



TARIFF APPLICATION GUIDELINES

FOR

REGULATED UTILITIES IN THE

ELECTRICITY AND NATURAL GAS

SUBSECTORS

DAR ES SALAAM, JUNE 2017

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PART I: CITATION, APPLICATION AND INTERPRETATION

These guidelines set out the format of the regulated Tariff Review Application (hereinafter referred to as “the application”) to be used by licensed service providers (hereinafter referred to as “the licensee or the applicant”) in the electricity and natural gas sub-sectors. The application submitted to EWURA shall comply with the requirements of the governing laws and should demonstrate compliance with the requirements of the relevant policies, laws, regulations, rules and best practices in the respective sub-sector.

1. CITATION AND APPLICATION

- 1.1. These Guidelines may be cited as Tariff Application Guidelines for Electricity and Natural Gas Subsectors;
- 1.2. These Guidelines shall apply to all Electricity and Natural Gas Tariff Review Applications;
- 1.3. These Guidelines are intended to provide guidance to Electricity and Natural Gas Utilities on how to set and apply for tariff and how EWURA shall process the application and evaluate the proposed tariff.

2. DEFINITIONS AND INTERPRETATIONS

- 2.1. In these procedures, unless the context otherwise requires:

“**applicable law**” means any principal laws, treaties, proclamations, regulations, rules, orders and by-laws that are customarily treated in Tanzania as having legally binding force and which are relevant to matters pertaining to regulation of electricity and natural gas sub-sectors;

“**Authority**” means the Energy and Water Utilities Regulatory Authority (EWURA) established pursuant to the Energy and Water Utilities Regulatory Authority Act, 2001, Cap. 414 of the Laws of Tanzania;

“**EWURA Act**” means the Energy and Water Utilities Regulatory Authority Act;

“**Emergency Application**” means an application submitted by the Applicant with a Certificate of Urgency from the responsible Minister.

“**Capital Costs**” means actual costs prudently incurred by a licensee in connection with planning, development, financing, designing,

engineering, procurement, supply, construction, installation, completion, commissioning, testing, insurance and ownership of licensed facility that is used and useful in relation to the provision of regulated service;

"Capital Work in Progress (CWIP)" means accumulated capital costs of an asset under construction/installation which will be capitalized or transferred to Plant in Service after commercial operation date;

"Cost Reflective Tariff" means a tariff which is based on all conceivable costs necessary to install, operate and maintain the assets and provide reasonable return to the licensee for rendering regulated services;

"Grants" means financial support from the government or donor agency to a licensee to meet operational or capital expenditures;

"Reasonable return" means the level of return that a licensee would seek for enterprises of similar risk.

"Regulatory Asset Base" or **"RAB"** means the total cost to be depreciated over the economic life of the asset and shall include Capital Costs, Lenders Fees and Commissions, Interest During Construction, the Initial Debt Service Reserve Account Value, Development Costs and any withholding tax applied and grossed up on interest paid to the Lenders prior to the COD;

"Revenue requirement" represents the total amount of money a utility must collect from customers to pay all costs including a reasonable return on investment so as to properly operate and maintain its system and meet its financial obligations. A revenue requirement provides a basis for determining the amount of revenue to be collected through tariff.

"Tariff Period" means the period, in a designated number of years, for which the approved tariffs shall apply;

"Tariff Schedule" means the detailed set of charges to be applied by a Licensee to its customers for electricity and natural gas supply services provided;

"Subsidies" means financial support from the government or donor agency to meet certain operating expenses;

"Subsidy" means a financial transfer from one entity to another in order to reduce the cost or price of services;

"**Test year**" means a period of measurement for a recent, consecutive twelve-month period consisting of a full year of operations where data is readily available.

"**WACC**" means the Weighted Average Cost of Capital or a rate of return determined in accordance with item 22.

3. LEGAL MANDATES

- 3.1.** EWURA Act, Cap. 414 and the Electricity Act, Cap. 131 give EWURA mandates to determine tariffs and charges for regulated services;
- 3.2.** Section 17(1) of EWURA Act, Cap. 414 provides that, subject to the provisions of sector legislation and licenses granted under the legislation, EWURA shall carry out regular reviews of rates and charges;
- 3.3.** Section 23(1) of the Electricity Act, Cap.131 provides EWURA with powers to regulate tariffs for the sale of electricity by a licensee to another licensee (23(1)(a)) or to end-use customers (23(1)(b)) as well as connection charges and other prices that may be subject to tariff regulation;
- 3.4.** Section 163(3) of the Petroleum Act Cap. 392 gives EWURA mandate to regulate tariff, rates and charges in respect of the natural gas activities;
- 3.5.** Regulation 21 of the Petroleum (Natural Gas Pricing) Regulation, 2016 gives mandate to the Authority to issue indicative natural gas prices, transmission and non-transmission tariffs; and
- 3.6.** Pursuant to Rule 5 of the EWURA (Tariff Application and Rate Setting) Rules, 2017, a licensee is required to submit an application for approval of proposed tariffs.

4. GENERAL PRINCIPLES

Consistent with other governing laws, the licensee shall comply to tariff principles set forth in Electricity (Tariff Setting) Rules or Petroleum (Natural Gas Pricing) Regulation, whichever is applicable to the licensee, when submitting tariff review applications for approval by the authority. The licensee shall

demonstrate as much as possible, the adherence to the guiding principles set forth below:

- 4.1.** The licensees shall submit to EWURA a Multi-year Tariff Application to be applicable for a period of three years consistent with the governing laws, regulations and rules for respective sub-sectors;
- 4.2.** All applications shall be submitted to EWURA timely and the same shall be reviewed within the timeline specified in EWURA's Clients Service Charter;
- 4.3.** Unless reasonably stated, information submitted to EWURA as part of an application will become a matter of public record, scrutiny and inquiry.
- 4.4.** EWURA shall approve tariffs, including a tariff setting formula or methodology, to the extent that the proposed tariffs and/or methodology, and the rationale supporting them to be reasonable. The burden of proof is upon the applicant to demonstrate to EWURA's satisfaction the reasonableness of any proposed tariff;
- 4.5.** Tariffs approved by EWURA shall reflect prudently incurred costs by the applicant. That is, only just and reasonable costs incurred wholly and exclusively for provision of the regulated service will be allowed in the determination of tariff;
- 4.6.** In determining tariffs for respective customer groups, EWURA shall ensure that tariffs approved for each customer category reflect the cost each customer category imposes on the system;
- 4.7.** Used and or useful assets in the provision of regulated service by the licensee to its customers shall be included in the regulatory asset base or rate base;
- 4.8.** In order to ensure a financial sustainability of the licensee, the applicable tariffs should enable the utility to cover both capital and operational costs as well as earn a reasonable return;
- 4.9.** The determined tariffs must be consistent with governing laws and regulations that advocates for cost reflective tariffs for all regulated services;
- 4.10.** The determined tariffs must be accompanied by noticeable improvements in the quality of services provided by licensees. Approved tariffs will be

- linked to quality-related Key Performance Indicators which will be monitored during the tariff period;
- 4.11.** Social considerations for customers with low income levels, that is, the tariff must remain accessible and affordable (lifeline tariff).
 - 4.12.** Any proposed tariff design or tariff structure shall encourage efficient consumption of the regulated service;
 - 4.13.** All submissions by an applicant and information provided in response to subsequent requests by EWURA, shall:
 - (a) Provide the information required by and in the form prescribed by EWURA; and
 - (b) be complete, final, correct and submitted by a duly authorized officer of an applicant;
 - 4.14.** A tariff approved by EWURA shall be in force from the effective date provided in the Order;
 - 4.15.** EWURA's approval or disapproval of an application shall be based upon its evaluation of the application, which shall be conducted in a fair and transparent manner;
 - 4.16.** EWURA may, as it considers appropriate, make modifications, waivers or extensions to requirements and timelines set out in these Guidelines;
 - 4.17.** These Guidelines shall be reviewed or amended from time to time to accommodate changes in the regulated sectors. When making such amendments, all stakeholders and the general public may be consulted for comments;
 - 4.18.** All actions taken pursuant to these Guidelines shall be in accordance with the Laws of Tanzania, the Rules of EWURA, and the EWURA Code of Conduct (available on EWURA's website or at EWURA's Offices).

