

Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) (Amendment)

GOVERNMENT NOTICE NO. 761A published on. 30/10/2023

THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY
ACT
(CAP. 414)

RULES

(Made under section 40(c), (d) and (j))

THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY (PETROLEUM
PRODUCTS PRICE SETTING) (AMENDMENT) RULES, 2023

Citation
GN. No.
57 of 2022

1. These Rules may be cited as the Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) (Amendment) Rules, 2023 and shall be read as one with the Energy and Water Utilities Regulatory Authority (Petroleum Products Price Setting) Rules, 2022 hereinafter referred to as the “principal Rules”.

Amendment of
rule 3

2. The principal Rules are amended in rule 3 by inserting in their appropriate alphabetical order the following new definitions:
““new stock” means the stock of petroleum products of the current month whose price has not been determined;
“remaining stock” means the stock of petroleum products that remained from, and was priced in the previous month;”.

Amendment of
rule 4

3. The principal Rules are amended in rule 4(2) by deleting the words “the cost of petroleum products received in the previous month which shall be indicated in the Pricing Formula as (m-1)” and substituting for them the words “the weighted average of wholesale prices of the remaining stock and new stock”.

Deletion and
substitution of
Schedule

4. The principal Rules are amended by deleting the Schedule and substituting for it the following new Schedule:

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“SCHEDULE

(Made under rule 4(1))

**PRICING FORMULA FOR PETROLEUM PRODUCTS IMPORTED THROUGH
DAR ES SALAAM PORT, TANGA PORT AND MTWARA PORT**

CAP PRICES					
Weighted Average Exchange Rate					
WT Average Actual Conversion Factors of the New Stock:					
			Petrol	Diesel	Kerosene
	DESCRIPTION	UNIT	PRICE	PRICE	PRICE
	Weighted Average Platt's FOB	TZS/L			
Plus	Weighted Average Premium as Per Quotation (Freight+Insurance+Premium)	TZS/L			
Sub Total	DAP COST	TZS/L			
Plus	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES				
	Wharfage TZS 15/L + 18% VAT (or Wayleave Charge for Tanga Port: USD3/MT)	TZS/L			
	Customs Processing Fee (TZS 20 million/Vessel)	TZS/L			
	Weights & Measures Fee (TZS 7 million/Vessel)	TZS/L			
	TBS Charge (TZS 12.8 million/Vessel)	TZS/L			
	Regulatory Levy	TZS/L			
Sub Total	LOCAL COSTS PAYABLE TO GOVERNMENT AUTHORITIES	TZS/L			
Plus	GOVERNMENT TAXES				
	Fuel Levy	TZS/L	413.00	413.00	-
	Excise Duty	TZS/L	379.00	255.00	465.00
	Petroleum Fee	TZS/L	100.00	100.00	250.00

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	Railway Development Levy (1.5% of DAP)	TZS/L			
Sub Total	GOVERNMENT TAXES	TZS/L			
	WHOLESALE OPERATION COSTS AND PROFIT				
	OMC's Overheads & Margins	TZS/L	123.00	123.00	123.00
	Petroleum Marking Cost	TZS/L	7.00	7.00	7.00
	Financing Cost (1.5% of DAP)	TZS/L			
	Evaporation Losses (0.5% MSP, 0.30% AGO and 0.30% IK) of DAP	TZS/L			
	Actual Demurrage Cost	TZS/L			
	Charges payable to Executive Agencies	TZS/L	1.03	1.03	1.03
Sub Total	WHOLESALE OPERATION COSTS AND PROFIT	TZS/L			
	WHOLESALE PRICE OF THE NEW STOCK (P ₂)	TZS/L			
	Volume of the New Stock (Y)	L			
	Volume of the Remaining Stock (X)	L			
	Wholesale Price of the Remaining Stock (P ₁)	TZS/L			
	WHOLESALE PRICE CAP BASED ON THE WEIGHTED AVERAGE OF WHOLESALE PRICES OF THE REMAINING STOCK AND NEW STOCK $\frac{(X * P_1 + Y * P_2)}{X + Y}$	TZS/L			
Plus	RETAIL OPERATION COSTS AND PROFIT				
	Retailers Margin	TZS/L	108.00	108.00	108.00
	Transport Charges (Local)	TZS/L	10.00	10.00	10.00
	Service Levy payable to LGAs (0.3% of the turnover net of excise duty and VAT in wharfage,	TZS/L			

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	petroleum marking cost)				
	Charges payable to Executive Agencies	TZS/L	5.44	5.44	5.44
Sub Total	RETAIL OPERATION COSTS AND PROFIT	TZS/L			
	PUMP PRICE CAP (DSM, Tanga or Mtwara)	TZS/L			

Dodoma,
30th October, 2023

JAMES A. MWAINYEKULE
Director General