

LEWA APPROVES NEW WATER AND SEWERAGE CHARGES FOR 2016/17

On 23rd March, 2015 Lesotho Electricity and Water Authority (LEWA) Board of Directors made an announcement on the approved water charges following Water and Sewerage Company (WASCO) application requesting a tariff review submitted in January. The new tariffs will be effective from 1st April, 2016.

When making the announcement during a press briefing at the LEWA Head Office, the chairperson of the Board of Directors Dr. Leboli Thamae stated that after duly considering the application, the Board approved revenue requirement of M201.40 million for water services instead of M200.40 that was requested by WASCO. The Board also approved M32.78 million instead of M39.48 million requested for sewerage services for 2016/17.

The tariffs will increase by 8.7% across the board. The standing charge for Band A customers has been abolished while standing charges for the other customers remain unchanged. Dr. Thamae explained that the decision to remove standing charge for the lowest band is a pro poor move to ensure that poor people who live in towns can also afford to get clean water. This move is also expected to assist those who do not have reliable supply and those who are adversely affected by droughts in future to be charged only on water consumed at a time.

Dr. Thamae explained that in its tariff application submitted on 6th January, 2016, WASCO had requested an increase of 13% for all customers. It requested that the standing charge tariffs for all customers remain unchanged. The Authority according to Dr. Thamae made a decision to make an increase of only 8.7% following thorough investigations on the application. The Chairperson of the LEWA Board of Directors further indicated that the Board's decision was also made in consideration of public submissions made through public consultation process which included three public hearings in Thaba-Tseka, Teyateyaneng and Maseru and the publication of WASCO

application in the local newspapers and radio programs. This is where consumers, interest groups such as the Consumer Protection Association, Lesotho Council of Non-Governmental Organizations, factories and customers from across the country made presentations before the Regulator's Pricing and Tariffs Committee. Some of the concerns were that an increase in water services would be reflected in the price of commodities that use water as an input. This would then result in the country's wet industries losing their competitive edge in international markets.

When asked by the media to commend on the decision, the acting Chief Executive of WASCO Mrs. 'Mamathe Makhaola was adamant that whatever the percentage of the tariff adjustment, WASCO remains committed to delivering on its mandate. She said the management will work hard to ensure that customers get excellent services and to do this they will continue to engage with all stakeholders to resolve challenges that hinder WASCO from making good on its mandate of providing potable water for customers on designated urban areas.

The approved charges will be effective from 1st April, 2016.