PART II: TARIFF APPLICATION AND REVIEW PROCEDURES

This section highlights informational requirements for filing tariff review applications as well as the time frames within which they will be processed by EWURA. The licensee is required to prepare tariff review application in conformity with guiding laws, regulations and rules.

5. PREPARATION AND SUBMISSION OF TARIFF REVIEW APPLICATIONS

The licensee is required to adhere to the following submission requirements:

- 5.1. A tariff review application shall be prepared by a licensee in accordance with the tariff application format contained in **Table 1** and must be consistent with the EWURA (Tariff Application and Rate Setting) Rules, 2017 and Petroleum (Natural Gas Pricing) Regulations, 2016;
- 5.2. The licensee shall submit a complete tariff application accompanied with completed forms appended hereto and supporting documents and / or other information as it considers necessary to comply with the requirements of these guidelines;
- 5.3. The application shall be submitted in both hard copy and electronic form (including a workable MS Excel worksheet) and must be signed by the Chief Executive Officer or an authorized representative of the applicant in accordance with the format contained in **Table 1**. In the case of discrepancies, information contained in the hard copy shall prevail;
- 5.4. EWURA may request additional information from the licensee with respect to the tariff application;
- 5.5. Upon preliminary assessment, EWURA shall accept, reject or refer back an incomplete application and the licensee shall be required to re-submit a new application as deem fit.

6. INFORMATION REQUIREMENTS FOR NORMAL TARIFF APPLICATIONS

6.1. Top Sheet

An application shall contain a Top Sheet which shall include the following:

- (a) the legal name of the applicant;
- (b) the full address of the applicant to which communications in the matter will be sent;
- (c) the full name, title and contact information of the applicant's Chief Executive Officer or authorized person;
- (d) a verifiable reference of an applicant's license by EWURA (or a preceding Authority) to provide a regulated service;
- (e) A succinct statement of the regulatory action being requested (e.g. "XYZ, Ltd., requests that EWURA approve of the tariff for XYZ's sale of water as specified in table 1 of this application. It is proposed that this tariff will apply to all sales made on ----- and thereafter."); and
- (f) Signature of the Chief Executive Officer specified in paragraph 6 (1) (c), above or a duly authorized officer.

6.2. Summary of the Application

When submitting a tariff review application, the licensee shall submit justification for the proposed tariff including, at a minimum:

- (a) proposed revenue requirement for each segment of a regulated activity as specified in the EWURA (Tariff Application and Rate Setting) Rules, 2017;
- (b) a schedule of the current and proposed tariffs, charges and prices, and the proposed date of applicability;
- (c) the requested regulatory action and the rationale for such action;
- (d) the ownership structure of the applicant and the other entities in which the applicant has an ownership interest;
- (e) *for the case of electricity tariff applications*, the number of customers per customer category and the respective actual units

consumed by each customer category in the preceding 5 years and projections for the next 3 years;

- (f) *for the case of natural gas tariff and price applications*, information for the preceding 3 years and projections for the next 3 year with respect to:
 - (i) the volume of gas processed by each processing plant;
 - (ii) the booked capacities of gas at each entry point;
 - (iii) the booked capacities of gas at each exit point and customers being served; and
 - (iv) the number of customers per customer category and their respective actual natural gas consumption;
- (g) the existing income statement of the applicant and the three years projections of income statement if the rate or charge were adopted as proposed with projections being consistent with those in the Business Plan;
- (h) implementation status of key performance indicators, covering technical, operational and financial indicators of the applicant for the previous year, and the projected performance for the current year and for the subsequent three years, assuming the proposed rate or charge is adopted;
- (i) options other than a tariff change considered by the applicant and why each option was not selected;
- (j) affirmation that states that all contractual agreements that may have impact on the proposed tariffs have been included in the application; and
- (k) such other information as the applicant considers may support its application for approval of the proposed tariffs;

6.3. Documents to Accompany Applications for Tariffs

- (a) Implementation status of conditions contained in the previous order issued to the applicant;
- (b) A business plan which provides in detail the applicant's strategic objectives and implementation plan;
- (c) In case of a natural gas tariff application:

- (i) The number of proposed entry and exit points along the natural gas transmission network;
 - (ii) Technical capacities of each entry and exit point along the natural gas transmission network as per Form G5;
 - (iii) The matrix of distances of valve stations in the natural gas pipeline from the processing plants as per Form G6;
- (d) Audited financial statements covering the past three financial years and the most recent interim financial statements prior to the date of the application.
- (e) Annual performance report covering the past one financial year and the most recent quarterly reports prior to the date of the application.
- (f) The updated assets register showing used and useful Plant, Property and Equipment (PPE) of the applicant and the three years projections of PPE based on planned Capital Investment Programs for respective years and as per the Business Plan;
- (g) Depreciation schedule indicating the computed depreciation for the projected three years for the requested multi-year tariff;
- (h) A schedule for each loan specifying the amount of the loan, date of the loan, terms and conditions of the loan including but not limited to the grace period, interest rate and annual debt repayment amount as specified in Form EG1. ***(The form should be filled for each year in the proposed tariff period)***;
- (i) A schedule of subsidies and grants received from the Government and or development agencies within the past three years prior to the date of the application as well as forecast of the same during the rate or charge period;
- (j) Age analysis of outstanding debts and amount payable in respect of business undertaking
- (k) A document which contains the following information:
- (i) Detailed explanatory statement with subordinate schedules that clearly indicate how each proposed tariff was calculated, the data required to make those calculations and how that data was obtained;

- (ii) A schedule showing current consumption pattern reflecting the past twelve (12) months prior to the date of the application and the projected consumption pattern to the end of the existing tariff period and that of the proposed tariff period which reflects the proposed tariff structure;
- (iii) A statement explaining how the proposed adjustment of the current tariff will benefit the customers;
- (iv) The financial implications to the applicant if the requested changes in tariff are not approved;
- (v) An affirmation that states that all contractual agreements that may have impact on the proposed tariffs have been included in the application; and
- (vi) Any other information deemed appropriate.

