

Press Statement

ZESCO Tariff Application

Date of Issue: Monday, 27th March 2017

The Energy Regulation Board (ERB) has received an application to vary electricity tariffs by ZESCO Limited with effect from 1st May 2017. In its application, ZESCO proposes to increase tariffs by 75% on average, in two phases starting with 50% on 1st May and a further 25% in September 2017.

Following the ZESCO application the ERB will now proceed to consider the proposed tariff increases in line with the provisions of the Law that governs electricity tariff determination, particularly as specified in the Electricity Act, Chapter 435 of the laws of Zambia, as amended by Act No. 21 of 2003 (the "Electricity Act").

The ERB shall therefore be receiving written submissions from the public in view of the ZESCO application within the next 30 days as stipulated by Law. Further, the ERB shall convene a public hearing to consider submissions from members of the public, if at all any would have been received within the 30-day period.

With regard to the mining tariffs, the ERB shall as it has always done, approve Power Purchase Agreements (PPAs) that have been agreed by ZESCO and its mining customers. The PPAs specify at what tariffs individual mining customers buy electricity from ZESCO.

In August 2015, ZESCO had applied for a tariff increase averaging 187% for all customer categories except the mines, which was granted by the ERB effective December 2015. However, following consultations with key stakeholders, in January 2016 ZESCO suspended the implementation of the tariffs awarded by ERB.

The withdrawal of the "new" tariffs was based on the need to allow for a smooth transition from the old tariffs to new ones. ZESCO notified the public that it would reapply for a tariff increase once consultations had been concluded. Therefore, the new application comes after conclusion of that consultation process.



Agnes Phiri (Mrs)

Director – Consumer and Public Affairs