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# EWRC Annual Report 2019





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# **EWRC**

# **Annual Report**

# **2019**

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**“** We are delighted to issue the first published annual report of the Commission since its establishment in 2011 and commencement of operations in 2015. I will want to thank the members of the previous board of commissioners for their service to the Commission and wish them every best in their future endeavours **”**.



## CHAIRMAN'S FOREWORD

The Commission is aware of its crucial role in balancing the interests of consumers and utility service providers. This involves ensuring consumers get the quality of electricity and water services at prices that will also allow the providers to recover all prudently incurred costs.

In 2019, the Commission placed significant priority on the finalisation of its regulatory instruments and implementation of an organisational development plan (ODP) for the period 2018 – 2022. The ODP is the strategic document for charting the path of the Commission for a five-year period. This document captures seven strategic goals that the Commission would pursue to make it a transparent and reliable utility services regulator. In November 2019, the Board and Management held a two-day retreat to extract the annual operation plan for 2020 after an extensive review of the National Development Plan and aligning with the ODP of the Commission. The Commission will continue to improve on its good governance structure to ensure that timely and well-informed decisions are taken in the interest of all stakeholders as considered in the annual operational plan for 2020.

The regulatory instruments were the outcome of public-wide consultations. Inputs and comments of consumers and stakeholders were incorporated in the final instruments.

By the end of 2019, the regulations were sent to Parliament to fulfil the appropriate statutory procedure instruments including the formal laying by the Ministers of Energy and Water Resources.

The Commission is optimistic about the future and once the regulatory instruments are passed, the Commission intend to increase and expand its consumer outreach programmes to ensure that consumers get quality services at fair/reasonable prices. The Board, as is expected, is going to support the efforts of its management team to ensure that the required work force to carry out the mandate of the Commission is put in place in collaboration with the Ministry of Finance.

Let me take this opportunity on behalf of the Board, Management and staff to thank the United States Government through the Millennium Challenge Coordinating Unit (MCCU) for supporting the electricity and water sectors in Sierra Leone with the threshold programme. The EWRC is particularly grateful for the support towards strengthening the capacity of the Commission. The United Kingdom Department for International Development (DfID) through the United Nations Office for Project Services (UNOPS) have also been of enormous benefit to the Commission and we thank them.

The Ministers of Energy and Water Resources have been very supportive to the Commission. We thank them and look forward to working with them to improve the electricity and water services in the country through effective regulation of the sectors. We also recognise the role of the parliamentary oversight committees on Energy and Water. We shall continue to provide status reports for the committees as when required in addition to the annual report that would be presented to parliament by the Ministers.

Finally, on behalf all members of the Commission, we would like to thank the President, His Excellency, Brigadier (Rtd) Dr. Julius Maada Bio for appointing the current team of Commissioners and commend his efforts in human capital development.

**Mohamed B D Seisay**  
Chairman



“ The year 2019 will be described as quite a successful year for the Commission. A number of activities emanating from the mandate of the Commission were implemented.

The Commission placed significant emphasis on outreach activities, development of regulations and revenue mobilisation during the year under review ”.



# DIRECTOR GENERAL'S REPORT

## Introduction

The Commission started the year with consumer engagement programmes across the country. These engagements focused primarily on the inputs on the draft regulations and the proposed tariff for Minigrad operators. These programmes were very successful as they attracted stakeholders from the service providers, sector ministries, consumer protection agency and local councils.

We are pleased to report that the strategic pathway of the Commission is on course with the implementation of the Organisational Development Plan (ODP) 2018 – 2022 and yearly annual operational plans following alignment with the National Development Plan. Efforts have been channelled to ensure that adequate funding is obtained for the full and efficient implementation of the plan. Against this backdrop, the Commission is working assiduously to enhance its relationship with the Ministry of Finance (MoF). Further, strategic engagements with the utilities is expected to yield fruits in the provision of quality at affordable prices. The Commission is working towards expanding its network of development partners to access more grant resources for its strategic goals.

## Regulatory Instruments

A substantial part of 2019 was spent working with our Legal Consultant and the Law Officers Department to finalise the regulatory tools required by the Commission to carry out its mandate. 15 regulatory instruments have been developed which are pending the laying by the Ministers and subsequently parliamentary approval.

We are happy to report that the regulations are aimed at improving the quality of supply of services and also consumers' services. They are also aimed at improving investors' confidence in the electricity and water sectors.

## 2019 Financial Outlook

Total revenue earned by the Commission was Le 10.4 billion; made up of Le 3.2 billion GoSL subvention through the payment of salaries and related allowances of commissioners and staff; and Le 7.0 billion and Le 0.2 billion respectively from levies and licence fees in line with section 25 of the Commission's operating Act, the highest ever since inception of the organisation. Unfortunately, due to the financial challenges of the regulated utilities, levies and licences income (i.e. EWRC's main internally generated incomes) increased by only 13% over the 2018 levels.

