

National Assembly

Notice of question-----

No. 62

BY

25-04-2023

Hon Edson ISAACS (LPM)

Signature



*E. Isaacs*

I hereby give notice that on Thursday 27 April 2023, I shall ask the Honourable Tom Alweendo, Minister of Mines and Energy the following question with regard to expected tariff increases by NamPower.

Last year, around about the same time, the Electricity Control Board approved a tariff adjustment, and Nampower subsequently increased tariffs with 5.8%. At the time the ECB in its tariff adjustment brief stated that the review was made after a 2-year pause.

The ECB stated that "annual electricity tariff reviews are conducted to ensure that utilities charge appropriate tariffs to collect enough revenue to enable reliable and efficient operations at affordable rates."

This year again, Nampower asks the ECB to approve an upward adjustment of 16.85%.

I have not seen the brief of this year, and is thus in the dark about reasons for a rather steep increase that is proposed.

Nampower reported a drop in sales amounting to about 5 percent and a loss of profit before interest and tax to the tune of 2.3 billion NAD compared to a 1.1 billion profit in the preceding year.

Nampower blamed the losses on weak collection of payments from customers, economic downturn of the past 5 years exacerbated by Covid19.

1. Can the Hon Minister confirm that Nampower is facing for the first time in 5 years some financial woes, occasioned by sluggish economy and Covid19, therefore external factors and to what extent those are the prevalent reasons? How much of the losses could be attributed to management, under or over reporting or other internal factors?
2. With inflation expected to slow to 4.0 percent in 2023, why is Nampower requesting 12 percent more in tariff increase?
3. How growth in revenues does Nampower expect from the tariff increase, and....
4. How much of revenue coming from an increase will be directed to improving Nampower generation capacity?