

GAZETTE NOTICE NO. 10547

THE WATER ACT

(No. 43 of 2016)

KAPSABET NANDI WATER AND SANITATION COMPANY

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

Kapsabet Nandi Water and Sanitation Company (KANAWASCO) applied to the Water Services Regulatory Board (WASREB) for a review of tariffs for water services, for the period 2023/2024 to 2025/2026 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 considering 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 KANAWASCO 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 KANAWASCO that the approved tariffs for the three financial years, 2023/2024, 2024/2025 and 2025/2026 shall be as follows:

1.0 Approved Tariff Structure

1.1 Water Tariff Structure for the Period 2023/2024 to 2025/2026

| Customer Category | Consumption Block in M ³ | Approved Tariff (KSh./M ³) |
|---|-------------------------------------|--|
| Domestic/Residential | 1-6 | 108 |
| | 7-20 | 112 |
| | 21-50 | 120 |
| | 51-100 | 125 |
| | 101-300 | 135 |
| | >300 | 150 |
| Multi-Dwelling Units | | 112 |
| Commercial/Industrial/Government/Institutions | 1-50 | 112 |
| | 51-100 | 130 |
| | 101-300 | 140 |
| | >300 | 155 |
| Schools, Universities and Colleges | 1-600 | 112 |
| | 601 - 1200 | 120 |
| | >1200 | 125 |
| Bulk Water Supply | Per M ³ | 72 |
| Bowsing Points | Per M ³ | 112 |
| Water Kiosks | Per M ³ | 35 |

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

1.2 Sewerage Tariff Structure for the period 2023/2024 to 2025/2026

(a) Consumers with a Water Connection

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

(b) Consumers without a Water Connection

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

- Single Dwelling Domestic unit: KSh. 350 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 Miscellaneous Charges

This shall be as follows

| Item/ Service | Charge (KSh.) |
|---|--|
| Water Deposit | |
| Category of Consumer | |
| Domestic | 2,500 |
| Retail shops less than 10m ³ | 3,000 |
| Retail shops more than 10m ³ | 3,500 |
| Bar, restaurants less than 15 m ³ | 4,000 |
| Bar, restaurants more than 15 m ³ | 6,000 |
| Hotel less than 150 m ³ | 12,000 |
| Hotel more than 150 m ³ | 15,000 |
| Hospitals more than 150 m ³ | 20,000 |
| Health centres 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 |
| Heavy industries more than 300 m ³ | 100,000 |
| Water Kiosks | 5,000 |
| *Customers with only sewer connection to be charged a deposit equivalent to water deposit | |
| Other Charges | |
| Service | |
| New water connection fee | 2,500 |
| Water Reconnection fee – at meter point | 1,000 |
| Water Reconnection fee – at mains | 5,000 and double deposit |
| Tanker – 8000, 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) | As per rates specified (in 1.1) above |
| 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 illegality |
| Illegal water connection, (Fraud) – Domestic | 30,000 plus estimated consumption during the period of the illegality |
| Overcharging (fraud) at water kiosk | 15,000 |
| Illegal sewer connection– Commercial, Industry, Construction | 100,000 |
| Illegal sewer connection– Domestic, Government, Schools, Universities and Colleges | 30,000 |
| Self-reconnection after cut off for non-payment | 5,000 and billing to be backdated from date |

| Item/ Service | Charge (KSh.) |
|---|---------------|
| | 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 KANAWASCO during the tariff period:

| Expenditure Item | 2023/2024 | 2024/2025 | 2025/2026 |
|---|-------------|-------------|-------------|
| Operations | 86,968,906 | 92,262,890 | 99,532,355 |
| Maintenance | 4,723,900 | 5,395,400 | 5,225,900 |
| Regulatory Levy (WASREB) | 4,241,309 | 4,826,864 | 5,357,201 |
| Operation and Maintenance (O and M) | 95,236,052 | 101,671,204 | 109,224,857 |
| Investments | 5,024,940 | 8,528,530 | 13,707,430 |
| Total Costs | 100,260,992 | 110,199,734 | 122,932,287 |
| Total Billing (KShs) | 103,929,810 | 118,543,666 | 131,759,146 |
| Collection Efficiency (%) | 93% | 95% | 95% |
| Projected Revenue | 96,654,723 | 112,616,483 | 125,171,189 |
| Subsidy from County Government | 5,000,000 | - | - |
| Total Projected Revenue including Subsidy | 101,654,723 | 112,616,483 | 125,171,189 |
| O+M Cost Coverage with Subsidy | 107% | 102% | 102% |
| Total Cost Coverage with Subsidy | 101% | 102% | 102% |

