



**APPROVED TARIFFS**  
**ZENGAMINA POWER STATION LIMITED**

**MAY 2008**

## 1.0 INTRODUCTION

Zengamina Power Station is a mini-hydro power plant situated at Kalene, Mwinilunga in North Western Province with an installed capacity of 750kW. The project target is to supply power to Kalene mission hospital and the surrounding farms, business premises and residential areas. It consists of a hydro power station and a distribution network system.

The project cost is US\$2.9 million and was funded through donations from well wishers and a subsidy of ZMK100 million (US\$25,000) from the Rural Electrification Authority (REA). It is a private project owned by the North West Zambia Development Trust with 90% shareholding and the other 10% held by Mr. Charles Rea. It was officially commissioned on 14<sup>th</sup> July 2007 by the Republican President, H.E Levy P. Mwanawasa S.C.

The project is operational and currently supplies electricity to Kalene Hospital while other customers are scheduled to come on stream this year after installation of a large transformer.

On 17<sup>th</sup> November 2007, Zengamina applied to the Energy Regulation Board (ERB) to approve its proposed electricity tariffs. In accordance with provisions of the Energy Regulation Act, Cap 436 of the laws of Zambia, public meetings were held at Ikelenge and Nyakaseya in Mwinilunga district.

## 2.0 ERB APPROVED ZENGAMINA TARIFF

The ERB after considerations of submissions by both Zengamina Power Station Limited and the local community approved the tariff schedule for an initial period of one year beginning 1<sup>st</sup> May 2008 as follows:

Table: ERB approved tariff schedule for 2008

<b>Tariff category</b>	<b>Connection fee - ZMK</b>	<b>Monthly Service Fee - ZMK</b>	<b>Tariff ZMK/kWh</b>
<b>1. Residential</b>			
a. Residential block (up to 1.5amps)	250,000	40,000	0
b. Residential metered			
0-150 kWh	500,000	50,000	0

151-300 kWh	500,000	50,000	315
301-450 kWh	500,000	50,000	430
Above 450 kWh	500,000	50,000	750
<b>2. Commercial</b>			
a. Standard			
Single phase	500,000	50,000	430
Three phase	750,000	50,000	430
b. Off peak			
Single phase	500,000	50,000	315
Three phase	750,000	50,000	315
<b>3. Community Service</b>			
Single phase	500,000	50,000	315
Three phase	750,000	50,000	315
<b>4. Bulk User Tariff Threshold</b>	750,000	50,000	1,140

After expiry of the initial one period, Zengamina Power Station Ltd is required to reapply for a three-year multi year tariff.

As an incentive to promoting rural electrification, the Energy Regulation Board waived mandatory licence fees of 0.7% on turnover for an initial period of three years. This in line with ERB's quest of promoting "light handed" regulation for rural electrification and the waiver will help reduce Zengamina's operating costs.