6.4. Tariff Review on the Authority's Motion

- (a) Pursuant to EWURA Act, Cap. 414, EWURA has power to regulate rates and charges of regulated activities.
- (b) As specified in rule 5 of the EWURA (Tariff Application and Rate Setting) Rules, 2017, a licensee is required to apply to the Authority for an approval of its proposed tariffs.
- (c) In case a licensee does not propose the tariffs, and where the Authority considers that there are changes in circumstance that require adjustment in tariffs, the Authority may review tariffs on its own motion and carry out an inquiry.
- (d) Where the Authority seeks to review tariffs on its own motion, a licensee shall be obliged to provide any information as required by the Authority to facilitate evaluation of such a tariff review.
- (e) Where the Authority intends to review tariffs on its own motion, it shall, at least twenty-one days before the date of intended inquiry, notify the licensee about the intention and the reasons thereof.

6.5. Exemptions and Confidentiality of Submitted Information

- (a) Exemption from any of the requirements specified in these guidelines may be requested in writing by the applicant.

- (b) All information submitted to EWURA as part of the Tariff Application will become a matter of public record, scrutiny and inquiry.
- (c) The applicant may request some of its information be treated as confidential provided however that the request shall not include any of the information required in the Top Sheet and application summary.
- (d) An applicant shall provide justification, if it considers information to be confidential.
- (e) Confidential information is generally presumed to exist when:
 - (i) disclosure of information could reasonably be expected to result in a material loss or gain to a party or could reasonably be expected to prejudice a party's competitive position; or
 - (ii) the information is financial, commercial, scientific, or technical that has been consistently treated as confidential information and EWURA considers that the party's interest in confidentiality outweighs any public interest that might be served by disclosure.

7. SUBMISSION, PRELIMINARY REVIEW AND ACCEPTANCE

- 7.1.** The licensee shall, at least one hundred and fifty (150) days prior to the applicability of the proposed tariff, submit a tariff review application to the Authority.
- 7.2.** The application should be in a format prescribed herein under ***Tariff Review Application Format***;
- 7.3.** The licensee shall submit
 - (a) one original and four copies of the tariff application.
 - (b) an electronic version of the application through the Licensing and Order Information System (LOIS) at <http://lois@go.tz> accompanied with a workable MS Excel spreadsheet that transparently shows all the formulas used in the determination of revenue requirement and proposed tariff thereon;

- 7.4.** The electronic version of the application will be posted on EWURA's website for public review and comment;
- 7.5.** EWURA shall conduct a preliminary review of the application within the timeframe specified in the Customer Service Charter;
- 7.6.** Identified flaws, gaps and/or need for additional information shall be communicated to the licensee;
- 7.7.** EWURA shall establish a data response deadline, not to exceed fourteen days from the date of its determination under paragraph 7.6 within which the applicant shall be requested to provide any supplemental information required;
- 7.8.** Upon receipt of the information requested pursuant to paragraph 7.7 of these guidelines, EWURA shall issue a letter to the applicant accepting the application for consideration. The date of the letter shall be considered the beginning date for processing the application pursuant to paragraph 4.2 of these Guidelines.
- 7.9.** If the information required in paragraph 7.6 is not timely submitted, the application may be referred back.
- 7.10.** The Authority, upon its own motion, or upon the request of any stakeholder, whenever it can do so without prejudice to the efficient and proper conduct of its affairs, may initiate an inquiry to establish the reasonableness of tariff and/or charges imposed by a licensee in electricity and natural gas sub-sectors in cases where the existing tariff and charges were not approved by the authority or applicable assumptions thereto have significantly changed;
- 7.11.** All communications with EWURA, including applications and questions related thereto, shall be sent to the Director General of EWURA through the following addresses:
 - (a) Energy and Water Utilities Regulatory Authority,
7th Floor, LAPF Pensions Fund Tower, Opposite Makumbusho Village,
Kijitonyama,
P.O. Box 72175,
Dar es Salaam, TANZANIA
E-mail: info@ewura.go.tz

8. INQUIRY PROCESS

- 8.1.** Upon acceptance of an application and consistent with section 19(2)(b) of the EWURA Act, the Authority shall conduct an inquiry as part of its determination into the reasonableness of the application;
- 8.2.** The inquiry shall include issuance of a public notice on the application and the solicitation of stakeholders' comments thereon. This inquiry may include holding a public hearing meeting and / or exit meeting for major tariff applications as the case may be;
- 8.3.** EWURA shall issue a notice to the public that an applicant has filed an application which has been accepted. Publication of such information shall be made in the government gazette and the EWURA website.
- 8.4.** During the course of an inquiry, the applicant shall publish on its website, the regulated tariff application, with the exception of information/material justified as being commercially confidential to the licensee upon acceptance by EWURA;
- 8.5.** The licensee shall notify, by a notice referred in paragraph 8.3 herein, its major customers and the general public regarding its proposal to review tariff. In doing so, the applicant shall post the said notice at various parts of its service areas so that customers are made aware of the tariff application;
- 8.6.** If EWURA determines to convene a public hearing meeting as a part of the Inquiry process, EWURA shall invite the applicant to make a presentation at that meeting in support of its application. In addition, EWURA shall invite all other interested stakeholders to speak at that meeting and to submit written comments to EWURA. EWURA shall share all written comments with the applicant, EWURA's Consumer Consultative Council, the Governmental Consultative Council and all interveners. An applicant shall respond to the comments and submit additional statements or documentation in response to the comments at any time during the period of the evaluation of the application.
- 8.7.** The views of all stakeholders shall be heard during the public hearing meeting that may be held in connection with the application.

- 8.8. Any interested persons may submit written comments to EWURA in connection with an application within twenty one (21) days from the date of the notice or seven (7) days after the public hearing meeting, if one is held.
- 8.9. The closure of the Public Inquiry process shall be twenty one (21) days after the date of the public notice or seven (7) days after the public inquiry meeting, whichever is later.
- 8.10. The applicant shall submit to EWURA the responses to all raised comments within three (3) working days from the date of closure of the Inquiry process.

9. ACCESS TO INFORMATION

- 9.1. The application and supporting materials will be available for viewing at EWURA's offices and the electronic form of it may be accessed at EWURA website which is www.ewura.go.tz.
- 9.2. The application and all supporting materials submitted to EWURA by the applicant will be circulated to Government Consultative Council and EWURA's Consumer Consultative Council.
- 9.3. A copy of the application may be obtained by interested persons, including interveners upon request to EWURA accompanied by the payment of a fee to be established by EWURA to cover the cost of copying and postage. EWURA's Consumer Consultative Council, Governmental Consultative Council and formal Intervenors will receive all publicly filed documents.

10. INTERVENTION

- 10.1. Declaration of intent to intervene must be made in writing to EWURA within fourteen days from the date of the public meeting notice.
- 10.2. The intention to intervene must clearly state the name and address of the person seeking intervention and the reasons for that intervention.

- 10.3. The Authority shall, after reviewing an application to intervene, either grant or deny such application;
- 10.4. Any person granted the right to intervene in the proceedings shall be entitled to:
 - (a) obtain a copy of the application and all supporting documents submitted to EWURA by the Applicant;
 - (b) submit materials to EWURA in connection with the Application that will be circulated to the EWURA's Consumer Consultative Council, Governmental Consultative Council and all other interveners;
 - (c) have an opportunity to be placed on the agenda of the public meeting, if one is held, for the purpose of making a formal presentation of his position with respect to the application; and
 - (d) receive a copy of EWURA's Order concluding the matter.

