



In the matter of an Application by the
“TABORA URBAN WATER SUPPLY AND SEWERAGE AUTHORITY” (TUWASA)
For a Tariff Adjustment, Submitted on 20th April 2009
(TR-W-09-04)
ORDER No. 09-009

On 20th April 2009 EWURA received an application for a Tariff review from the Tabora Urban Water Supply and Sewerage Authority (TUWASA). TUWASA requested for an increase in tariff on water supply from a weighted average of TZS 500 to 887.55 per m³ for water supply services, an increase of about 77.5%. Sewerage tariff was proposed to increase from 20% and 230%. TUWASA proposed also to increase other charges ranging from 25% to 100% and to introduce new charges including service charges, meter rental fee, charges for damaging water meters and interest charges, on water debts accumulated for more than 60 days. According to the request, new tariff charges are supposed to start from the date of their approval by EWURA Board.

The tariff increase proposed by TUWASA aims at enabling it to cope with increase in costs of operations and to enable the authority to achieve full cost recovery and have funds for capital investments.

EWURA is empowered by the Energy and Water Utilities Regulatory Authority Act, Cap 414 (“EWURA Act”) to regulate tariff adjustments in the water and sewerage sector. In evaluating the application from TUWASA, EWURA took into consideration, among other things, the information comprised in documents that were submitted by TUWASA as per the tariff application guidelines; additional information that was provided by the authority as requested by EWURA, as well as comments and clarifications provided during the consultation process.

A Public Hearing Meeting was conducted on 4th June 2009 at the Students' Centre Hall in Tabora Municipality as part of an inquiry into the reasonableness of the proposed tariff 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 increase.

The Consumer Consultative Council, the Government Consultative Council and the Public were concerned about the poor quality of water service delivered by TUWASA and the old water distribution infrastructure that is leaking thus causing insufficient water supply. The GCC and CCC were also concerned about the inefficiency of TUWASA in revenue collection resulting to high figures of outstanding debts.

As a result of the inquiry, EWURA concluded that TUWASA's proposed tariff increase was reasonable except for the fact that revenue projections were underestimated by excluding other income and that projected water production and charges were wrongly assessed and hence these required to be determined as per the Water Act..

The Board of Directors of EWURA having met on 25th June 2009 to consider this matter decided as follows:-

- 1.0 Approved an increase in water supply and sewerage tariff and charges as shown in the Tables 1, 2, 3, 4 and 5 below.

Table 1: Water Tariff (Metered Customers)

Category of Customers	Current Tariff	Proposed Tariff		Approved Tariff
		Range (m ³)	Rates TZS per m ³	Rates TZS per m ³
Domestic	500	1-10	600	540
		10 -15	700	630
		Above 15	800	720
Institutions	650	1-15	700	630
		Above 15	750	670
Commercial	1,200.00	1-15	1,000.00	900
		Above 15	1,300.00	1170
Industrial	1,300.00	1-20	1,300.00	1170
		Above 20	1,400.00	1260
Kiosks	500		1000	600
Mirambo Barracks	585	1-15	700	630
		Above 15	750	670

Table 2: Schedule of Flat Rates for Un-metered Water Customers

Category	Current Flat Rates	Proposed Flat Rates	Approved Flat Rates
	TZS per Month	TZS per Month	TZS per Month
Domestic	10,000.00	12,000.00	12,000.00
Institutions	20,000.00	25,000.00	25,000.00
Commercial	25,000.00	25,000.00	25,000.00
Industrial	30,000.00	30,000.00	30,000.00

Table 3: Schedule of Sewerage Tariff

Customer Category	Range (m³)/Flat rate	Current Tariff (TZS/m³)	Proposed Tariff	Approved Tariff (TZS/m³)
Domestic	1 - 20 (TZS per month)	1,200	3,000	3,000
	Above 20 (TZS per m ³)	100	200	200
	Flat rate (TZS per month)	1,500	5,000	5,000
Institutions	1 - 20 (TZS per month)	10,000	15,000	15,000
	Above 20 (TZS per m ³)	200	500	500
	Flat rate (TZS per month)	15,000	25,000	25,000
Commercial	1 - 20 (TZS per month)	12,000	15,000	15,000
	Above 20 (TZS per m ³)	300	500	500
	Flat rate (TZS per month)	20,000	25,000	25,000
Industrial	1 - 20 (TZS per month)	15,000	18,000	18,000
	Above 20 (TZS per m ³)	300	500	500
	Flat rate (TZS per month)	20,000	25,000	25,000
Sludge Emptying Charges Per Trip (6m³).	TZS	2,000	5,000	5,000

