

6872 G

S. 09621

NOT AVAILABLE FOR LOAN



# SWAZILAND

## GOVERNMENT GAZETTE

### EXTRAORDINARY

---

VOL. XLX]

MBABANE, Friday, SEPTEMBER 21<sup>st</sup> 2012

[No. 104

---

#### CONTENTS

No.

Page

#### PART C - LEGAL NOTICE

131. The Terms and Conditions of Service for Councillors (Amendment) Notice, 2012 ..... S1

---

PUBLISHED BY AUTHORITY



(b) approved by the Authority .

(2) The approved tariff schedule and tariffs shall:-

- (a) annually be published by the licensee in at least one national newspaper circulating in the area where the regulated activities are performed;
- (b) be furnished to customers when so requested at no charge;
- (c) be prominently displayed on the website of the licensee.

**SCHEDULE 1.**  
Key Tariff Principles

<b>Expectations</b>	<b>Tariff Objectives</b>	<b>Description</b>
Customer	1. Affordable	Least cost options (price should exclude inefficiencies)
	2. Non Discriminatory	Tariffs should be applicable to all customers on an equal and fair basis.
	3. Predictable & Stable	Customers should be kept informed and real price adjustments should be gradual.
	4. Transparent	Easy to read and apply, and contains no hidden costs.
Utility	5. Cost Reflective	Cover the costs of the business plus a return (profit) component.
	6. Encourage efficient use	Appropriate price signals that will stimulate efficient use of electricity.
	7. Implementation costs	Implementation and transaction costs should be low.
Government	8. Social Support	Tariff levels and structures should accommodate social programmes
	9. Self-sufficiency in generation capacity	Expansion through development of own resources
	10. SOE's to be self-funding	ESI should not rely on Government for funding.
	11. Shareholder expenditure	Appropriate taxation and dividends

**PRINCESS TSANDZILE DLAMINI**  
*MINISTER FOR NATURAL RESOURCES AND ENERGY*

**The Government Printer, Mbabane**

- (d) the proposed tariff scheduled to be implemented by the licensee, as derived from its revenue requirements and expected sales;
- (e) adherence to tariff methodology approved of by the Authority; and
- (f) any other particulars as the Authority may require to properly consider the tariff application.

***Consideration Of Tariff Application.***

6. (1) The Authority shall upon receipt of a request in terms of section 5-
- (a) verify that the revenues from the proposed tariffs and projected sales per customer and tariff category match the allowed revenue requirement;
  - (b) ensure that proposed tariffs are relatively evenly balanced across individual customer or tariff categories;
  - (c) ensure that the tariff application adheres to the tariff methodology approved of the Authority.

(2) The Authority may defer an application under section 5 if the licensee does not furnish information to the satisfaction of the Authority until such time that the licensee complies.

(3) The Authority shall hold a public hearing or hearings at such venues and times as it considers appropriate to canvass the opinion of interested parties on the application for the tariff adjustments.

(4) The Authority shall consider the application brought under section 5 and make a decision within three months, with due consideration of the following -

- (a) the tariff methodology approved of the Authority;
- (b) public opinion canvassed by the Authority; and
- (c) the provisions of section 32 of the Electricity Act, 2007.

***Expert Advice.***

7. (1) The Authority may procure the services of an expert to advice on any tariff application submitted by a licensee.

(2) The Authority may further request any additional information, if so advised under subsection (1), from the licensee.

(3) The Authority may also call upon the licensee to give further clarification or appear before it or before the experts as it deems appropriate in the circumstances.

***Adherence to Approved Tariffs.***

8. (1) A licensee shall not charge any customer any other tariff for regulated activities other than a tariff-

- (a) calculated in accordance with the tariff methodology determined by the Authority; and

- (2) A tariff methodology may allow a tariff differentiation based mostly on the following-
  - (a) voltage/current level;
  - (b) time -of -use; and
  - (c) once-off customer connection costs.
- (3) The Authority may consider the following factors when dealing with tariff components-
  - (a) customer costs that vary with customer number and service intensity;
  - (b) capacity costs that vary with capacity or demand;
  - (c) energy costs that vary with energy consumption (kWh); or
  - (d) once- off costs that are associated with specific events.

***Tariff Computation.***

4. The tariff methodology approved by the Authority, shall provide a formulae for computing tariffs and also factor in the following-
  - (a) power acquisition related costs;
  - (b) operation and maintenance costs;
  - (c) investment related costs;
  - (d) return on investment costs; and
  - (e) adjustment factors for system losses, inflation and foreign exchange.

***Application for Adjustments of Tariffs.***

5. (1) A licensee may, on an annual basis, before or on a date determined by the Authority, submit a request for adjustment of its regulated tariffs to the Authority.
  - (2) Notwithstanding subsection 1, the licensee may make application for multi-year tariff adjustment to the Authority.
  - (3) The Authority may, in exceptional circumstances, permit the licensee to submit a request for adjustment of its regulated tariffs on a more frequent basis.
  - (4) A request in terms of subsection (1), shall be made on a form which shall be provided by the Authority for this purpose and it shall be accompanied by documentary evidence substantiating-
    - (a) audited financial statements of the previous year or of the year preceding the application;
    - (b) the revenue requirements of that licensee for the forthcoming financial year;
    - (c) the expected sales of electricity for the period for which the tariff adjustment is requested;

## LEGAL NOTICE NO. 130 OF 2012

THE ELECTRICITY ACT, 2007  
(Act No. 3 of 2007)THE ELECTRICITY TARIFF METHODOLOGY FOR THE  
REGULATION AND APPROVAL OF TARIFFS, PRICES AND CHARGES  
REGULATIONS, 2012  
(Under Section 67)

In exercise of powers conferred by Section 67(1) (d) the Electricity Act No. 3 of 2007, the Minister for Natural Resources and Energy, after consultation with the Authority, hereby issues the following Regulations.

***Short Title and Commencement.***

1. These Regulations shall be cited as the Electricity Tariff Methodology for The Regulation and Approval of Tariffs, Prices and Charges Regulations, 2012 and shall come into force upon publication in the gazette.

***Interpretation.***

2. In these Regulations unless the context otherwise requires-

"Authority" means Energy Regulatory Authority established under the Energy Regulatory Act, 2007;

"Customer" means an end-user either natural or corporate person utilising electricity or services from a utility;

"Financial Year" means the financial year of the licensee;

"ESI" means the Electricity Supply Industry;

"Government" means the Government of the Kingdom of Swaziland;

"Licensee" means the holder of a license granted or deemed to be granted by the Authority under the Energy Regulatory Authority Act, 2007 for the generation, transmission, distribution and supply of electricity;

"Minister" means minister responsible for energy affairs;

"Ring fencing" means the separate business accounting of generation, transmission and distribution of electricity by a licensee;

"SOE" means the State Owned Enterprises;

"Utility" means licensee for generation, transmission, distribution, supply of electricity in terms of Electricity Act.

***Key Tariff Methodology Principles.***

3. (1) In developing a tariff methodology, the Authority shall consider the competing objectives of the customer, utility and Government as much as possible as they appear in Schedule 1.