11. EVALUATION OF THE APPLICATION

- 11.1. EWURA's approval or disapproval of an application shall be based upon its evaluation of the application, which shall be conducted in a fair and transparent manner. EWURA will seek the views of stakeholders and will consider those views before taking a final decision on any application.
- 11.2. EWURA shall conduct a detailed economic and technical evaluation of the application. During the course of the evaluation, the Authority may require the authorized representative(s) of the applicant to clarify certain aspects of the application and/or to submit supplementary information.
- 11.3. EWURA may also ask the applicant to provide access to facilities referred to in the application and to facilitate the inspection thereof.
- 11.4. The need for clarification and supplemental information may evolve during the course of the evaluation and the time required for the applicant to respond to EWURA's requests and to schedule site visits may necessitate extension of the time-line for the evaluation. If an applicant for a tariff or methodology does not respond to an EWURA data request within 30 days, the Application shall be considered closed.

12. TARIFF TERM

- 12.1.** A tariff or tariff methodology shall remain in effect from the effective date provided in the Order until it is superseded by a new Order;
- 12.2.** Subject to sector legislation, the approved tariff or methodology shall be applicable for a period of three years. Proposals to the contrary shall be justified by the Applicant who may petition to the Board for a waiver of this provision if the applicant can demonstrate that its business would materially be affected in the absence of such a revision;
- 12.3.** The licensee may apply for a new or adjusted tariff and or methodology at any time and should demonstrate compliance to the previous Order;

13. DECISION OF THE BOARD

- 13.1.** The Board of EWURA, after due consideration of all material facts shall issue an Order in response to the application. The Order will also be made public.
- 13.2.** Subject to sector legislation and in the absence of any contrary terms in an Order, the Order shall take effect not earlier than one month following the Authority's decision on the application.
- 13.3.** The Board shall make a decision on an application within the timeline specified in EWURA's Customer Service Charter and issue a written Order bearing the signature of the Director General.
- 13.4.** The decision of the Board will be published in the Government Gazette as soon as is practicable.
- 13.5.** Notification to customers and the general public of the Board's decision shall be done within seven days after the day of the Board's decision. Notification shall be posted in EWURA's website, local newspapers (both in Kiswahili and English) with wide circulation, where appropriate, and in the applicant's website.
- 13.6.** Copies of the Orders and decisions made by EWURA shall be certified with the seal of EWURA and shall be made available free of charge to the applicant, EWURA's Consumer Consultative Council, Governmental Consultative Council, all interveners.

- 13.7.** Copies of any Order and decision shall be available in the Electronic Public Register on the EWURA website and at the EWURA's Public register in Dar es Salaam for public review at no cost.
- 13.8.** A decision of the Board may be appealed to the Fair Competition Tribunal under the applicable law.

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PART III: SPECIFIC TARIFF REVIEW PROCEDURES

14. EMERGENCY TARIFF APPLICATION

- 14.1.** Emergency tariff application refers to an application for an urgent action to approve a tariff without undergoing a full inquiry and evaluation process.
- 14.2.** In the event that urgent action is required, an applicant shall submit to EWURA a certificate of urgency (written statement of emergency) from the Minister responsible for electricity and/or natural gas requesting EWURA to expedite its procedures with a view of issuing a Provisional Order as provided for under these guidelines;
- 14.3.** The application must include the Top Sheet in its entirety. The applicant shall identify any items that cannot be provided at the time of the submission and give an explanation that is acceptable to EWURA for each deficiency from the normally-required procedure.
- 14.4.** After due consideration of an application under certificate of urgency and after a due analysis of the matter EWURA Management will make an appropriate recommendation to the Board of Directors and request its decision on an extraordinary basis.
- 14.5.** Subject to recommendations made by EWURA Management, the Board of Directors may issue a Provisional Order to the applicant by either allowing the proposed tariff or allowing the proposed tariff with minor adjustments. This tariff shall take effect as soon as practicable and expire after one hundred and eighty (180) days from the date of issuance.
- 14.6.** Notwithstanding the issuance of the Provisional Order, EWURA shall institute the normal evaluation procedure as outlined above, including the inquiry. The results of the evaluation shall be used by EWURA to issue a Final Order in due course. When issued the Final Order shall supersede the Provisional Order and take effect retroactively upon the date of the Provisional Order's effect.
- 14.7.** If the Final Order contravenes the Provisional Order, the conditions of the Final Order shall take precedence and, with respect to the actual tariff, any

over-collections received by the Applicant through implementation of the Provisional Order will be refunded to its customers.

15. PERIODIC TARIFF ADJUSTMENT APPLICATION

- 15.1.** Consistent with sub-section 23(3) of the Electricity Act, and as reflected in the EWURA (Tariff Application and Rate Setting) Rules, 2017, EWURA may adjust tariffs periodically to reflect changes in fuel costs, exchange rate and inflation.
- 15.2.** The licensee is required to submit a complete set of information to enable the authority to adjust tariffs on periodic basis.
- 15.3.** Recommended tariff adjustment shall be based on non-fuel costs as fuel costs shall be reviewed and adjusted periodically.
- 15.4.** The applicable fuel cost charge for the quarter in question shall be based on actual fuel costs of the previous quarter (Q – 1). That is, fuel cost will be calculated based on actual values / data of the previous quarter (Q – 1) and be applicable in the quarter under consideration.
- 15.5.** The applicable fuel cost charge shall not be less than or exceed 8 percent of the planned average fuel cost charge (+/- 8%).
- 15.6.** Differences between the actual and applicable fuel costs shall be accumulated as Tariff Equalization Credit which will be used to smoothen significant tariff increases or decreases. The accumulated fund shall be netted-off by applicable increases or decreases in respective quarterly fuel costs. The quantum of the Tariff Equalization Credit accumulated or utilised shall be stated in the Tariff Order.

PART IV: DETERMINATION OF REVENUE REQUIREMENT

This section highlights the principles considered in the determination of allowable revenue requirement for each segment of licensed activity. It is the basis for the cost of service that the applicant prudently incurs in the provision of its services.

16. GUIDING PRINCIPLES

- 16.1. Notwithstanding the generality of the RR approach, the Authority shall be governed by tariff setting principles as highlighted in applicable laws, regulations and rules;
- 16.2. Section 17(2) of EWURA Act provides guiding principles that need to be considered when making tariff review determination. These include:
 - (a) the costs of making, producing and supplying the goods or services,
 - (b) the return on assets in the regulated sector,
 - (c) any relevant benchmarks including international benchmarks for prices, costs and return on assets in comparable industries,
 - (d) the financial implications of the determination,
 - (e) the desirability of establishing maximum rates and charges, and in carrying out regular reviews of rates and charges,
 - (f) any other factors specified in the relevant sector legislation,
 - (g) the consumer and investor interest,
 - (h) the desire to promote competitive rates and attract market, and
 - (i) any other factors the Authority considers relevant.
- 16.3. Section 23(2) of the Electricity Act directs EWURA to consider the following principles when setting tariffs and charges for electricity sub-sector:
 - (a) Tariffs should reflect the cost of efficient business operation;
 - (b) Tariffs should allow licensees to recover a fair return on their investments, provided that such investments have been approved by the Authority;
 - (c) Costs covered by subsidies or grants provided by the Government or donor agencies shall not be reflected in the costs of business operation;
 - (d) Tariff adjustment shall, to the extent possible, ensure price stability;
 - (e) Access charges for the use of a transmission or distribution system shall be based upon comparable charges for comparable use;
 - (f) No customer class should pay more to a licensee than is justified by the costs it imposes upon such a licensee;

(g) Tariffs should enhance efficiency in electricity consumption and should encourage adequate supply to satisfy demand.

