

ANNEX 2

**DETAILS OF PUBLIC CONSULTATION FOR NAIROBI CITY WATER AND SEWERAGE CO. LTD
(NCWSC)
REGULAR TARIFF APPLICATION (2022/23 to 2024/2025)**

1.0 Cost and Revenue Structure for the Tariff Period (2022/23 to 2024/2025)

	Ksh.	Ksh.
Cost Subject to Annual Indexation		
Operations and Maintenance costs	8,862,926,697	8,862,926,697
Fixed Costs		
Average Annual Investment Cost	616,308,020	
Debt	900,330,594	
Sub Total- Fixed Costs		1,516,638,614
Total Average Annual Cost		10,379,565,311
Projected Average Annual revenue		10,679,074,910
Average Annual Cost Coverage		103%

2.0 Proposed Change in Water Tariff Structure for 2022/2023 to 2024/2025

Tariff Structure - Water				
Consumer Category	Consumption Block(m3)	Current Tariff (Ksh/M3)	Consumption Block(m3)	Proposed Tariff (Ksh/M3)
Domestic/Residential	0-6	34	1-6m3	45
	7-60m3	53	7-20m3	67
	> 60m3	64	21-50m3	70
			51-100 m3	76
			101-300 M3	78
			>300M3	80
Commercial/ Industrial/ Government Institutions	0-6	34	1-50	67
	7-60m3	53	51-100	76
	> 60m3	64	101-300	78
			>300	80
Schools/ Universities/Tertiary Institutions	0-600	48	1-600	50
	601-1200	55	600<1200m3	55
	>300	60	>1200m3	60
Other Categories	Multi dwelling Units (MDU)/ Gated Communities	53	Multi dwelling Units (MDU)/ Gated Communities	67
	Bulk Water Supply	30	Bulk Water Supply	32
	Water Kiosks	20	Water Kiosks	22

3.0 Proposed Change in Sewerage Tariff Structure for 2022/23 to 2024/2025

3.1 Consumers with a Water Connection

(a) Sewerage is charged at 75% of the volume of water billed at the sewerage tariff below for all customers with a sewerage connection.

Tariff Structure - Sewer					
Consumer Category	Consumption Block(m3) (m3)	Current Tariff (Ksh/ M3)	Consumption Block(m3) (m3)	Proposed Tariff (Ksh/ M3)	
Domestic/Residential	0-6	34	1-6m3	43	
	7-60m3	53	7-20m3	56	
	> 60m3	64	21-50m3	63	
			51-100 m3	65	
			101-300 M3	68	
			>300M3	72	
Commercial/ Government Institutions	Industrial/ Universities/Tertiary	0-6	34	1-50m3	56
		7-60m3	53	51-100	65
		> 60m3	64	101-300	68
				>300	72
Schools/ Institutions	Universities/Tertiary	0-600	48	1-600	43
		601-1200	55	600<1200m3	45
		>300	60	>1200m3	50
Other Categories	Multi dwelling Units (MDU)/ Gated Communities	53	Multi dwelling Units (MDU)/ Gated Communities	56	
	Bulk Sewerage customers	N/A	Bulk Sewerage customers	30	

(b) Disconnected water accounts shall be charged based on the average of the last three months' sewerage charges before the disconnection.

3.2 Customer with no water connection

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

- Domestic customers without a metered source of water (Per Single dwelling unit): Ksh. 350 Per Month
- All other categories: 75% of the volume of water consumed as per the metered source of water including boreholes, at the tariff below: -

Consumption Block (m3)	Proposed Tariff (Ksh/M3)
1-6m3	43
7-20m3	56
21-50m3	63
51-100 m3	65
101-300 M3	68
>300M3	72

4.0 Miscellaneous Charges

These shall be charged as per the approved miscellaneous charges approved by WASREB.

5.0 Service Delivery Conditions attached to the Tariff

Target	Current 2021/22	Year	2022/2023	2023/2024	2024/2025
Water Coverage (%)	82		83	84	85
Water quality standards (%)	91		100% Compliance with Water Quality Standards		
Maintenance as a % of O&M	3%		5%	5%	5%
Personnel Expenditure as % of O&M	64%		66%	65%	65%
Non-Revenue Water (%)	46%		44%	43%	41%
Hours of Supply (Hrs)	8.30		8.80	9.30	9.80
Staff per 1000 connections	8.08		7.58	7.08	6.58
Metering ratio (%)	100%		100%	100%	100%
Collection Efficiency (%)	95%		95%	95%	95%
Resale at Kiosk	Ksh.2/= per 20 Litres Jerrycan at manned Kiosks Ksh.1/= per 20 Litres Jerrycan at ATM Water Dispenser				

6.0 Other Conditions

6.1.1 Annual budgets

The WSP shall adhere to the budgetary levels set in the tariff.

6.1.2 Surpluses

The surpluses projected to be realised shall **ONLY** be used in extension on water /sewer network system to increase coverage/access to water and sanitation services.

6.1.3 Reporting

The utility shall submit to WASREB a quarterly performance report in the format provided.

6.1.4 Creation of distinct water and sewer cost centres

NCWSC will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.

