



In the matter of an Application by the
“Tunduma URBAN WATER SUPPLY AND SEWERAGE AUTHORITY” (“TDMUWSA”)

For a Tariff Adjustment, Submitted on 4th August 2009

TR-W-09-009

ORDER No.09-012

On 4th August 2009 EWURA received an application dated 5th May 2009 from Tunduma Urban Water Supply and Sewerage Authority (“TDMUWSA”) for an adjustment of its tariff and charges for water supply services. TDMUWSA requested an increase of 50% for domestic, institutional and commercial metered customers; and an increase of 150% for water kiosk customers. In addition, TDMUWSA requested to increase the tariff for un-metered customers by 34.01% for domestic customers, 33.33% for commercial customers, between 33.33% and 33.80% for commercial customers. The new water connection has been requested to increase from the current charge of TZS 36,000 to all customer categories, to an increase from TZS 36,000 to TZS 45,000. TDMUWSA requested that, the proposed tariff and charges, if approved, should take effect from 1st July 2009.

The proposed tariff and charges increase aim at assisting TDMUWSA to cover its operational and maintenance costs and to improve efficiency in its service provision. The proposed tariff adjustments are expected to benefit the current Customers by providing them with reliable and safe water supply for an average of 12 hours a day.

EWURA is empowered by the Energy and Water Utilities Regulatory Authority Act, Cap 414 (“EWURA Act”) to regulate tariff and charges adjustments in the water and sewerage sector. In evaluating the Application from TDMUWSA, EWURA has taken into consideration, among other things, the submitted documents as per the Tariff Application Guidelines, additional

information requested by EWURA, comments and clarifications provided during the consultation process.

A Public Hearing meeting was conducted on 15th October 2009 in Tunduma Town as part of an Inquiry into the reasonableness of the proposed tariff and charges adjustment. During the meeting, all stakeholders including the Consumer Consultative Council (CCC), the Government Consultative Council (GCC) and the Public were given an opportunity to present their opinions on the proposed tariff and charges increase. The CCC was concerned about the correctness of the financial data presented, high budget on business promotion for 2009/10, and low collection efficiency. The GCC was concerned about the poor quality of water due to lack of treatment, lack of key staff in areas of billing, debt collection and customer services, and high tariff on institutional customers. The public among others were concerned about the shortage of water, failure to utilize fully the production where only two out of five boreholes are operating, presence of inefficiently working installed meters, high tariff at water kiosks, and many incidences of leakages in the distribution system. As a result of the issues raised, EWURA requested the Applicant to provide supplementary material in support of the proposed tariff and charges increase.

As a result of the Inquiry, EWURA concluded that TDMUWSA's proposed tariff and charges were reasonable except for the high tariff at public kiosks.

The Board of Directors of EWURA having met on 13th November, 2009 to consider this matter decided the following:-

- 1.0 The Board approves tariff and charges increase in water supply for metered and unmetered customers, new connection charges as shown in Tables 1 to 3 below.

Table 1: Water Supply Tariffs (Metered Customers)

Category	Current Rate (TZS/m³)	Proposed Rate (TZS/m³)	Approved Rate (TZS/m³)
Domestic	250	375	375
Institutional	300	450	450
Commercial	400	600	600
Kiosks (TZS per 20lt Bucket)	20	50	20

Table 2: Water Supply Tariff (Un-metered Customers)

Category	Current Rate (TZS/month)	Proposed Rate (TZS/month)	Recommended Rate (TZS/month)
Domestic	3,500	4,700	4,700
Institutional (religious)	4,500	6,000	6,000
Institutional (public)	6,000	8,000	8,000
Commercial (involving any of these: bar, hotel, guesthouse, restaurant)	8,000	10,000	10,000
Commercial (involving a combination of any two or more of these: bar, hotel, guesthouse, restaurant)	12,000	16,000	16,000

Table 3: New Connection Charges

Category	Current Connection Charges (TZS/Connection)	Proposed Connection Charges (TZS/Connection)	Approved Connection Charges (TZS/Connection)
Domestic	36,000	36,000	36,000
Institution	36,000	40,000	40,000
Commercial	36,000	45,000	45,000

- 2.0 On or before 31st January 2010, TDMUWSA shall submit to EWURA its plan to:
- 2.1 increase revenue collection efficiency to 90% or more by 30th June, 2011;
 - 2.2 extend water supply network to TAZARA, Kaloleni and Maporomoko areas by 31st December 2010;

- 2.3 supply water to all places within their current service area that are experiencing water shortage before 30th June, 2011; and
- 2.4 disinfect all its water produced to the requirement of TBS standards by 31st December 2010.
- 3.0 On or before 31st March, 2010, TDMUWSA shall install three (3) bulk meters at borehole Nos. 237/98, 264/08 and immediately downstream of the steel tank at Mwaka area.
- 4.0 On or before 30th June 2010, TDMUWSA shall install a total of 200 water meters to its customers, out of which 100 meters shall be installed by 31st March, 2010.
- 5.0 On or before 31st August 2010, TDMUWSA shall provide evidence to EWURA that it has designed and is implementing a pro-active programme of customer outreach. A status report on the implementation of that programme shall be included with all future Applications for tariff adjustment and shall be considered by EWURA in evaluating the reasonableness thereof.
- 6.0 TDMUWSA shall continue to provide EWURA with information about its financial and operating condition in accordance with the requirements of EWURA. This information will be used by EWURA to evaluate TDMUWSA's performance in comparison with other utilities and the improvement of its performance over time. This evaluation will be considered by EWURA in evaluating the reasonableness of all future requests for tariff adjustment.

The Order shall take effect from 1st December 2009.



Simon F. Sayore
Chairman of the Board of Directors
EWURA



Haruna Masebu
Director General
EWURA

Dar es Salaam 13th November, 2009