Total Expenditure of the Commission for the year under review amounted to Le 5.6 billion leaving income over expenditure of Le 4.8 billion. Notwithstanding, the Commission ensured operating costs were contained to within budget limits though certain programmes were not undertaken due to non-receipt of the budgeted resources.

## Results Based-Financing (RBF)

We completed the first and second quarters of the RBF. During this period, EDSA, EGTC, GVWC and SALWACO were engaged in line with the programme design. Key Performance Indicators were developed and monitored during the first and second quarters. The Commission has been heavily involved in the RBF process which saw improved reporting from the entities. The capacity of the Commission's technical staff was greatly enhanced through the participation on the verification activity with the support of the Oxford Policy Management (OPM) team.

## Regional Activities

The Commission has been a key player in the development of the regional electricity market rules. The Commission was adequately represented in the consultative meetings

organised by the ECOWAS Regional Electricity Regulatory Authority (ERERA). The rules have now been launched and these rules are aimed at regulating the selling and purchasing of electricity within the ECOWAS region through the West African Power Pool (WAPP).

The Commission also participated in the Electricity Regulatory Index (ERI) programme organised by the African Development Bank (AfDB). For the 2019 index, the Commission ranked 19th place out of 35 countries. The ERI is a special report that measures the level of development of the regulatory frameworks in African countries and examines their impact on the performance of their respective electricity sectors based on Industry best practice. The index was composed of three sub-indices on regulatory governance, substance, and outcome.

The harmonised comparison of tariff for ECOWAS states was also carried out by the ERERA with support from the AfDB and the Commission participated fully in this activity and all relevant information provided to the team of consultants employed by ERERA. The final report has been presented to the AfDB.

## Donor Support

The Commission received logistical support from UNOPS and MCCU of vehicles (3), motorbikes (11), laptops (7), and furniture (including workstations, desks, swivel chairs, tables, bookshelves, filing cabinets). MCCU supported the training of six commissioners and 10 staff on various regulatory and professional programmes that are relevant to the mandate of the Commission. Two senior staff of the Commission also benefited from capacity development (twinning and training) sponsored by ERERA and National Association of Regulatory Utility Commissioners (NARUC).

## Outlook

During my tenure, I intend to make sure the Commission strives to make a difference. To this end, I have indicated to the staff team that we must make good, informed and timely decisions to deliver on our mandate. We would need to be proactive and ensure that investors and consumers' interest are at the centre of our work.

Doubtlessly, outreach and public engagement will have to be paramount in the ensuing years, followed by robust performance monitoring of the utilities. The passing of the regulations and the implementation of the MCC supported RBF activity are key focus areas of the Commission. Broadly, our responsiveness to the needs of all stakeholders would also have to be improved. The Commission is committed to transparency and accountability and the team is determined to examine the work that we do to ascertain our worth to our stakeholders and ultimately the users of electricity and water services.

I profoundly appreciate the support of the Board members toward achievement for 2019. Every member of staff contributed immensely to achievements albeit against a number of challenges. I am therefore grateful to the team and I have no doubt that we will deliver more in 2020.

**Emmanuel Mannah, PhD**  
**Director-General**



## EXECUTIVE SUMMARY

### Introduction and strategic intent of the EWRC

The Sierra Leone Electricity and Water Regulatory Commission (EWRC) is set up by an Act of Parliament to regulate the provision of the highest quality of electricity and water services in the country. The SLEWRC consequently, is set out to regulate the electricity and water industries in Sierra Leone in accordance with government laws and policies, standards, and international best practices in support of sustainable and orderly development. EWRC has therefore identified crucial strategic goals in tandem with the strategies of the Ministries of Energy and Water, and key development partners like the MCCU to support the implementation of critical sector and institutional reforms within the country.

2019 is regarded as the most successful year since the Commission was established. Key activities mandated by the Commission's operating law were implemented placing priority emphasis on outreach activities, development of regulations and revenue mobilisation over the year. For example, the Commission started the year with consumer engagement programmes across the country with greater focus on inputs on the draft Regulations and proposed tariff for minigrid operators. These programmes were very successful as they attracted stakeholders from service providers, sector ministries, consumer protection agencies and local councils.

Internally, the strategic pathway of the Commission is on course with the implementation of the Organisational Development Plan (ODP) 2018 – 2022 which includes yearly annual operational plans aligned with the National Development Plan. Efforts have been channelled to ensuring that adequate funding is obtained for the implementation of the ODP. Consequently, the Commission has been improving its relationship with the Ministry of Finance (MoF) to seek funding for its investment activities. Further, strategic engagements with the utilities is also expected to improve the provision of quality services and at affordable prices. The Commission is also working towards expanding its network of development partners to access more grant resources to meet its strategic priorities.

