

**ANNEX 2**  
**DETAILS OF THIKA WATER AND SEWERAGE COMPANY LTD.**  
**(THIWASCO)**  
**REGULAR TARIFF APPLICATION (2021/22 to 2025/26)**

**1. Cost and Revenue Structure for the Tariff Period (2021/22 to 2025/26)**

	Ksh.	Ksh.
<b>Cost Subject to Annual Indexation</b>		
Operations and Maintenance costs	910,447,580	910,447,580
<b>Fixed Costs</b>		
Average Annual Investment Cost	93,471,440	
Debt	-	
Average Annual Asset Renewal	101,997,690	
<b>Sub Total- Fixed Costs</b>		<b>195,469,130</b>
<b>Total Average Annual Cost</b>		<b>1,105,916,710</b>
<b>Projected Average Annual Revenue</b>		<b>1,186,296,371</b>
<b>Average Annual Cost Coverage</b>		<b>107%</b>

**2. Proposed Change in Water Tariff Structure for 2021/22 to 2025/26**

Customer Category	Current		Recommended Tariff	
	Consumption Block(m3)	Tariff	Consumption Block(m3)	Tariff
<b>Domestic/Residential</b>				
	0-6	33	1-6	50
	7-20	50	7-20.	75
	21-50	60	21-50	80
	51-100	65	51-100	85
	101-300	70	101-300	90
	>300	75	>300	95
<b>Multi Dwelling Units (MDUs) /Gated Communities</b>	<b>N/A</b>		<b>Flat Rate</b>	75
<b>Commercial/Industrial</b>			<b>Consumption Block(m3)</b>	<b>Tariff</b>
	0-6	40	1-50	77
	7-20.	55		
	21-50	65		
	51-100	70	51-100	85
	101-300	75	101-300	90
	>300	80	>300	95
<b>Government</b>			<b>Consumption Block(m3)</b>	<b>Tariff</b>
	0-6	40	1-50	77
	7-20.	55		

Customer Category	Current		Recommended Tariff	
		21-50	65	
	51-100	70	51-100	85
	101-300	75	101-300	90
	>300	80	>300	95
<b>Schools/ Colleges/Universities</b>	<b>Consumption Block(m3)</b>		<b>Consumption Block(m3)</b>	<b>Tariff</b>
	1-600	50	1-600	60
	601-1200	55	601-1200	65
	>1200	60	>1200	75
<b>Bulk supply to Water Kiosks</b>			<b>Per M<sup>3</sup></b>	35

### 3.0 Sewerage Tariff

#### 3a) Consumers with a Water Connection

Customer Category	Current	Proposed	
		Consumption Block in m <sup>3</sup> (75 % of water consumed)	Tariff Per M <sup>3</sup>
<b>Domestic</b>			
		1-6.	50
		7-20.	57
		21-50	65
		51-100	70
		101-300	75
		>300	80
<b>Multi-Dwelling Units/ Gated Communities</b>			65
<b>Commercial/Industrial/ Government</b>			
	75 % of water consumed at the price of water	1-50	65
		51-100	75
		101-300	80
		>300	85
<b>Public schools, Universities &amp; colleges</b>			
		1-600	65
		601 - 1200.	70
		>1200	75
<b>Water Kiosks</b>			35

(a) Sewerage is charged at 75% of the water billed for all customers with a sewer connection.

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

(c) Customer with no water connection:

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

- Domestic (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.

### **3. Indexation of the Proposed Tariff**

- i. The utility shall be eligible for annual indexation of the approved tariff, as per the regulations of the Water Services Regulatory Board (WASREB).
- ii. The inflation adjustment shall come into effect every **July** of the tariff period commencing 1<sup>st</sup> **July 2023**

### **4. Miscellaneous Charges**

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

## 5. Service Delivery Conditions attached to the Tariff

Target	Base Year 2020/21	2021/2022	2022/2023	2023/2024	2024/2025	2025/2026
Water Coverage (%)	97%	98%	98%	99%	99%	100%
Water quality standards (%)	92%	100% Compliance with Water Quality Standards				
Non-Revenue Water (%)	31%	30%	29%	28%	27%	26%
Maintenance/O&M	6.0%	6.0%	6.5%	7.0%	7.5%	8.0%
Personnel Expenditure as % of O&M	46%	46%	45%	44%	43%	42%
Hours of Supply (Hrs)	18.0	18.5	19.0	19.5	20.0	20.5
Staff per 1000 connections	5	5	5	5	5	5
Metering ratio (%)	100%	100%	100%	100%	100%	100%
Collection Efficiency (%)	92%	95%	95%	95%	95%	95%
Resale at Kiosk		Kshs. 2.00 per 20l Jerry Can				

## 6. Other Conditions

- i. **Annual budgets:** The WSP shall adhere to the budgetary levels set in the tariff.
- ii. **Surpluses:** The surpluses projected to be realised shall ONLY be used on the rehabilitation/ replacement of dilapidated water networks, to curb physical losses of water.
- iii. **Reporting:** The utility shall submit to WASREB a quarterly performance report in the format provided.
- iv. **Creation of distinct water and sewer cost centres:** THIWASCO will ensure it creates separate water and sewer cost centres and maintains distinct record of operations of the two centres.
- v. **Tariff Assessment:** - THIWASCO will be required to 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.
- vi. **Investments:** The utility shall undertake the following investments within the tariff period and submit progress reports on a quarterly Basis.

