

NAKURU WATER SUPPLY AND SANITATION COMPANY

APPROVED TARRIF STRUCTURE FOR THE PERIOD 2023/2024 TO 2025/2026

NAKURU RURAL WATER AND SANITATION COMPANY (NARUWASCO) applied to the Water Services Regulatory Board (WASREB) for a review of tariffs for water services, for the period 2023/2024 to 2026/2027 as per section 72 (1) (b) of the Water Act, 2016.

Public consultation on the application was carried out in accordance with the requirements of section 139 of the water Act, 2016.

After consideration the application, the written and oral submissions by all stakeholders during the consultation period, and based on latest available data, WASREB has determined an upward tariff review for NARUWASCO is justified to improve service delivery, operate sustainably and protect consumer interests by meeting the tariff conditions attached to the tariff.

WASREB gives a one (1) months' notice to all existing and potential customers of NARUWASCO that the approved tariffs for the four financial years, 2023.2024,2024/2025, 2025/2026 and 2026/2027 shall be as follows:

1.0 Approved Tariff Structure

1.1 Water Tariff Structure for the period 2023/2024 to 2026/2027

<i>Customer Category</i>	Consumption Block in M ³	Approved Tariff (KSH/M ³)
Domestic/Residential	1-6	88
	7-20	95
	21-50	105
	51-100	110
	101-300	120
	>300	140
Multi-Dwelling Units	Per M ³	95
Commercial/industrial/Government/Institutions	1-50	95
	51-100	125
	101-300	145
	>300	155
Schools, Universities and Colleges	1-600	95
	601-1200	100
	>1200	105
Bulk Water Supply	Per M ³	35
Water Kiosks	Per M ³	50

Customers with non-functional meters shall be billed based on the average of the last three months' bills.

1.2 Sewage Tariff Structure for the period 2023/2024 to 2026/2027

(a) Consumers with a Water Connection

Sewage will be charged at 75% of the water volumes, billed at the tariff for the water specified 9 (in 1.1) above for all customers categories.

(b) Customers Without a Water Connection

Sewage consumers without a water connection shall be charged as follows:

- Single dwelling Domestic unit: KSH 300 per month.
- All other categories: 75% of the volume of water consumed as per the metered source at the rates specified (in 1.1) above.

1.3 Indexation of the Approved Tariff

The utility' approved tariffs for the water and sewerage shall be eligible for the annual indexation, as per the regulations of the Water Services Regulatory Board (WASREB). The inflation adjustment shall come into effect every July of the tariff period commencing July, 2024.

1.4 Miscellaneous Charges

These shall be as follows:

<i>Item Service</i>	<i>Charge (KSH.)</i>
<i>Water Deposit</i>	
<i>Category of Consumer</i>	
Domestic	2,500
Retail shops less than 10m ³	3,000
Retail shops more than 10m ³	3,500
Bar, Restaurants less than 15m ³	4,000
Bar, Restaurants more than 15m ³	6,000
Hotel less than 150 m ³	12,000
Hotel more than 150 m ³	15,000
Hospital more than 150 m ³	20,000
Health Centers less than 150 m ³	12,000
Schools less than 200 m ³	10,000
Schools and other institutions more than 200 m ³	20,000
Minor construction sites more than 200 m ³	15,000
Major construction sites more than 300 m ³	50,000
Light industries less than 200 m ³	30,000
Medium industrial between 200 m ³ and 300 m ³	50,000

<i>Item/Service</i>	<i>Charge (KSh.)</i>
Heavy industries more than 300 m ³	100,000
Water Kiosks	5,000
*Customers with only a sewerage connection to be charged a deposit equivalent to water deposit	

<i>Other charges</i>	
service	
New water connection fee	2,500
Water Reconnection fee	1,000
Water Reconnection fee – at meter point	5,000 and double deposit
Tanker- 8,000, 16,000 litres	2,500 5,000 respectively per tanker within WSP Service Area for all consumers
Sale of Water per m ³ at bowsing point (own tanker)	95
Replacement of stolen or damaged meters	100% of the market cost of the meter
Meter testing on request	500
Sewer Connection- Residential/Domestic	2,500
Sewer Connection- Commercial, Government, Schools, Universities and Colleges	5,000
Sewer Connection-Industrial	15,000
Private sewer unblocking	2,500
Leak detection services	1,000
Sewer Reconnection fee (at Mains)	15,000
For cutting off the supply at the request of the consumer	200
For turning on the supply otherwise than in respect of a first connection	200
Exhauster Services (Company Exhauster)	5,000 for other customers and 4,000 for informal settlements.
Private Exhausters (Dumping into the company's sewer system)	15,000 per truck per month
penalties	
Illegal water connection- Commercial, Industry, Construction (Fraud)	100,000 plus estimated consumption during the period of the illegibility.
Illegal water connection, (Fraud)- Domestic	30,000 plus estimated consumption during the period of the illegibility.
Overcharging (Fraud) at water kiosk	15,000
Illegal sewer connection- Commercial, Industry, Construction (Fraud)	100,000
Illegal sewer connection, (Fraud)- Domestic, Government, Schools, Universities and Colleges	30,000
Self-reconnection after cut off for non-payment	5,000 and billing to be backdated from the day of cut off
Surcharge for tampering with meters (this to include meter removal, reversing of meter etc.)	5,000
Surcharge for direct suction of water from the supply line using a pump	10,000