Table 4: Schedule Charges and Fees

Category	New Connections			Reconnections			Illegal Connection		
	Current Charge (TZS)	Proposed Charge (TZS)	Approved Charge (TZS)	Current Charge (TZS)	Proposed Charge (TZS)	Approved Charge (TZS)	Current charge for customer found with illegal connection (TZS)	*Proposed Charge per customer with illegal connection (TZS)	Approved
Domes tic	20,000	30,000	30,000	7,000	10,000	10,000	200,000	250,000	Use Sectio n 55 of the Water Suppl y and Sanita tion Act,20 09 (Com pound ing of offenc es
Instituti ons	30,000	40,000	40,000	20,000	25,000	25,000	200,000	300,000	
Comm ercial	30,000	40,000	40,000	20,000	25,000	25,000	200,000	300,000	
Industr ial	60,000	80,000	80,000	60,000	80,000	80,000	200,000	400,000	

*Note that, the value of water consumed illegally will be added on top of the charge

Table 5: Schedule of New Charges and Fees

Category	Service Charge		Meter Rent		Charges Damaged customer	Meter by	Interest Rates on debts
	Proposed Rate per Month (TZS)	Approved Rate per Month (TZS)	Proposed Rate per Month (TZS)	Approved Rate per month (TZS)	Proposed Rate (TZS)	Approved	Proposed % of previous cumulative debt
Domestic	3,000	3,000	1,500	1,500	75,000	Use Section 55 of the Water Supply and Sanitation Act, 2009 (Compounding of offences)	1%
Institutions	5,000	5,000	5,000	5,000	120,000		2%
Commercial	5,000	5,000	5,000	5,000	120,000		2%
Industrial	5,000	5,000	5,000	5,000	250,000		2%
							Not Approved

- 2 On or before 30th September 2009, TUWASA shall submit to EWURA its plan to:
 - 2.1 install bulk water meters at Igombe pumping station by 30th June 2009;
 - 2.2 develop potential water sources in order to increase current water production levels to cover for the projected water demand; and
 - 2.3 to improve effectiveness of the water treatment at Kazima water treatment plant.

- 3 On or before 30th September 2010, TUWASA shall submit to EWURA a detailed expenditure for the ring fenced funds amounting to a total of TZS 1,107 Million provided for depreciation and return on investment in the approved Revenue Requirement (RR) for 2009/2010 which shall include the implementation of the following projects;

- (i) replacing of 4.5 km of dilapidated pipes; repairing of the Kazima Dam's embankment; replacing a broken 'electrical frequency convertor' and repairing of Igombe Dam's spillway ;
- (ii) contribution of TZS 315 Million towards the implementation of water supply project funded by SECO which includes purchasing of two high lift pumps;
- (iii) purchasing and installation of 800 water meters, a billing software and a local area network;
- (iv) construction of three public kiosks at Chemchem, Isevy and Kiloleni areas; and
- (v) compensation of property owners at Mwinyi and Ipuli areas to facilitate acquisition of a new land for the construction of waste stabilization ponds.

- 4 T UWASA shall improve its average revenue collection efficiency from 69% in the year 2008/09 to 89% in the year 2009/2010. In line with the signed Performance Agreement between EWURA and T UWASA.
- 5 Improve the bacteriological water quality to comply fully with World Health Organisation (WHO) standards by September 2009.
- 6 On or before 30th September 2009, T UWASA shall provide evidence to EWURA that it is keeping ledgers with records showing amount of water produced, pumping duration and electrical consumption; and that the recorded information is used by T UWASA in its future plans to improve its performance.

T UWASA 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 T UWASA 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. In particular TUWASA shall ensure that the accuracy of information provided in MajIs monthly reports is improved.

This Order shall take effect from 1st July, 2009.



Simon F. Sayore
Chairman of the Board of Directors
EWURA



Haruna Masebu
Director General
EWURA

Dar es Salaam, 25th June 2009