

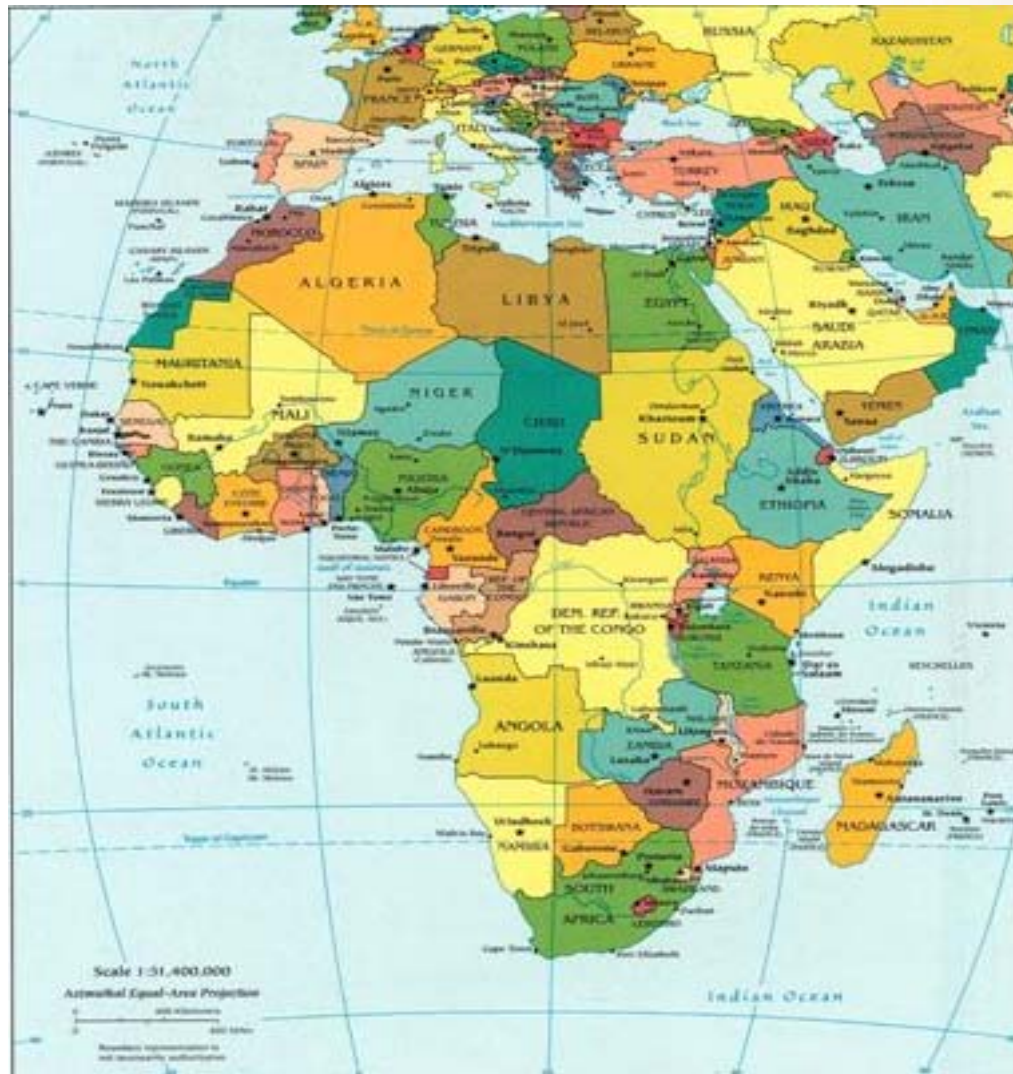
RECENT DEVELOPMENTS – ERB AND ZAMBIA'S ENERGY SECTOR

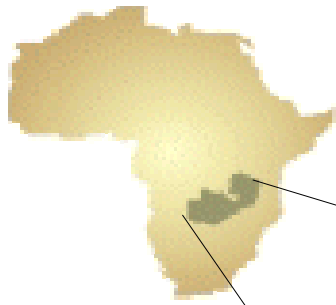


***Prof. Jorry M. Mwenchanya
BOARD MEMBER***

Prepared by Chairperson Zaloumis

AFRICA





ZAMBIA



UPDATE ON ERB



- **ZESCO TARIFF CASE**
 - Application received on 6 January
 - Decision on 30 April
 - ERB gave 11% instead of 15%
applied for: effective April 1, 2005
 - Utility has requested a reconsideration
 - Case still being dealt with

UPDATE ON ERB



- **WORLD BANK SUPPORTED CONSULTANCY**
 - **Commenced on 13 June 2005 for 15 months**
 - **Main focus:** Cost of service study
 - To determine cost of supplying to various consumer groups
 - Separation of costs amongst generation, transmission, distribution and supply
 - Tariff design taking into account economic efficiency, financial viability and social objectives

UPDATE ON ERB



- PROCESS OF OPENING A REGIONAL OFFICE ON COPPERBELT COMMENCED
 - Office identified in Kitwe
 - 3 out of 4 Core Staff Recruited
 - To be fully operational by Mid August 2005

ENERGY SECTOR



- **DRAFT ENERGY POLICY ISSUED**
- Recognises independence of regulator (ERB)
- Supports strengthening of ERB
- Energy Pricing Principles Advocated
 - Consumers to pay according to burden they impose on delivery system
 - Reasonable stability (large fluctuations to be avoided)
 - Minimum level of service to the poor
 - Real return on investment

ENERGY SECTOR



- **Energy Pricing Principles**
 - Simple and transparent pricing mechanism
 - Uniform tariffs (rates) across the country are not cost reflective: option of differentiated tariffs is open
 - ERB to apply financial viability, social concerns and economic efficiency measures in pricing



THANK YOU