<b>PROPOSED INVESTMENT TO BE CARRIED OUT BY THIWASCO FROM INTERNALLY GENERATED FUNDS</b>					
<b>Investments</b>	<b>2021/22 (Kshs.)</b>	<b>2022/23 (Kshs.)</b>	<b>2023/24 (Kshs.)</b>	<b>2024/25 (Kshs.)</b>	<b>2025/26 (Kshs.)</b>
Procurement of operation vehicles	9,000,000	4,500,000	5,000,000	5,000,000	5,000,000
Procurement of motor bikes (4 annually)	1,600,000	1,600,000	1,600,000	1,600,000	1,600,000
Composite manhole covers	750,000	750,000	750,000	1,000,000	1,000,000
<b>Upgrading sewer networks</b>	<b>30,690,836</b>	<b>27,426,084</b>	<b>24,838,719</b>	<b>69,488,350</b>	<b>101,733,999</b>
Rehabilitation of Kenya Tanning - Biafra Main line	-	8,263,781	-	-	12,230,590
Construction of additional laterals in NAMSIP areas - Kiganjo	-	9,164,241	9,396,341	20,350,581	20,350,581
Construction of additional laterals in NAMSIP areas - Witeithie	-	9,998,063	10,009,888	13,590,641	20,807,631
Construction of sewer line at Kianjau - Castle area	-	-	5,432,491	5,740,491	-
Construction of sewer line at Kisii Stepping Stone area	-	-	-	5,432,491	-
Construction of sewer line at Kisii - Deacon's area	-	-	-	11,680,491	19,967,616
Rehabilitation of collapsing sewer trunk	-	-	-	12,693,656	-
Rehabilitation of old sewer ponds at Kangoki	30,690,836	-	-	-	-
Rehabilitation of sewer ponds (lagoons) at Bendor and Septic tank	-	-	-	-	5,178,300
Construction of additional laterals in NAMSIP areas - Ngoigwa	-	-	-	-	17,404,616
Rehabilitation of JAMOFFOST Estates	-	-	-	-	5,794,666
Furniture	1,500,000	1,500,000	1,500,000	1,500,000	1,500,000
Computers	2,000,000	1,400,000	1,600,000	1,800,000	2,000,000
Construction of office block	10,211,927	10,211,927	10,211,927	10,211,927	10,211,927
<b>Rehabilitation of Treatment Works</b>	<b>13,500,023</b>	<b>26,000,000</b>	<b>19,500,000</b>	<b>16,000,000</b>	<b>23,000,000</b>
Replacement of decanting troughs	-	7,000,000	7,000,000	7,000,000	11,000,000
Rehabilitation of rapid sand filters	7,000,000	7,000,000	10,500,000	7,000,000	7,000,000
Rehabilitation of filter modules Valves	2,000,000	2,000,000	2,000,000	2,000,000	-
Automation of the chlorine gas dosing system	-	10,000,000	-	-	-
Replacement of raw water pump at Chania River intake	-	-	-	-	-
Installation of 100 kVA standby genset	4,500,023	-	-	-	5,000,000
Setting up District Metered Areas (DMA's)	1,500,000	3,000,000	3,000,000	-	-
Procurement of THIWASCO mobile App	1,000,000	-	-	-	-
Purchase of water meters	9,000,000	9,000,000	9,000,000	9,000,000	9,000,000
Water treatment works (Upgrading)	33,600,000	101,052,122	88,448,799	94,117,072	-
<b>Extension of Water Networks</b>	<b>33,383,351</b>	<b>32,573,910</b>	<b>37,073,630</b>	<b>15,895,110</b>	<b>37,414,012</b>
Gatundu - Landless upper water expansion project	-	-	-	-	12,972,496
Gatunyaga - Munyu water expansion project	4,057,900	-	-	-	-
Landless - Riverside water expansion project	-	-	-	-	-
Castle-kianjau area water expansion project	5,341,710	16,620,736	-	-	-
Witeithie area water expansion project	5,976,916	-	-	-	-

<b>PROPOSED INVESTMENT TO BE CARRIED OUT BY THIWASCO FROM INTERNALLY GENERATED FUNDS</b>					
<b>Investments</b>	<b>2021/22 (Kshs.)</b>	<b>2022/23 (Kshs.)</b>	<b>2023/24 (Kshs.)</b>	<b>2024/25 (Kshs.)</b>	<b>2025/26 (Kshs.)</b>
Gatuanyaga - Chania Riverside water expansion project	2,947,539	-	-	-	-
Kiandegwa kianjau water expansion project	-	6,000,000	-	-	-
Ndula - Kilimabogo - Maguguni - Ngoliba water project	-	-	12,119,184	-	-
Rehabilitation of Pilot estate water network	-	-	-	-	-
Rehabilitation of JAMOFOSTA estate water network	4,448,400	-	-	-	-
Ngoingwa - Murram Rd Water Expansion Project	10,610,886	-	-	-	-
Rehabilitation of Section II and Bondeni estates water network	-	-	18,550,796	-	16,419,436
Kisii - Deacons Estate-Water main extension	-	-	-	15,895,110	-
Salama - Lang'ata water expansion project	-	9,953,174	6,403,650	-	8,022,080
<b>TOTALS</b>	<b>147,736,137</b>	<b>219,014,043</b>	<b>202,523,075</b>	<b>225,612,459</b>	<b>192,459,938</b>