3.0 Conditions Attached to the Tariff Approval

The conditions attached to this approval which shall form part of the license conditions of Kapsabet Nandi Water and Sanitation Company are:

(i) Service Delivery Conditions attached to the Tariff.

| Target | 2023/2024 | 2024/2025 | 2025/2026 |
|---|--|-----------|-----------|
| Water Coverage (%) | 35% | 36% | 37% |
| Water Quality Standards (%) | 100% Compliance with Standards | | |
| Personnel Expenditure as % of O and M | 36% | 36% | 34% |
| Non-Revenue Water | 35% | 33% | 30% |
| Hours of Supply (Hrs.) | 14 | 15 | 16 |
| Staff per 1000 connections | 8 | 8 | 7 |
| Maintenance Expenditure as % of O and M | 5% | 5% | 5% |
| Metering ratio (%) | 100% | 100% | 100% |
| Collection Efficiency (%) | 95% | 95% | 95% |
| Resale at Kiosk | KSh. 2.00 per 20 litres. Tariffs at kiosks must be displayed at strategic points for public awareness | | |

Performance targets to be met and ascertained by WASREB. Appropriate enforcement measures shall be taken against non-achievement of the set targets.

(ii) Annual budgets: The WSP shall adhere to the budgetary levels set in the tariff.

(iii) County Subsidy: The County Government of Nandi will support the WSP with an operational subsidy to meet electricity costs.

| | 2023/2024 | 2024/2025 | 2025/2026 |
|--|-----------|-----------|-----------|
| Operational Subsidy (Electricity Cost)- KSh. | 5,000,000 | - | - |

(iv) Surplus: The surpluses projected to be realised shall be used on priority infrastructure projects identified by KANAWASCO and Approved by WASREB.

(v) Reporting: The utility shall submit to WASREB a quarterly tariff performance report in the format provided. WASREB will carry out a tariff implementation review at the end of each year.

(vi) Investments: The utility shall undertake the investments in Annex 1 and submit quarterly progress reports.

Annex 1: Investments

| SUMMARY OF CAPITAL INVESTMENTS TO BE CARRIED OUT BY KAPSABET NANDI WATER AND SANITATION COMPANY LIMITED FOR THE PERIOD 2023/24 – 2025/26 | | | |
|--|-----------|-----------|------------|
| | 2023/2024 | 2024/2025 | 2025/2026 |
| A. Non-Revenue Water (NRW) Reduction | | | |
| 1. Consumer Metering (New Connections and Replacements) | 2,190,000 | 3,000,000 | 3,200,000 |
| 2. Installation of Zonal Meters | 170,000 | 500,000 | 850,000 |
| 3. Network Rehabilitation | 813,590 | 3,867,180 | 4,955,080 |
| Sub-Total | 3,173,590 | 7,367,180 | 9,005,080 |
| B. Construction of Buildings | | | |
| 1. Security house | 150,000 | | |
| 2. Sanitation Block | | 200,000 | |
| 3. Water Kiosk | | | 500,000 |
| Sub-Total | 150,000 | 200,000 | 500,000 |
| C. Purchase of Movable Assets (Administration) | | | |
| • Motor Vehicles | | | 2,801,000 |
| • Motorcycles (2 Per Annum) | 586,350 | 586,350 | 586,350 |
| • Office Furniture | 575,000 | 375,000 | 225,000 |
| • ICT Equipment | 540,000 | - | 590,000 |
| Sub-Total | 1,701,350 | 961,350 | 4,202,350 |
| Total | 5,024,940 | 8,528,530 | 13,707,430 |

JULIUS ITUNGA,
Ag. Chief Executive Officer,
Water Services Regulatory Board.

MR/5166662

GAZETTE NOTICE NO. 10548

THE WATER ACT

(No. 43 of 2016)

APPROVED REGULAR TARIFF FOR KERICHO WATER AND SANITATION COMPANY

CORRIGENDUM

In the Gazette Notice No. 1305 of 2023, insert the following clause to provide for annual tariff indexation:

1.4. Indexation of the Approved Tariff

The utility's approved tariffs for water and sewerage shall be eligible for 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.

JULIUS ITUNGA,
Ag. Chief Executive Officer,
Water Services Regulatory Board.

MR/5166662