16.4. Regulation 5 of the Petroleum (Natural Gas Pricing), Regulations of 2016 highlights principles that have to be considered in natural gas pricing. That is, natural gas pricing for domestic and export market shall, in addition to the best international gas pricing practices, take into consideration:-

- (a) the investment and operations costs for natural gas exploration, appraisal, field development, plus a reasonable profit margin, also referred to as the “cost-plus appropriate profit margin”;
- (b) the pricing structure which provides incentives for promoting investments while sustaining supply and demand for natural gas;
- (c) natural gas pricing for strategic industries and domestic households are affordable and predictable;
- (d) natural gas pricing that takes into account the use of environmentally friendly fuels;
- (e) the pricing structure that encourages economic use of natural gas throughout the value chain; and
- (f) such other considerations as may be determined by demand and supply forces within and outside Mainland Tanzania.

17. REVENUE REQUIREMENT FORMULA

17.1. In determining the electricity and natural gas tariffs, a Revenue Requirement (RR) Methodology, also known as the Rate of Return (RoR) or the Cost of Service approach will be used.

17.2. The RR approach is framed on the principles that revenues of the regulated utilities have to cover their operating and maintenance expenses, taxes and depreciation, and have to ensure a fair rate of return on assets utilised for provision of regulated service.

17.3. The Revenue Requirements (RR) shall be determined by the following formula:

$$RR = O\&M + D + T + (WACC \times RAB)$$

Where:

RR	means	Revenue Requirement for the financial year;
O&M	means	Operation and maintenance expenses;
D	means	Depreciation charge;
T	means	Corporate Taxes;
WACC	Means	Weighted Average Cost of Capital
RAB	means	assets of the licensee which are used and useful in the provision of regulated service to the customers. The RAB can be financed by any of the three sources: tariff, grants and loans

17.4. The applicant is required to show in detail all the cost components and justification thereon for consideration in tariff determination. Figure 1 shows the building block of the Revenue Requirement, functionalisation, classification and cost allocation.

18. ALLOWABLE OPERATION AND MAINTENANCE EXPENSES

18.1. Allowable operating expenses relates to all expenditure just and reasonable incurred wholly and exclusively for generation, transmission, distribution and supply of electricity or for natural gas processing, transmission, distribution and supply and marketing activities, as the case may be. The costs include:

- (a) Staff costs;
- (b) Maintenance costs;
- (c) Operating costs;
- (d) Overheads;
- (e) For the electricity sub-sector:
 - a. Fuel cost; and
 - b. Electricity purchases (from Independent Power Producers (IPPs) and imports from neighbouring countries).

18.2. The qualifying criteria for allowable operating and maintenance costs are outlined below:

- (a) Expenses must be incurred in an arm's length transactions;

- (b) Expenses must be incurred in the normal operation of providing regulated services, including a reasonable level of refurbishment, repairs and maintenance costs;
- (c) Expenses must be prudently incurred after careful consideration of available options. Such consideration would entail a competitive bidding and transparency in the procurement process;
- (d) Expenses for research and development may be included once the applicant justifies that they relate to its business operations.

18.3. Operating expenses that do not conform to the above criteria may not be included in the revenue requirement. This includes:

- (a) Expenditures of a capital nature;
- (b) Donations;
- (c) Social Responsibility costs;
- (d) Penalties due to noncompliance to legal and business obligations; and
- (e) Unreasonable or unjustifiable costs.

19. DEPRECIATION CHARGE

19.1. All used and useful assets in the provision of regulated services shall be considered in the determination of annual depreciation charge, irrespective of sources of financing;

19.2. The depreciation component of the allowed revenue requirement shall be computed on the historical cost of each Regulatory Asset using a straight line method over the useful economic life of the asset or project as per the following formula:

$$\text{Depreciation Charge of an Asset} = \text{Cost}_H \times DR$$

where:

Cost_H is the original cost of an asset

DR is the Depreciation Rate of an asset

19.3. Funds allowed for depreciation shall be used for replacement and/or renewal of assets and may also be used for new investments;

- 19.4.** The depreciation charge shall be determined based on assets recorded in the existing Asset Register. The applicant shall ensure that its assets are revalued according to International Financial Reporting Standards (IFRS) and International Valuation Standards (IVS) requirements.

20. CORPORATE TAXES

- 20.1.** Subject to the requirements of the Income Tax Act, any taxes including corporate taxes paid or to be paid by the licenses may be considered in the determination of revenue requirement.
- 20.2.** All exempted taxes in the provision of regulated services shall not be included in the determination of revenue requirement.

21. REGULATORY ASSET BASE (RAB):

- 21.1.** The applicant is required to submit its actual and planned Regulatory Asset Base by filling in Form E4 or Form G4 for electricity or natural gas sub-sectors, respectively;
- 21.2.** The Regulatory Asset Base shall cover all assets employed by the applicant in the provision of regulated activities. EWURA shall ensure that the said assets were prudently designed, competitively procured and constructed. In the event of revaluation, the increase in the value of assets shall be included in the RAB;
- 21.3.** Assets held by the applicant must be used and useful for the purpose of providing regulated services and must be long-term in nature. Used and useful means that assets should be in a usable condition to supply regulated service in the short-term (i.e. within 12 months) and should remain used and useful for a period of more than 12 months;
- 21.4.** For the purposes of determining a return, assets financed by grants and / or subsidies shall not be included in the rate base. Partially financed assets may be included on a proportional basis;
- 21.5.** Capital Works in Progress or future assets shall be excluded from the rate base until such time they are useful and useful (enter into commercial operation).

- 21.6.** Upon justification by the licensee, Working Capital shall be included in the rate base and shall be determined as a proportion of the licensee's annual operating expenses.

22. RETURN ON REGULATORY ASSEST BASE

- 22.1.** The Return on Regulatory Asset Base (or return on investments - ROI) for the applicant shall be calculated as the Weighted Average Cost of Capital (WACC) and determined according to applicable Tariff Setting Rules and Regulations governing regulated services;
- 22.2.** The WACC shall be composed of two main components:
- (a) Cost of Equity and the gearing ratio which shall be determined by the Authority using approved methodology;
 - (b) Cost of Debt shall be proposed by the licensee based on the following:
 - (i) The Cost of Debt shall be calculated as the weighted average interest rate of the licensees' current loans;
 - (ii) The licensee shall calculate the average cost of debt and submit supporting documents including loan agreements;
 - (iii) The Cost of Debt of assets that are work in progress will be covered through Interest during Construction (IDC) at the actual rate and will be capitalized with asset values. The licensee shall submit detail calculation of IDC. The licensee shall include IDC when capitalizing the assets.

