



# LESOTHO

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## LEGAL NOTICE NO. 140 OF 2013

**Lesotho Electricity and Water Authority (Licence Fees and Customer Levies for Water and Sewerage Services) Regulations, 2013**

Pursuant to section 112 of the Lesotho Electricity Authority Act, 2002<sup>1</sup>, I,

**DR. TIMOTHY THAHANE**

Minister of Energy, Meteorology and Water Affairs, make the following Regulations:

**Citation and commencement**

1. These Regulations may be cited as the Lesotho Electricity and Water Authority (Licence Fees and Customer Levies for Water and Sewerage Services) Regulations, 2013 and shall come into operation on the date of publication in the Gazette.

**Interpretation**

2. In these Regulations unless the context otherwise requires -

“Act” means Lesotho Electricity Act, 2002;

“annual licence fee” means a fee a licensee pays to the Authority covering part of the amount of costs incurred by the Authority in the conduct of regulating the licensee;

“Authority” means the Lesotho Electricity and Water Authority;

“customer” means a person supplied or requiring to be supplied with water and sewerage services at any premises in Lesotho;

“customer levy” means a levy imposed by the Authority on a customer;

“days” means calendar days.

### **Procedure for calculating the annual costs of the Authority**

3. (1) The Authority shall, by 31st December each year, publish its forecast costs for the following three financial years.

(2) The first of the three financial years referred to in subregulation (1) is designated “year  $T^{+1}$ ” and the previous relevant year is designated “year  $T^{-1}$ ”.

(3) The Authority may, at any time before the start of a relevant year, adjust its forecast costs of regulation for that year  $T^{+1}$  by an amount which the Authority under or overspent in year  $T^{-1}$ .

(4) The Authority shall, in determining the annual costs, seek an appropriate balance between the customer levy and the annual licence fee, giving due consideration to the level of fee which it considers reasonable and the broad split of costs between the licensee and its customers.

### **Procedure for determining the annual licence fee and customer levy**

4. (1) A licensee shall provide the Authority with the following information not later than 15th October each year for the following relevant year or within a period specified by the Authority -

- (a) a forecast of quantities of water to be sold or billed and sewerage to be treated in year  $T^{+1}$ ; and
- (b) the actual quantities of water sold or billed and sewerage treated in year  $T^{-1}$ .

(2) The Authority may -

- (a) approve forecasts supplied by the licensee under subregulation (1) and determine appropriate levies and fees payable by the licensee;
- (b) request a licensee to re-evaluate and adjust its forecasts; and



- (c) specify an appropriate time for the resubmission of the forecasts.

(3) The Authority may revise the annual licence fees and customer levy if the actual out-turn of water produced, supplied and sold or sewerage collected and treated materially differs from a licensee's forecasts and shall notify a licensee.

(4) A licensee may, within 14 days of notification by the Authority of the amount of the annual licence fee and customer levy payable, submit comments to the Authority on the likely impact on tariffs, taking into account all cost elements that contribute to the final tariff amounts.

(5) The Authority shall approve the annual licence fee and customer levy for the coming financial year after taking into account any such comments received from licensees.

(6) The Authority shall inform the licensee in writing of the total payable annual licence fee and customer levy not later than the 31st December each year or other time specified by the Authority.

### **Special provisions for customer levy**

5. (1) A licensee shall charge every customer a customer levy on every unit of water supplied, billed and sold and sewerage services provided.

(2) The Authority shall, in determining a customer levy, take into account the ability of all customer categories to pay the customer levy.

(3) The Authority shall, in allocating a customer levy pursuant to subregulation (2), pay due attention to the following -

- (a) water supply and sewerage services tariffs as approved by the Authority; and
- (b) contribution of the approved annual licence fee to the tariffs.

(4) The Authority may, as it sees fit, vary the customer levy between customer categories.

(5) The Authority shall, in varying customer levy in terms of sub-regulation (4), act with fairness and transparency in allocating the customer levy and base its decision on the ability of all customer categories to pay.

### **Payment of annual licence fee**

6. (1) A licensee shall pay an annual licence fee to the Authority at the beginning of each financial year or at such time as the Authority may determine.

(2) A licensee shall pay an annual licence fees on a pro-rated basis against the portion of the financial year for which the licensee holds the licence, based upon a 365 days or 366 days in case of a leap year in respect of any year in which a licensee does not hold licence for the entire year.

(3) Where the Authority gives a notice of payment, a licensee shall pay the annual licence fee within 30 days from the date of receipt of the notice and where the Authority does not give a notice of payment, the licensee shall pay the annual licence fee not later than the 30th September of each year.

(4) A licensee who fails to pay in terms of subregulation (3) shall pay simple interest on the amount at the rate equivalent to the base rate of the Central Bank of Lesotho plus 1%.

### **Payment of customer levy**

7. (1) A licensee shall, within 15 days for prepaid customer and 45 days for credit customers following the end of each month, pass the levy collected to the Authority.

(2) A licensee shall, within 75 days after the end of a relevant year, pay to the Authority, a full amount of customer levy which shall include any amount owing on previous months in a relevant financial year.

(3) A licensee may be required to display on each customer's water bill the amount of customer levy charged by the Authority.

**DATED:**

**DR. TIMOTHY THAHANE  
MINISTER OF ENERGY, METEOROLOGY  
AND WATER AFFAIRS**

**NOTE**

1. Act No. 12 of 2002 as amended