

ANNEX 2
DETAILS OF NORTHERN COLLECTOR TUNNEL WATER SUPPLY SYSTEM
(AWWDA)
REGULAR TARIFF APPLICATION (2024/25 to 2026/27)

1. Cost and Revenue Structure for the Tariff Period (2024/25 to 2026/27)

Particulars	Annual Revenue/Costs for the Period (Ksh)		
Personnel Expenditure	42,351,434	46,586,578	51,245,235
Training	3,410,000	3,751,000	4,126,100
General Administration	6,689,500	7,386,800	8,125,480
Other Operational Expenditure*	232,258,018	256,564,924	279,517,954
Maintenance Expenditure	12,291,000	14,088,450	15,497,295
WRA abstraction Fees	127,750,000	127,750,000	127,750,000
Regulatory Levy	17,108,280	17,108,280	17,108,280
Total O&M Expenditure	389,407,298	415,511,654	439,873,529
Loan Repayment	1,355,650,629	1,333,290,339	1,310,930,049
Total Expenditure	1,745,057,927	1,748,801,993	1,750,803,579
Annual Revenue	1,805,874,000	1,805,874,000	1,805,874,000
Tentative Cost Coverage	103%	103%	103%

Other Operational Expenditure* - This includes expenses for Electricity, Chemicals for Water Treatment, Fuels and Lubricants, Water Abstraction Fees, Fuel for Vehicles, and other miscellaneous expenses

2. Proposed Bulk Water Tariff for 2024/25 to 2026/27

	Current Tariff (Ksh/M ³)	Proposed Tariff (Ksh/M ³)
Sale per M ³	N/A	38

Service Delivery Conditions attached to the Tariff

- a) **Performance Targets:** The tariff adjustment approval is recommended for three years, during which all the assumptions made in the tariff projections will be monitored and Northern Collector Water Supply System will be expected to meet the targets below:

Target	2024/2025	2025/2026	2026/2027
Non-Revenue water	7%	7%	7%
Water Quality Standards	100%		
Hours of Supply	24 Hours	24 Hours	24 Hours
Personnel Cost as % of O+M	17%	17%	17%
Metering ratio	100%	100%	100%

- b) **Performance Evaluation:** Performance targets to be met and ascertained by WASREB, at the end of the 1st year of the tariff period. Non-achievement of the set targets without justifiable cause shall lead to reduction of the approved tariffs as a penalty.

- c) **Annual Budgets:** The approved cost structure shall form the annual budget for the Bulk Water Supply for each of the financial years of the tariff period.