PART V: CUSTOMER CATEGORIES AND TARIFF DESIGN

This Chapter discusses about Tariff Design. Tariffs are designed primarily for the purpose of meeting the utility's Revenue Requirement. However, tariffs are also sometimes designed for other purposes, as stated in Section 3 of these Guidelines. Tariff design depends on revenue contribution by different categories of customers

23. CUSTOMER CATEGORIES IN THE ELECTRICITY SUB-SECTOR

- 23.1.** The licensee shall propose customer categories based on the level of connection and cost causation;
- 23.2.** For each customer category, the licensee shall propose tariff that will enable it to recover all the costs from the respective customer category based on cost imposed to the system by the customers;
- 23.3.** Where a licensee is requesting modification of customer category or customer component as part of a tariff submission in accordance with these guidelines, the licensee must also submit:
 - (a) estimates of the number of customers and units supplied or quantities supplied or transported (in case of natural gas) that would have been charged under each category or component, if the proposed change in tariff categories or tariff components had been in effect over the most recent 12 months;
 - (b) estimates of the revenues that would have been earned under each tariff category and tariff component, if the proposed change in tariff categories or modification of tariff components had been in effect over the most recent 12 months;
 - (c) estimates of the number of customers and quantities supplied or transported that will be charged under each tariff category and tariff component in the coming 12 months, if the proposed change in tariff categories or modification of tariff components is approved;
 - (d) estimates of the revenues that will be earned under each tariff category and tariff component in the coming 12 months, if the proposed change in tariff categories or modification of tariff components is approved;
 - (e) details of and the basis for such estimates.

TABLE 1: TARIFF REVIEW APPLICATION FORMAT

- 1. Letter of Application:** The applicant must prepare submit its application by a letter of submittal. The said letter must highlight, at a minimum, the following:
 - (a) Requested regulatory action
 - (b) All accompanying exhibits including source documents such as audited financial statements and business plan;
 - (c) The letter must be signed by the Chief Executive Officer or a representative;
- 2. Top Sheet:** The Top Sheet of the application shall contain the following:
 - (a) the legal name of the applicant;
 - (b) the full address of the applicant to which communications in the matter will be sent;
 - (c) the full name, title and contact information of the applicant's Chief Executive Officer or authorized person;
 - (d) a verifiable reference of an applicant's license by EWURA (or a preceding Authority) to provide a regulated service;
 - (e) A succinct statement of the regulatory action being requested (e.g. "XYZ, Ltd., requests that EWURA approve of the tariff for XYZ's sale of electricity as specified in Table 1 of this application. It is proposed that this tariff will apply to all sales made on ----- and thereafter.");
 - (f) Capital Structure of the licensee – All shareholders of the company in question need to be depicted in the application; and
 - (g) The signature of the Chief Executive Officer specified in paragraph 2 (c), above or a duly authorized officer.
- 3. Summary of a Business Plan:** The licensee's business plan is critical when evaluating its tariff proposal. It provides a broad overview of the licensee, past and proposed performance and its plans to be achieved within a given period. The business plan reflects the licensee's objectives and goals and strategies to meet the objectives. Evaluation of the company's business plan will enable the authority to gauge the licensee's plans if they are appropriately aligned to meeting the company's objectives in an effective and efficient manner. That is, implementation of business plan should enable the licensee to improve

its services in terms of customer service, system reliability, costs and bill impacts. Accordingly, the licensee must highlight, in its application, its business plan and how the same will attain its objectives and how the same is related to what is being sought in the application. Any changes to the business plan in terms of its objectives must be highlighted in the application.

4. Demand / Load Forecast

- (a) The applicant shall submit demand forecast for each customer category for three years from the date of tariff applicability. This must be accompanied with a schedule of actual demand (volumes of electric units or natural gas, as the case may be) for the past three years (*if the company has been operating*);
- (b) The applicant should highlight the basis for demand forecast including basic assumptions and adjustments considered in forecasting;
- (c) The sources and/or methodologies used in considering all the financial and economic assumptions used in the determination of demand and customer numbers must be highlighted;
- (d) The applicant shall describe the type and functionality of the models, if any, used in demand forecasting;
- (e) The applicant shall fill in a customer schedule showing their number and their respective demand forecast;
- (f) All data used to determine the forecasts must be presented and filed in a workable Microsoft Excel spreadsheet and must show all the formulas and assumptions used;

5. Revenue Requirement

- (a) The applicant shall propose revenue requirements for the next three years, accompanied with evidence of its costs for the preceding three years, in a format specified in Form E1 – E4 or Form G1 – G4, if the applicant provides licensed activities in the electricity or natural gas sub-sectors, respectively;
- (b) The tariff review application should transparently be structured to depict revenue requirements for all segments of the sub-sector.
 - (i) For the electricity sector, the application should show revenue requirements for all licensed activities including Generation, Transmission, System Operation, Market Operation, Distribution and Supply; and
 - (ii) For the natural gas sub-sector, the application should highlight revenue requirements for each segment including processing plants, transmission pipeline, distribution pipeline and supply

and marketing;

- (c) The regulated tariff application should demonstrate a logical sequence from the determination of revenue requirement to tariff design as depicted in Figure 1 (for electricity sub-sector);

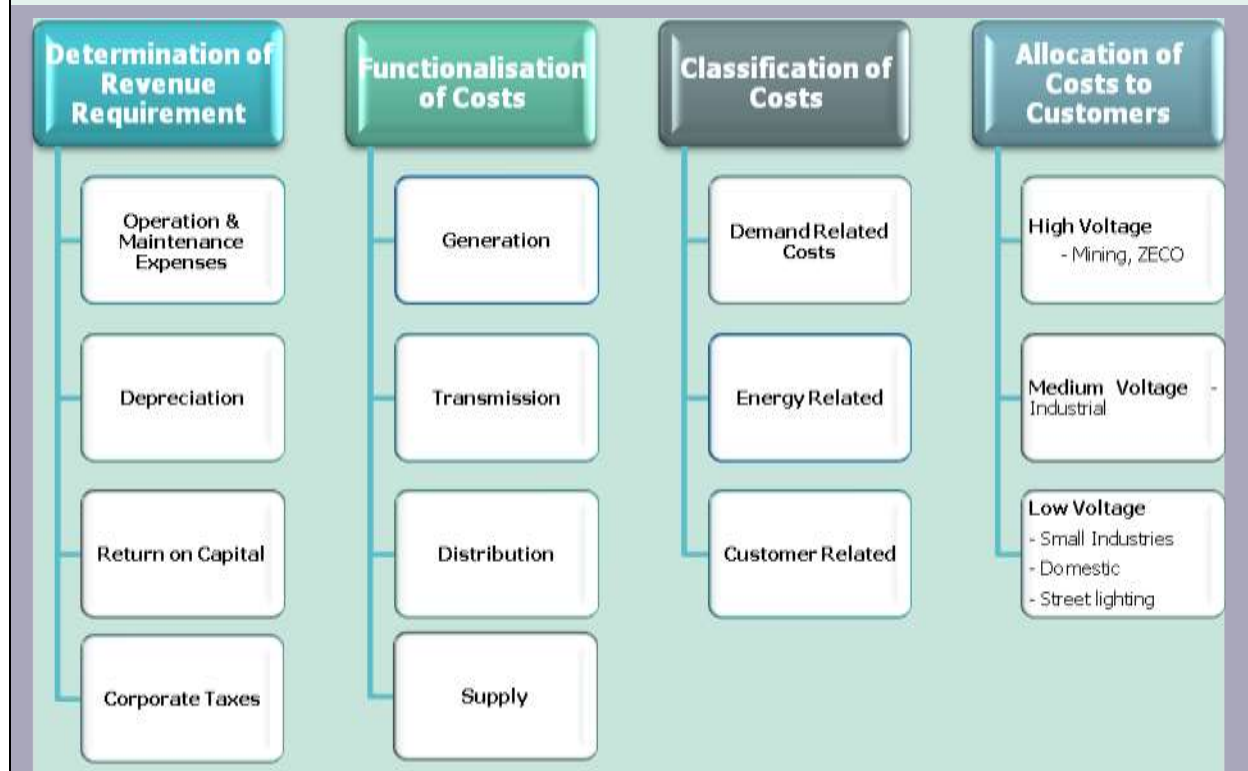


Figure 1: Logical Sequence of Revenue Requirement Determination and Tariff Design for Electricity Licensee

- (d) Increase/decrease (\$ and %) in revenue requirement as compared to the previously approved service revenue requirement; and
- (e) The application must highlight a Schedule of main drivers of changes in revenue requirement compared to the previous period.

