

**THE ENERGY AND WATER UTILITIES REGULATORY AUTHORITY
(EWURA)**

COMPLAINT NUMBER. NP.71/135/115

**JOHNSON SUN FOR AND ON BEHALF OF
CHINA HENAN INTERNATIONAL
COOPERATION GROUP CO. LTD.....COMPLAINANT**

VERSUS

TANZANIA ELECTRIC SUPPLY COMPANY LIMITEDRESPONDENT

SETTLEMENT AWARD

*(Made by the EWURA Board of Directors through its Circular Resolution No. 19
dated the 23rd day of December, 2020)*

1.0 Background Information

On 2nd September 2020, the Energy and Water Utilities Regulatory Authority ("EWURA") ("the Authority") received a complaint from China Henan International Cooperation Group Company Limited represented by Mr. Johnson Sun of CHICO Camp, Kihanga Village, Karagwe District, Kagera Region ("the Complainant") against the Tanzania Electric Supply Company Limited ("TANESCO") ("the Respondent"). The Complaint's claim is against the Respondent's alleged electricity bills charges from January to July 2020 on his two meters numbers 211106604 and 211112475 respectively located at Missenyi District in Kagera Region.

The Complainant alleged that from January to July 2020 the Respondent disconnected power at his premises since he had failed to timely pay for his previous outstanding bills. The Complainant claims further that in April 2020 he settled the outstanding bills and requested the Respondent to restore power at his premises. The complainant claims that electricity was not restored at the Complainant's premises. Instead the Complainant was served with a bill for KVA charges for the seven months (7) he stayed without power. Consequently, the Complainant filed this complaint praying for Orders that the Respondent be compelled to do the following:

- i. waive the debt of TZS 12,496,589.32 for KVA charges for the months of January to July 2020 since the Respondent disconnected power at the Complainant's premises,
- ii. refund the bills already paid by the Complainant for KVA charges for both meters from January to July 2020 amounting to TZS 6,129,312.94; and
- iii. be provided with correct bills according to the Complainant's actual electricity consumption.

Upon receipt of the complaint, on 4th September 2020, the Authority wrote to the Respondent instructing them to present their defense to the complaint in terms of Rule 6 (1) of the Energy and Water Utilities Regulatory Authority (Complaints Handling Procedure) Rules, GN No. 428/2020.

On 28th September 2020, the Respondent, filed its defense and informed the Authority that as per the Complainant's statements of accounts maintained at Misenyi, it is not true that he had been disconnected from power for the period of seven (7) months from January to July 2020 as alleged by the Complainant. The Respondent states that the Complainant disconnected from power for the period of four (4) months, that is from April 2020 to July 2020 as per his statement of accounts. The Respondent further states that the Complainant being a large power user of tariff two (T2) is normally charged per kilowatt-hour and kilovolt ampere. Further to

that the Respondent stated that when the customer of Tariff 2 is disconnected from power automatically, you stop charging him per kilowatt-hour but you continue charging per kilovolt ampere. According to the Highest Maximum Demand rule, which is applicable to all large power users, the Respondent only charge the Complainant kilovolt ampere for three consecutive months starting from the month the Complainant was disconnected to power. Moreover, the kilovolt ampere (kva) is charged at the rate of seventy – five percent (75%) on the month of the recorded Highest Maximum Demand of power during the last previous charged months. Therefore, the Complainant was charged Kilovolt Ampere for April to July 2020 plus service charges, Value added tax, REA and EWURA charges.

Mediation meetings involving both parties were conducted on 7th and 23rd November 2020 at Elct Bukoba Hotel hall in Karagwe, Kagera Region. During the mediation meeting, it was noted that the Complainant was disconnected to power from the months of April, May and June 2020. Moreover, it was agreed by both parties that the Respondent shall provide bills based on the Complainant's actual electricity consumption. At the end of the mediation session the matter was settled on the following terms;

- a. that, the Respondent shall waive the KVA charges for the months of April, May and June 2020 amounting to TZS 12,496,589.32 for the two meters (211106604 and 211112475) from the Complainant's bill as the Respondent disconnected power at the Complainant's premises during the period,
- b. that, the Respondent shall refund TZS 6,129,312.94 being KVA charges for the month of April, May and June that were already paid by the Complainant. However, the Respondent shall deduct TZS 138,914.08 from Complainant's refund being service charges for the months of April, May and June 2020; and

- c. the remaining balance in (b) above TZS 5,990,398.86 shall be credited into the Complainant's account in settling the Complainant's future or outstanding bills.

The agreed terms were reduced into writing as required by Rule 14 (4) of the Energy and Water Utilities Regulatory Authority (Complaints Handling Procedure) Rules, GN. No 428/2020 and contained in the Settlement Form.

2.0 Decision:

The parties have reached an agreement and, pursuant to Rule 14 (5) of the Energy and Water Utilities Regulatory Authority (Complaints Handling Procedure) Rules, GN. No 428 of 2020, the said agreement is registered as an award of the Authority. Each party shall bear its own costs.

GIVEN UNDER THE SEAL of the Energy and Water Utilities Regulatory Authority (EWURA) at Dodoma this 23rd day December, 2020.



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KAPWETE LEAH JOHN
SECRETARY TO THE BOARD