



So, Where's The "Lifeline" In Zimbabwe's New Power Tariffs?

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Fullard Gwasira

Zesa Holdings is implementing the stepped tariff system. The system rewards customers who are conscious about saving power by placing them into bands within which electricity is paid for differently.

The first 50 units are charged under what is known as the "lifeline" tariff. This is a deliberate attempt by authorities to ensure electricity to all customers, especially the vulnerable.

It, therefore, makes electricity a basic human right. This band of 50 units is charged at 41 cents per kWh and enough to power a two-plate stove and five lights. That is not to say that's the limit: Those who may not be able to pay are afforded an opportunity to do so.

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Eighty to 90 percent of customers belong to this group. However, the tariff recognises that electricity then becomes a premium after this band.

It means households in the band have gadgets that consume a lot of power or have electricity uses with the same effect. In the third band, customers pay the full cost of power; a cost-reflective tariff of ZWL\$3.87.

The impact is that a customer who makes purchases more than once a month will get different values from purchase tokens. For instance, if one buys 50 tokens, one would benefit from the "lifeline" tariff. Conversely, if one then buys power again a day or two later, one will not get the "lifeline" benefit but then go to the 91cents.

The system does these computations. Customers are particularly unhappy with the latest arrangement because of debt. If I, for instance, owe Zesa and pay for or buy electricity for ZWL \$100, the system computes the first 50 kWh and the remainder goes towards paying the debt.

So, I then get electricity at only ZWL\$50, meaning the three bands I mentioned earlier would have computed the "lifeline" tariff at 44 cents; the next tariff at 91cents and the final tariff at \$3.87.

On analysis, customers will realise that cumulatively, the cost of power has not gone up as such: people are getting a feel of a cost-reflective tariff.

One will benefit from the "lifeline" tariff on the first purchase of the month. The purchase does not have to be on the first day of the month or the second, third, fifth or 15 th . Just remember that it is the first purchase of the month! While the "lifeline" tariff is cheaper, one will not benefit from it if he/she makes repeat purchases.

You start from 91 cents going up to ZWL\$3.87. So, customers who make small purchases repeatedly over the month eventually pay more. The same applies to those who buy more than they need.

For argument's sake, if you only require 200 units but buy 300 units, computation will then kick in after the said threshold. You would have incurred an extra cost on each unit over 200. Yet, all the power you needed would have been covered in the first two bands, which are relatively cheaper.

Fullard Gwasira is the spokesperson of Zimbabwe's national power company, Zesa Holdings. He was speaking to Zimpapers Television Network correspondent Leeroy Dzenga on October 31, 2019.

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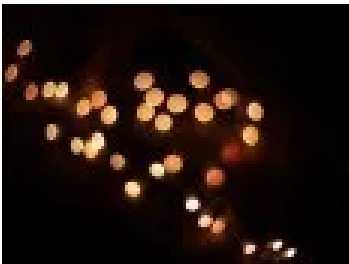
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