6. Budgeting and Accounting Assumptions

- (a) Economic Overview (such as growth and inflation); and
- (b) Identification of accounting standard used for test year and brief explanation of impacts arising from any change in standards.

7. Regulatory Asset Base (Rate Base) and Capital Investment Plan

The applicant is required to highlight the following:

- (a) Summary of the major drivers of investment plan;
- (b) Rate Base Requested for tariff years;
- (c) Change in Rate Base from the previous approval;

- (d) Capital Expenditures requested for each tariff year;
- (e) Change in Capital Expenditures from the previous tariff period;

8. Operations, Maintenance and Administration Expense

- (a) Summary of overall drivers and cost trends;
- (b) O&M expenses requested for the tariff period and the change from the previous approval; and
- (c) All assumptions, financial and economic, considered in O&M forecast.

9. Cost of Capital

- (a) The applicant is required to show all the parameters used in the determination of its cost of capital. These would include cost of equity, cost of debt and its capital structure;
- (b) The applicant must justify all the components used in the determination of its cost of capital

10. Cost Allocation and Rate Design

- (a) The application should clearly show all cost allocation and rate design approaches / methodologies considered;
- (b) The application should show the allocation of the revenue requirement to tariff classes for the purposes of tariff design;
- (c) The application must provide the allocation methodology, a list of cost drivers and proposed allocators;

11. A Summary of Bill Impacts

- (a) The application should highlight the extent to which the proposed tariff would affect disposable income of each customer group based on average consumption. That is, the application should show a comparative analysis of the total cost that the customer would incur for a given level of average consumption based on existing and proposed tariff;
- (b) Summary of any proposed mitigation plans (to address rate impacts on specific customer classes or overall).

FORM E1a: POWER PLANT BASIC DATA (To be filled for each Applicant's Hydro Power Plant)

Name of Power Plant	
Location	
Operational Status	

Previous Period - Year N-3		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

Previous Period - Year N-2		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

Previous Period - Year N-1		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

Current Year - Year N		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

Planned Period - Year N+1		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							

Planned Period - Year N+2		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

Planned Period - Year N+3		Unit 1	Unit 2	Unit 3	Unit 4	Unit 5	Unit 6	Unit 7
Installed Capacity	MW							
<i>Date of Installation</i>	Year							
<i>Date of Retirement</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Units Generated</i>	kWh							

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Plant Available Capacity	MW							
<i>Planned Outages</i>	%							
<i>Forced Outages</i>	%							
Plant Load Factor	%							
Units Generated	GWh							
Units used for Auxilliary Services	GWh							
Units Sent Out	GWh							

Employees								
Total Staff	No.							
<i>Full-time employees</i>	No.							
<i>Part-time / STE</i>	No.							

Financial Data								
Total Investment Historical Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Operation and Maint. Expenses	TZS							
<i>Staff Costs</i>								
<i>Security Costs</i>								
<i>Other Fixed O&M Expenses</i>	TZS							
<i>Variable O&M Expenses</i>	TZS							
Other expenses	TZS							

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Plant Available Capacity	MW							
Planned Outages	%							
Forced Outages	%							
Plant Load Factor	%							
Units Generated	GWh							
Units used for Auxilliary Services	GWh							
Units Sent Out	GWh							

Employees								
Total Staff	No.							
Full-time employees	No.							
Part-time / STE	No.							

Financial Data								
Total Investment Cost	TZS							
Opening Balance	TZS							
Additions	TZS							
Disposals	TZS							
Sources of Financing:								
Licensee's equity	TZS							
Commercial/Concessional loan	TZS							
Grant / Subsidies	TZS							
Other Sources	TZS							
Operation and Maint. Expenses	TZS							
Staff Costs								
Security Costs								
Other Fixed O&M Expenses	TZS							
Variable O&M Expenses	TZS							
Other expenses	TZS							

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Plant Available Capacity	MW							
<i>Planned Outages</i>	%							
<i>Forced Outages</i>	%							
Plant Load Factor								
Units Generated	GWh							
Units used for Auxilliary Services	GWh							
Units Sent Out	GWh							

Employees								
Total Staff	No.							
<i>Full-time employees</i>	No.							
<i>Part-time / STE</i>	No.							

Financial Data								
Total Investment Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Operation and Maint. Expenses								
<i>Staff Costs</i>	TZS							
<i>Security Costs</i>	TZS							
<i>Other Fixed O&M Expenses</i>	TZS							
<i>Variable O&M Expenses</i>	TZS							
Other expenses	TZS							

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FORM E2: TRANSMISSION FACILITIES

Descriptions	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Total Length of 400kVA line (by segments)	Km							
<i>Date of Installation</i>	Year							
<i>Economic life</i>	Years							
Total Investment Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>								
Total Length of 220kVA line (by segments)	Km							
<i>Date of Installation</i>	Year							
<i>Line Economic life</i>	Years							
Total Investment Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>								
Length of 132kVA line (by segments)	Km							
<i>Date of Installation</i>	Year							
<i>Economic life</i>	Years							
Total Investment Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>								
Total Length of 66kVA line (by segments)	Km							
<i>Date of Installation</i>	Year							
<i>Economic life</i>	Years							
Total Investment Cost	TZS							
<i>Opening Balance</i>	TZS							
<i>Additions</i>	TZS							
<i>Disposals</i>	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							

Number of Substations	No.							
Installed Capacity of Substations	kV							
<i>Date of Installation</i>	Year							
<i>Economic life</i>	Years							
Total Investment Cost	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>								
Units Transmitted to:								
<i>Distribution</i>	GWh							
<i>High Voltage customers</i>	GWh							
Transmission losses								
	%							
Grid Operation and Maint. Expenses								
<i>Staff Costs</i>	TZS							
<i>Security Costs</i>	TZS							
<i>Other Fixed O&M Expenses</i>	TZS							
<i>Variable O&M Expenses</i>	TZS							
Other expenses	TZS							
Employees								
Total Staff	No.							
<i>Full-time employees</i>	No.							
<i>Part-time / STE</i>	No.							

