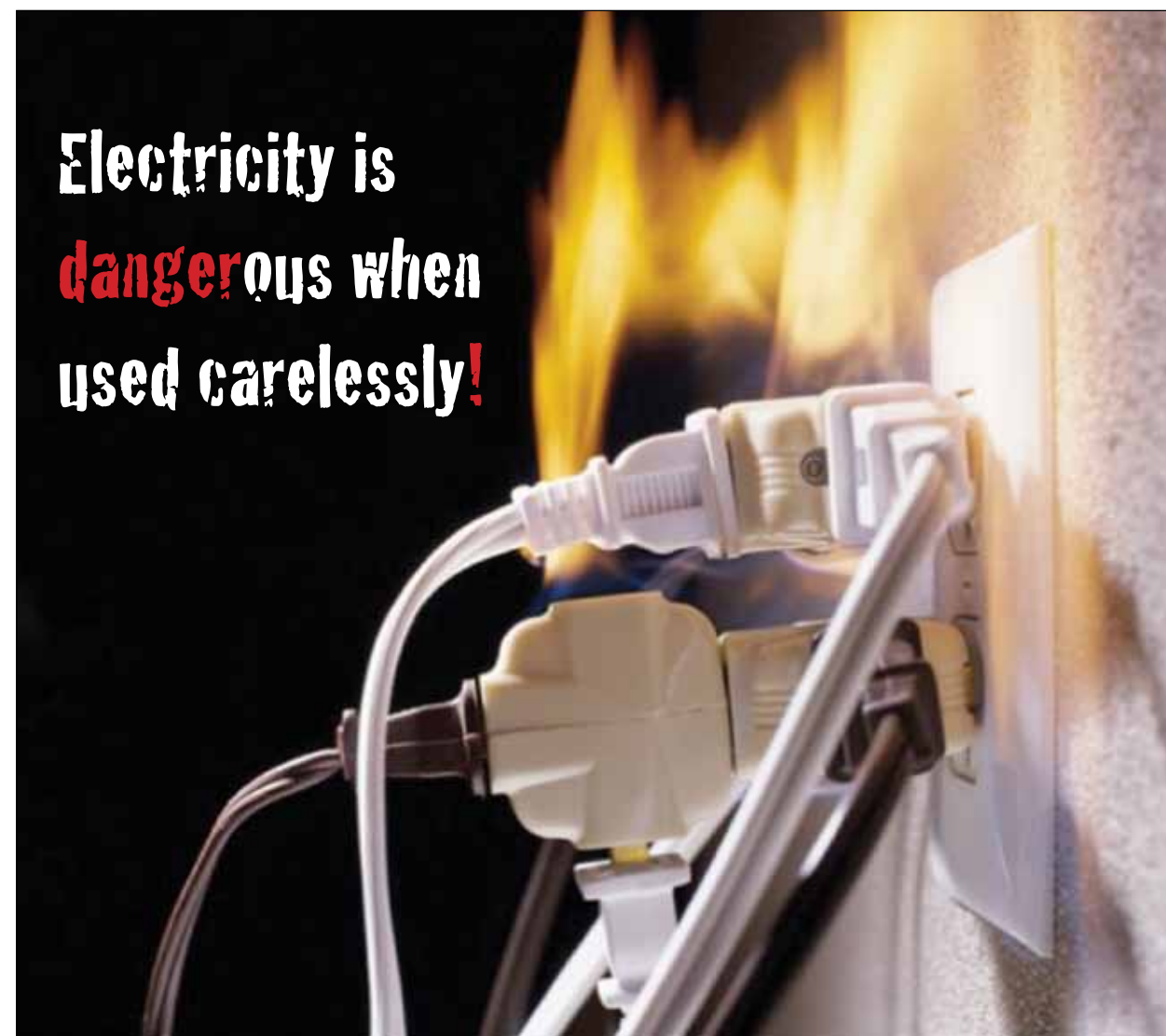
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arbitration or court proceedings. With specific reference to the LEWA situation, another important advantage of mediation is that lawyers are not required for mediation to occur. However, Section 7(3) of the LEA (Resolution of Disputes), Rules, 2010 gives each party to the proceedings a right to legal representation at his/ her own cost.

Should an amicable solution be reached, then the matter is considered closed by the Authority and the agreement

is binding between the parties. Where parties reach a deadlock or unable to reach an agreement, the Authority would make a final determination through the Board.

If thereafter, the Complainant is still not satisfied with the decision of the Authority, the courts of law could be approached for review. Evidence used during mediation could not be used before any court of law against any other party in the same dispute □



**Electricity is
dangerous 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.



*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, the Urban Water Quality of Service and Supply Standards (QoSSS). This sets out minimum service and quality standards for the Water and Sewerage Company (WASCO). WASCO has undertaken to implement QoSSS provisions with effect from October 2013.

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

For more information, please contact us at 7th Floor, Moposo House, Kingsway, Maseru, Lesotho

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Water or electricity problems?
First present your complaint
to LEC or WASCO...
...to have the...

**Problem
Solved**

*Customers of **LEC** & **WASCO**
may lodge **complaints** with **LEWA** thereafter.*

One of the general functions of the Lesotho Electricity and Water Authority (LEWA) is to resolve customer complaints between the regulated entities (Water and Sewerage Company - WASCO or Lesotho Electricity Company-LEC) and their customers.



*For more information, please contact us at
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