6.1.5 Repayment of Loans

NCWSC shall remit monthly loan repayments as detailed below: -

Financing (Kshs.)	2022/2023	2023/2024	2024/2025
AFD Loan CKE 3005	9,918,386	9,918,386	664,624
AFD Loan CKE 1049 on lent @ 2.3%	10,790,040	10,790,040	10,790,040
World bank Loan IDA 4376 KE on lent @ 1.5%	36,870,547	36,870,547	36,870,547
AfDB Loan on lent @ 3%	20,921,410	20,532,566	20,145,516
Total	78,500,383	78,111,539	68,470,727

Evidence of loan repayment to AWWDA shall be submitted to WASREB on a monthly basis by the 10th day of the following month.

6.1.6 Personnel Expenditure as a % of O& M

NCWSC to work towards sector benchmarks.

6.1.7 Customer re- categorisation for billing

NCWSC shall bill all MDU / Gated communities at the proposed MDU/ Gated Community tariff for Water, Sewerage and other Miscellaneous charges specified in this tariff.

6.1.8 Tariff self-Assessment

WASREB and NCWSC will carry out a self-assessment of the trend in Billing (Ksh) within the first 3 months of approval and implementation of the tariff. The detailed report should be submitted to WASREB.

6.1.9 Investments

The utility shall undertake the following investments within the tariff period and submit progress reports on a quarterly Basis.

(See Annex 1 Below)

ANNEX 1: -PROPOSED INVESTMENTS BY NCWSC FOR THE PERIOD 2022/2023 – 2024/2025					
No.	Proposed Investment	Details	2022/2023	2023/2024	2024/25
A	Maintenance and Improvement of Water Intakes	Installation of isolation valve at Kabete	1,461,600		
		Fencing of intakes at Sasumua	41,499,087		
		Desilting of Ruiru intake	10,554,586		
		Maintenance of Intakes at Mwangi, Sasumua, Kiamakia & Kikuyu Inlets	9,744,000		
		Desilting of Mwangi intake		55,941,644	
		Maintenance Of Mwangi, Sasumua, Kimakia And Kikuyu Intakes			9,744,000
		Intake Surveillance			15,000,000
	Sub Total A		63,259,273	55,941,644	24,744,000
B	Construction and Upgrading of Sewer Networks	4.19 km of sewer in Kasarani - Mwiki	82,817,652		
		4.7 km of sewer in Kasarani - Mwiki		92,815,787	
		3.1 km of sewer in Kasarani - Mwiki			61,401,541
		3.5km of sewers in Kawangware	66,587,126		
		3.5 km of sewers in Kawangware		66,032,774	
		2.4 km of sewers in Ruai		46,500,000	
		5.5 km of sewers in Ruai			108,500,000
		3 km of sewers in Njiru		58,333,333	
		6.5 km of sewers in Njiru			127,166,667
	3 km of sewers in Utawala			60,000,000	
	Sub Total B		149,404,777	263,681,895	357,068,208
C	Laying last mile connectivity of water networks	3 km of DN 200 water pipeline in Mwiki			16,770,398
		2 km of DN 200 water pipeline in Mwiki		11,180,266	
		2.3 km of DN 150 water pipeline in Mwiki		9,274,014	
		1.5 km of DN 150 water pipeline in Mwiki			5,939,263
		5 km of DN 200 water pipeline in Kawangware			27,950,664
		3.75 km of DN 150 water pipeline in Kawangware			15,178,868
		3 km of DN 200 water pipeline in Ruai		16,770,398	
		2.4 km of DN 150 water pipeline in Ruai		9,287,006	
		3.5 km of DN 200 water pipeline in Ruai			25,155,598
	3.6 km of DN 150 water pipeline in Ruai			13,930,510	

ANNEX 1: -PROPOSED INVESTMENTS BY NCWSC FOR THE PERIOD 2022/2023 – 2024/2025					
No.	Proposed Investment	Details	2022/2023	2023/2024	2024/25
		5 km of DN 200 water pipeline in Njiru			27,950,664
		4 km of DN 150 water pipeline in Njiru			16,087,344
		7.5km of DN 200 water pipeline in Utawala			41,925,996
		7.5km of DN 150 water pipeline in Utawala			28,565,145
	Sub Total C		-	46,511,684	219,454,450
D	Development and rehabilitation of minor water infrastructure	Laying of 10.6 Km (CBD, Maringo, Mbotela, Pumwani & Kariokor)		29,206,313	
		(CBD, Maringo, Mbotela, Pumwani & Kariokor) - 40 km			108,440,023
	Sub Total D		-	29,206,313	108,440,023
E	Rehabilitation of Sewer Networks	Sewer rehabilitation - 15.2 km of simplified sewers in Mukuru Kwa Njenga ,Mukuru Kwa Reuben, Dandora, Githurai, Kawagware, Dagoretti, Mathare, Korogocho, Kangemi and Mwhoko			351,706,748
	Sub Total E		-	-	351,706,748
F	Non-Revenue Water Reduction Plan	High consumer metering - replacement and reinstallation of aged meters	69,853,725	59,969,970	49,681,350
	Sub Total F		69,853,725	59,969,970	49,681,350
	Grand Total		282,517,775	455,311,506	1,111,094,780