

THE ELECTRICITY ACT,
(CAP.131)

ORDER

(Made under Section 23)

THE ELECTRICITY (STANDARDIZED SMALL POWER PROJECTS TARIFF FOR
YEAR 2011) ORDER, 2011

- Citation 1. This Order may be cited as the Electricity (Standardized Small Power Projects
Tariff for Year 2011) Order, 2011.
- Commencement 2. This Order shall take effect from 1st May, 2011.
- Background 3. The Energy and Water Utilities Regulatory Authority (EWURA) adopted a
standardized mechanism for development of Small Power Projects (SPP) in Tanzania in
2008 under which Standardized Power Purchase Agreement (SPPA) for main grid and
mini-grid were approved. Furthermore, the Standardized Tariff Methodology (STM) for
main grid and mini grid were also approved. The mechanism provides for annual
adjustment of applicable tariff of power sold by SPPs, based on approved methodology.
4. The Working Group on Small Power Development (WGSPD), currently hosted
by the Energy and Water Utilities Regulatory Authority (EWURA), meets annually; and
based on latest available information calculates the applicable tariff for the particular
year and submits to EWURA for approval. The WGSPD, which met on 21st January
2011, deliberated on the matter and submitted the proposed tariffs for 2011 to EWURA
for its approval. EWURA scrutinised the proposed tariffs for their reasonableness and
prudence.
- Stakeholders' 5. Consistent with Section 19(2) (h) of the Energy and Water Utilities Regulatory
Consultation Authority Act, EWURA conducted an inquiry to collect views from stakeholders.
Cap 414 Consequently, EWURA is satisfied that at the closure of the inquiry process it has
gathered adequate information to support its recommendations to the Board.

Decision

6. EWURA Board of Directors, having met on 14th April 2011 to consider the matter decided that:

- (a) the Standardized Small Power Purchase Tariff for connecting to the Main Grid and Isolated Mini-Grid for the period from 1st May to December 2011 as shown in the First and Second Schedule; and
- (b) for an SPPA signed in the year 2011, the floor prices will be as stated in the Schedule below and the price cap will be 1.5 times the tariff stated in the Schedule below, subject to adjustment for inflation reflecting the Tanzania Consumer Price Index.

Revocation

7. This Order revokes the Electricity (Standardized Small Power Projects Tariff for Year 2010) Order Number 10-012.

FIRST SCHEDULE

Main Grid Connection Tariff

| Description | | 2010 Tariff (TZS/kWh) | 2011 Approved Tariff (TZS/kWh) | Percentage Increase |
|-------------------------------------|---|-----------------------|--------------------------------|---------------------|
| Standardized SPP Tariff | | 110.30 | 121.13 | 10 |
| Seasonally Adjusted SPPT Payable in | Dry Season (August to November) | 132.36 | 145.36 | 10 |
| | Wet Season (January to July and December) | 99.27 | 109.02 | 10 |

SECOND SCHEDULE

Mini Grid Connection Tariff

| Description | 2010 Tariff (TZS/kWh) | 2011 Approved Tariff (TZS/kWh) | Percentage Increase |
|-------------------------|-----------------------|--------------------------------|---------------------|
| Standardized SPP Tariff | 368.87 | 380.22 | 3 |

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Haruna Masebu
Director General