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FORM E3: DISTRIBUTION FACILITIES

Descriptions	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Peak Demand	MW							
Units Sold / billed	kWh							
D1 customers	kWh							
T1 customers	kWh							
T2 customers	kWh							
T3 - MV	kWh							
T3 - HV	kWh							
Number of customers	No.							
D1 customers	No.							
T1 customers	No.							
T2 customers	No.							
T3 - MV	No.							
T3 - HV	No.							
Total length of 33kV lines	Km							
Date of Installation	Year							
Economic life	Years							
Total Investment Cost	TZS							
Source of finance:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Total length of 11kV lines	Km							
Date of Installation	Year							
Economic life	Years							
Total Investment Cost	TZS							
Source of finance:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>								
Total length of 400V lines	Km							
Date of Installation	Year							
Economic life	Years							
Total Investment Cost	TZS							
Source of finance:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Number of Substations	No.							
Installed Capacity	kV							
Date of Installation	Year							
Economic life	Years							
Total Investment Cost	TZS							
Source of finance:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Number of Transformers								
Installed Capacity	kVA							
Total Investment Cost	TZS							
Source of finance:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Grid Operation and Maint. Expense	TZS							
Fixed O&M Expenses	TZS							
Variable O&M Expenses	TZS							
Other expenses	TZS							
Employees								
Total employees	No.							
Part-time / STE	No.							

FORM 4E: REGULATORY ASSET BASE (TZS MILLION)

Descriptions	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Hydro Generation								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Hydro Generation								
Thermal Generation								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Thermal Generation								
Transmission System								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Transmission								
Distribution System								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Distribution								

FORM 4E: REGULATORY ASSET BASE (TZS MILLION)

Descriptions	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Land and Buildings								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Land and Buildings								
Motor Vehicles								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Motor Vehicles								
Strategic Spare Parts								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Strategic Spares								
Office Equipment								
Historical Cost								
Revaluation								
Capital Additions								
Disposals								
Accumulated depreciation								
Depreciation - current year								
Impairment charge								
Net Assets - Office Equipment								
TOTAL REGULATORY ASSET BASE								

FORM G1: NATURAL GAS PROCESSING PLANT BASIC DATA (To be filled for each Applicant's Processing Plant)

Name of Natural Gas Processing Plant	
Location	
Operational Status	

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Technical Data								
Installed Capacity	mmscfd							
<i>Number of trains</i>	No.							
<i>Date of Installation</i>	Year							
<i>Plant Economic life</i>	Years							
<i>Efficiency rate</i>								
Available Capacity	mmscfd							
<i>Plant Own Use</i>	%							
<i>Planned Maintenance</i>	%							
<i>Forced Maintenance</i>	%							
Plant Utilization Factor	%							
Volume of Gas Processed per day	mmscfd							
Volume of Gas Transmitted	mmscfd							
Flared and vented gas	mmscfd							
Employees								
Total employees	No.							
Part-time	No.							
Financial Data								
Total Investment Cost	TZS							
Sources of Financing:								
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Operation and Maint. Expenses								
Fixed O&M Expenses	TZS							
Variable O&M Expenses	TZS							
Other expenses	TZS							

FORM G2: TRANSMISSION FACILITIES

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Length of pipeline	Km							
Installed Capacity	mmscf/d							
Diameter	inch							
Total Investment Cost	Years							
Source of finance:	TZS							
<i>Licensee's equity</i>								
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Utilization Factor	%							
Volume of Gas Transmitted	mmscfd							
Unaccounted for gas	%							
Operation and Maint. Expenses	TZS							
Fixed O&M Expenses	TZS							
Variable O&M Expenses	TZS							
Other expenses	TZS							
Employees								
Total employees	No.							
Part-time / STE	No.							

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FORM G3: DISTRIBUTION FACILITIES

	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Length of pipeline	Km							
<i>Installed Capacity</i>	mmscf/d							
<i>Diameter</i>	inch							
Total Investment Cost	Years							
Source of finance:	TZS							
<i>Licensee's equity</i>	TZS							
<i>Commercial/Concessional loan</i>	TZS							
<i>Grant / Subsidies</i>	TZS							
<i>Other Sources</i>	TZS							
Volume of Gas Distributed / billed								
<i>Residential</i>	(MMBtu/annum)							
<i>Commercial</i>	(MMBtu/annum)							
<i>Light / Medium Industrial</i>	(MMBtu/annum)							
<i>CNG Vehicles</i>	(MMBtu/annum)							
Number of customers	No.							
<i>Residential</i>	No.							
<i>Commercial</i>	No.							
<i>Light / Medium Industrial</i>	No.							
<i>CNG Vehicles</i>	No.							
Unaccounted for Gas	%							
Operation and Maint. Expenses	TZS							
<i>Fixed O&M Expenses</i>	TZS							
<i>Variable O&M Expenses</i>	TZS							
Other expenses	TZS							
Employees								
<i>Total employees</i>	No.							
<i>Part-time / STE</i>	No.							

FORM G4: REGULATORY ASSET BASE (TZS in millions)

REGULATORY ASSET BASE	Historical Data - Actual			Current Year	Tariff Period - Planned		
	Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
PROCESSING PLANT							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Processing Plant							
TRANSMISSION SYSTEM							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Transmission							
DISTRIBUTION SYSTEM							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Distribution							
LAND & BUILDING							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Land and Buildings							

FORM G4: REGULATORY ASSET BASE (TZS in millions)

REGULATORY ASSET BASE	Historical Data - Actual			Current Year	Tariff Period - Planned		
	Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
MOTOR VEHICLES							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Motor Vehicles							
STRATEGIC SPARES							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Strategic Spares							
OFFICE EQUIPMENT							
Historical Cost							
Revaluation							
Capital Additions							
Disposals							
Accumulated depreciation							
Depreciation - current year							
Impairment charge							
Net Assets - Office Equipment							
TOTAL REGULATORY ASSET BASE							

FORM G5: TECHNICAL AND BOOKED CAPACITY AT ENTRY AND EXIT POINTS

Description	Unit	Historical Data - Actual			Current Year	Tariff Period - Planned		
		Year N-3	Year N-2	Year N-1	Year N	Year N+1	Year N+2	Year N+3
Booked Capacity at Entry Points								
BV-1	km							
BV-2	km							
BV-3	km							
BV-n	km							
Booked Capacity at Exit Points								
BV-1	km							
BV-2	km							
BV-3	km							
BV-n	km							
Technical Capacity at Entry Points								
BV-1								
BV-2								
BV-3								
BV-n								
Technical Capacity at Exit Points								
BV-1								
BV-2								
BV-3								
BV-n								

FORM G6: DISTANCE OF VALVE STATIONS FROM MADIMBA/ SONGO SONGO PROCESSING PLANT

		Madimba	Songo Songo Island
BV-1	km		
BV-2	km		
BV-3	km		
BV-4	km		
BV-5	km		
BV-6	km		
BV-7	km		
BV-8	km		
BV-n	km		

FORM EG 1: LONG TERM DEBT SCHEDULE

								Opening Balance			Annual Charge			Closing Balance			
Description of Debt	Type of Debt	Date of Issue	Maturity Date	Grace Period	Principal Amount	Currency	Interest Rate	Carrying Value	Unamortised Discount/(Premium)	Unamortised Debt Expense	Annual Debt Repayment	Coupon Interest	Amortisation of Discount/(Premium)	Amortisation of Debt Expenses	Carrying Value	Unamortised Discount/(Premium)	Unamortised Debt Expense

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