



APPLICATION FORM FOR A TARIFF INCREASE

ZIMBABWE ELECTRICITY REGULATORY COMMISSION

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APPLICATION FOR A TARIFF INCREASE FOR CONSIDERATION BY THE ZIMBABWE ELECTRICITY REGULATORY COMMISSION (ZERC) IN TERMS OF THE ELECTRICITY ACT (CHAPTER 13:19 of 2002)

The following tariff application guidelines are issued in terms of the Electricity Act subsection 53. The Act provides that no prices or tariffs with the provision of an electricity service or operation of an electric power system by a proposed licensee shall have effect unless such prices or tariffs have been approved or in the case of any service determined by the Commission after consultation with the Minister.

Licensee has to provide all the information required for the consideration of the tariff proposal.

1. Applying licensee information

License number	
Full name of Licensee	
Telephone number of licensee	
Contact person	
Designation of contact person	
Telephone number of contact person	
Signature	
Date	
Date application delivered	

2. Has any application for an increase been made and approved this year?

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3. What percentage increase was granted?

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4. When did the new tariff become operational?

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5. What tariff structure change/s was/were in the previous tariff increase application?

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6. Indicate the reasons for the current request for a tariff increase

(i)

(ii)

(iii)

(iv)

7. Has licensee considered alternatives? E.g. cost cutting measures to be undertaken by licensee to lessen the burden on consumers

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8. For which period is the current tariff application being made.

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9. What magnitude of tariff increase is being sought?

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10. Capital budgets

There is need to provide a capital budget for the following year. This should be linked to the roll-out program for the charging period. The tariff proposals will therefore be accompanied by the budget for the charging period detailing the items to be purchased, quantities and costs as well as explanation as to what the expenditure is meant to achieve in terms of network expansion and quality of service.

Capital expenditure on equipment should be accounted for by way of returns on progress reports that shall be submitted at the end of each charging period before the tariff for the next charging period can be implemented.

Failure to submit the returns on capital expenditure will disqualify a future tariff application for approval.

11. Budget for the period that tariff increase is being applied for. The assumptions used in coming up with the budget should be made very clear. Please include production plans and maintenance plans and schedule of imports.
12. Asset register for the period the tariff is being applied for so as to determine the rate base. The assets should be functioning and useful in generation, transmission and distribution of electricity. Assets that are not functioning and necessary will be disqualified from the rate base.
13. Ring-fenced financial information i.e. audited balance sheet and income statement for the previous year
14. Projected revenue for the period the tariff increase is being applied for. This should include all the information pertaining to the customer numbers by customer category, average tariff by tariff class. The projected energy for the charging period should be very clear and realistic and the basis of coming up with the projected energy should be clear.

Only revenue from generating, transmitting and distribution of electricity shall be considered.
15. Pro-forma income statements for the charging period should be provided.
16. A detailed business plan that agrees with assumptions used in the capital budget and other submissions.