

LESOTHO ELECTRICITY AUTHORITY (LEA)

THE ROLE OF SUBSIDIES IN ELECTRIFICATION AND THE DESIGN OF PRO-POOR PRICING MECHANISM IN THE ELECTRICITY SECTOR

A. STAKEHOLDERS INPUTS REQUESTED

Electricity access in the country remains low at around 19%. This is so despite massive electricity infrastructure development over the past eight (8) years. Almost all major urban centres in the country have electricity. But, there are still households who do not have an electricity connection.

The Lesotho Electricity Authority (LEA) is of the view that increasing electricity access to large proportion of the households can make a significant contribution in economic growth and development.

The Authority is therefore considering pro-poor pricing mechanisms that are aimed at assisting poor households gain access to electricity. In order to assist the Authority in designing an appropriate and relevant solution to the problem, stakeholders are requested to provide comments on the following:

- 1. The basic household electricity needs that could be met through electricity subsidy for the poor households;**
- 2. The amount of electricity units required per month to supply basic needs;**
- 3. How electricity consumption should be measured for the low-consumption households;**
- 4. How should a subsidy be financed;**
- 5. The selection criteria for the eligible households for electricity consumption subsidy;**
- 6. The size of circuit breaker that is required for low consumption households;**

- 7. How customers who are no longer entitled to electricity subsidy should be upgraded;**
- 8. Any other comments or proposals to the LEA related to the electricity subsidy issues.**

Stakeholders' comments should be sent to the following:

Chief Executive or Economics Director or Executive Secretary
6th Floor Moposo House, Kingsway
Private Bag A315
Maseru 100

E-mails: Chiefexecutive@lea.org.ls or economics@lea.org.ls or secretary@lea.org.ls

The consultation document will be available on LEA website: www.lea.org.ls or at the LEA offices.

Those who would like to make oral representations before the Authority should make such indication in their submissions.

The deadline for submission of comments on the design of the pro-poor pricing mechanism is 16 October 2009.