2.0 Analysis of Cost structure

Below is the summary of the approved cost structure that makes up the total costs to be incurred by NARUWASCO during the tariff period:

<i>Expenditure Item</i>	2023/2024	2024/2025	2025/2026	2026/2027
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Operations	290,982,672	308,470,001	327,154,308	347,179,615
Maintenance	18,700,000	20,570,000	22,627,000	24,889,700
Regulatory Levy (WASREB)	19,880,180	21,868,197	24,055,017	24,889,700
Total O and M Costs	329,562,853	350,908,197	373,836,324	398,529,834
Investments Costs	79,128,771	74,954,525	60,776,331	41,648,090
Debt Repayment	10,120,875	9,943,727	9,766,331	9,589,430
Total Costs	418,812,499	435,806,449	444,379,234	449,767,354
Total Billing (Kshs)	443,645,883	462,192,011	480,765,407	499,367,434
Collection Efficiency (%)	95%	95%	95%	95%
Projected Revenue	421,463,589	439,082,410	456,727,137	474,399,062
O and M Cost Coverage	128%	125%	122%	119%
Total Cost Coverage	101%	101%	103%	105%

3.0 Conditions attached to the tariff approval.

The conditions attached to this approval which shall form part of the license conditions of Nakuru Rural Water and Sanitation company are:

(i) Service Delivery Conditions attached to the Tariff.

Target	2023/2024	2024/2025	2025/2026	2026/2027
Water Coverage (%)	79%	81%	83%	85%
Water Quality Standards (%)	100% compliance with standards			
Personnel Expenditure as % O and M	44%	43%	43%	42%
Non-Revenue Water	52%	50%	48%	46%
Hours of Supply (Hrs.)	19.5	20.5	21.5	22.5
Staff per 1000 Connections	6	6	5	5
Maintenance Expenditure as % of O and M	6%	6%	6%	6%
Metering ratio (%)	100%	100%	100%	100%
Collection Efficiency (%)	95%	95%	95%	95%
Resal at Kiosk	KSHS. 2.00 per 20 litres. Tariffs at kiosks must be displayed at strategic points for public awareness			

- (ii) Annual budgets: The utility shall adhere to the budgetary levels set in the approved tariff.
- (iii) Surplus: The surpluses projected to be realized shall be used on priority infrastructure projects identified by NARUWASCO and approved by WASREB.
- (iv) Customer re-categorization for billing: NARUWASCO will separate individual accounts from Multi-dwelling Units (MDU) accounts and bill as per the approved tariff.
- (v) Creation of distinct water and sewerage cost centers: NARUWASCO will create separate water and maintains distinct record of operations of the two centers.
- (vi) Repayment of Loans: NARUWASCO shall remit monthly loan repayments of Central Rift Water Works Development Agency (CRWWDA) as detailed below: -

	2023/2024	2024/2025	2025/2026	2026/2027
Loan Repayment Amounts (Kshs.)	10,120,876	9,943,727	9,766,579	9,589,431

Evidence of loan repayment to CRWWDA shall be submitted to WASREB by the 10th day of the following month.

- (vii) Reporting: The utility shall submit to WASREB a quarterly tariff performance report in the prescribed format. WASREB will carry out tariff implementation review at the end of each year of implementation.
- (viii) Investments: The utility shall undertake the investments in the Annex I and submit quarterly progress reports.

Annex I

No.	<i>Investment</i>	<i>Total Cost</i>	2023-2024	2024-2025	2025-2026	2026-2027
1	East Gate Water Supply Project	54,038,093	54,038,093			
2	Olenguruone Water Supply Project	42,776,331		37,000,000	5,776,331	
3	Subukia Water Supply Project	41,357,896			30,000,000	11,357,896
4	Keringet Water Supply Project	37,073,021			15,000,000	22,073,021
5	Sinendet Water Supply Project	28,217,173		10,000,000	10,000,000	8,217,173.00
6	Haraka Water Supply Project	53,045,203	25,090,678	27,954,525		
	Total Investment Costs		<u>79,128,771</u>	<u>74,954,525</u>	<u>60,776,331</u>	<u>41,648,090</u>

JULIUS ITUNGA,

Ag. Chief Executive Officer,

Water Services Regulatory Board.