

## **ZESCO APPLIES TO VARY ELECTRICITY TARIFFS, CHARGES AND FEES**

Pursuant to the Electricity Act, Cap 433 of the Laws of Zambia, ZESCO Limited on 4<sup>th</sup> September 2007 issued a Notice of its intention to vary Electricity Tariffs to its Consumers. This is a multi-year tariff application for the period 2007/08 to 2009/10

**TABLE1. SCHEDULE OF ZESCO'S CURRENT AND PROPOSED TARIFFS**

1.UNMETERED RESIDENTIAL TARIFFS		Current Tariffs	Proposed Tariffs		
		2006/2007	2008/2009	2009/2010	2010/2011
L1-Consumption up to 2 Amps	Energy Charge/Month	K4,911.00	K7,121.00	9,755.77	12,584.94
L2-Consumption between 2-15 Amps	Energy Charge/Month	K17,770.00	K25,767.00	35,300.79	45,538.02
<b>2. METERED RESIDENTIAL TARIFFS (Capacity 15kVA)</b>					
R1-Consumption up to 100kwh	Energy Charge/kwh	K70.00	K102.00	139.74	180.26
R2-Consumption – 101 to 300kwh	Energy Charge/kwh	K100.00	K145.00	198.65	256.26
R3-Consumption above 301kwh	Energy Charge/kwh	K163.00	K236.00	323.32	417.08
	Fixed Monthly Charge	K5,845.00	K8,475.00	11,610.75	14,977.87
Pre-paid	Energy Charge/kwh	K111.00	K161.00	220.57	284.54
<b>3. COMMERCIAL TARIFFS ( Capacity 15kVA)</b>					
C1-Consumption up to 700kwh	Energy Charge/kwh	K163.00	K245.00	269.50	296.45
	Fixed Monthly Charge	K29,227.00	K43,841.00	48,225.10	53,047.61
<b>4. SOCIAL SERVICES TARIFFS</b>					
Schools, Hospitals, Orphanages, Churches, Water pumping, Street Lighting	Energy Charge/kwh	K135.00	K201.00	245.22	296.72
	Fixed Monthly Charge	K23,382.00	K34,839.00	42,503.58	51,429.33
<b>5. MAXIMUM DEMAND TARIFFS</b>					
MD1-Capacity between 16 – 300kva	MD Charge/kVA/Month	K6,943.00	K11,803.00	16,760.26	21,117.93
	Energy Charge/kwh	K100.00	K170.00	241.40	304.16
	Fixed Monthly Charge	K68,002.00	K115,603.00	164,156.26	206,836.89

MD2-Capacity between 301 – 2000kVA	MD Charge/kVA/Month	K12,990.00	K22,083.00	31,357.86	39,510.90
	Energy Charge/kwh	K85.00	K145.00	205.90	259.43
	Fixed Monthly Charge	K136,003.00	K231,205.00	328,311.10	413,671.99
MD3-Capacity between 2001 – 7500Kva	MD Charge/kVA/Month	K19,587.00	K34,277.00	53,129.35	68,536.86
	Energy Charge/kwh	K63.00	K110.00	170.50	219.95
	Fixed Monthly Charge	K272,006.00	K476,011.00	737,817.05	951,783.99
MD4-Capacity above 7500Kva	MD Charge/kVA/Month	K19,696.00	K34,468.00	53,425.40	68,918.77
	Energy Charge/kwh	K52.00	K91.00	141.05	181.95
	Fixed Monthly Charge	K544,012.00	K952,021.00	1,475,632.55	1,903,565.99

**NOTE:** The above tariffs are:

1. Exclusive of 3% Government excise duty
2. Exclusive of 17.5% Value Added Tax (VAT)

In addition to the electricity tariffs, the ERB will also be reviewing Zesco's 2006 application to have its various charges and fees revised upward. The details of this application are as follows;

## 1. PROPOSED CHARGES, FEES AND PENALTIES

The list of charges, fees and penalties proposed to be revised are as shown in the table below:

Customer Category	Current Charges ZMK	ZESCO Charges ZMK	Proposed
<b>1. Refundable Security Deposit</b>			
Residential	20,000	150,000	
Commercial	50,000	500,000	
Social	50,000	500,000	
MD	MD charge X declared MD	MD charge X declared max. demand + energy charge X total monthly energy	
<b>2.Reconnection Fees</b>			
Residential	20,000	60,000	
Commercial	50,000	150,000	
Social	50,000	150,000	
MD1	100,000	200,000	
MD2	200,000	300,000	
MD3	200,000	400,000	
MD4	200,000	750,000	
<b>3.Penalty for Illegal reconnection</b>			
Residential	150,000	500,000	
Commercial	300,000	1,500,000	
Social	300,000	1,500,000	
MD1	500,000	2,000,000	
MD2	500,000	4,000,000	
MD3	500,000	10,000,00	
MD4	500,000	20,000,000	

<b>4. Penalty for Illegal connections</b>		
Residential	150,000 + Capital Contribution+ security Deposit + Estimated bill	500,000 + Capital Contribution+ security Deposit + Estimated bill
Commercial	300,000+ Capital Contribution+ security Deposit + Estimated bill	2,000,000+ Capital Contribution+ security Deposit + Estimated bill
Social	300,000+ Capital Contribution+ security Deposit + Estimated bill	2,000,000+ Capital Contribution+ security Deposit + Estimated bill
MD1	Not specified	2,000,000
MD2	Not specified	4,000,000
MD3	Not specified	10,000,000
MD4	Not specified	20,000,000
<b>Meter Inspection Fees</b>		
Residential	5,000	50,000
Commercial	5,000	100,000
Social	5,000	100,000
MD1	5,000	200,000
MD2	5,000	200,000
MD3	5,000	400,000
MD4	5,000	400,000
<b>Installation Inspection Fees</b>		
Residential	10,000	50,000
Commercial	10,000	100,000
Social	10,000	100,000
MD1	10,000	200,000
MD2	10,000	200,000
MD3	10,000	400,000
MD4	10,000	400,000

In accordance with the Electricity Act, any ZESCO customer wishing to make any submission on ZESCO's intention to vary electricity tariffs may submit an application to the Energy Regulation Board. The Energy Regulation Board therefore hereby invites Zesco's customers with submissions to the proposed tariff variations to forward such submissions in writing to the Energy Regulation Board.

All submissions should be addressed to the ERB **Executive Director** so as to reach him before 3<sup>rd</sup> October 2007, to the following address:

**Energy Regulation Board**  
**8<sup>th</sup> Floor, Premium**  
**Nasser Road**  
**P. O. Box 37631**  
**LUSAKA**

**Telephone: 211 236002**  
**Fax: 211 236003**  
**Email: [erb@erg.org.zm](mailto:erb@erg.org.zm)**

Zesco's customers who will have furnished written submissions will be accorded an opportunity to be heard by the Energy Regulation Board at Public Meetings to be convened for that purpose.