### Board and Management of the Commission

The Commission is governed by a nine-member Board appointed by the President on the recommendations of the sector ministers. The Board consists of a Chairman; a representative each of the Sierra Leone Institution of Engineers; Sierra Labour Congress; the Sierra Leone Consumer Protection Agency; and four (4) other persons with formal qualifications, extensive knowledge and experience relevant to the functions of the Commission (two each from the electricity and water supply sectors), and the Director-General. The Chairman and other members of the Commission, except the Director-General are, by statute appointed for a three-year term and shall be eligible for reappointment for only a second term of three years.

Management is controlled by the Director General who acts as the chief executive officer (CEO) of the Commission. The management team serves both as a secretariat and provider of expert services. Management prepares and circulates documents for consideration / approval at the Board meetings for implementation. The Commission is supported by a permanent staff team made up of engineering/technical, economics, financial, customer service, legal and other professionals.

### Departmental Reports

The electric utilities were engaged in several meetings following the unbundling of the now defunct National Power Authority (NPA) with a view to fully understand how they are coping as two different institutions performing different roles towards serving the same consuming public. These engagements were directed to giving the Commission an opportunity to determine where regulatory interventions were urgently needed in line with the relevant ruling laws and regulations of the EWRC and the electricity sector.

The water department embarked on key number of activities aimed at increased monitoring of the sector players and effective collaboration with key stakeholders. The Guma Valley Water Company (GVWC) submitted a global rationing schedule to distribute water within Freetown in April 2019 and the Commission reviewed the schedule and monitored the implementation. Various institutions and operators were provided

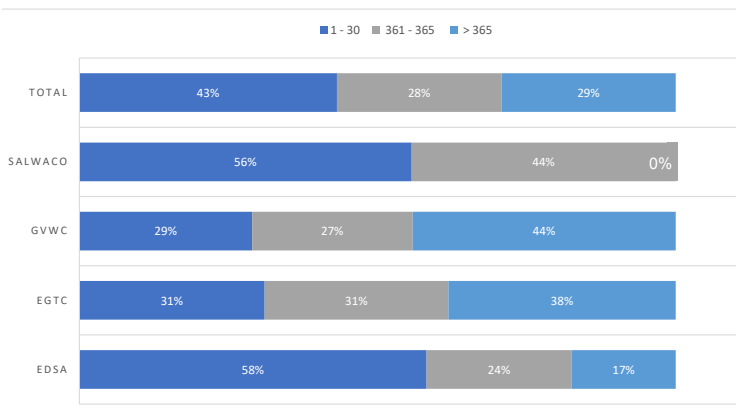
with provisional licenses and permits during the period under review in line with EWRC's mandate of issuing out licenses and supervising the terms and conditions of the licenses. The Compliance rate is gradually improving as the Commission have worked on regulatory tools aimed at improving compliance.

The regulation of tariffs for all customers is a key role and a priority of the Commission. The regulatory process ensures stronger tariff stability and a balance between the interests of a supplier (i.e. utility service provider) and consumers. Under the current tariff setting regime, a service provider is able to make investments in improving their business as well as to earn a reasonable profit to sustain its continued operations.

### Financial Performance

2019 was a good financial year for the Commission despite challenges with collection of receivables from our main customers (about 57% of EWRC's billings are overdue: see chart below). Overall incomes increased by 23% mainly due to GoSL subventions of payroll payments; expenditures increased by 43% leaving a surplus of Le 4.8 billion or a 6% increase over the 2018 surplus levels. The next table is a snapshot of the financials (see Table 9 for the full financial statements).

ACCOUNT DESCRIPTION	2019	2018	
Income	Le '000	Le '0000	% Change
Income from GoSL	3,164,578	2,018,314	57%
Internally Generated Income	7,214,569	6,398,209	13%
Total Income	10,379,147	8,416,523	23%
Total Operating Expenses	5,589,433	3,914,307	43%
Surplus / (Deficit)	4,789,714	4,502,216	6%





# SIERRA LEONE ELECTRICITY AND WATER REGULATORY COMMISSION IN BRIEF

## Mandate

To regulate the provision of the highest quality of electricity and water services as provided for by the Sierra Leone Electricity and Water Regulatory Commission Act, 2011.

## Vision

To be a recognised world-class leader in water and electricity regulation

## Mission

To regulate the electricity and water industries in accordance with government laws and policies, standards, and international best practices in support of sustainable and orderly development.

## Strategic Goals

The Government, through the support of the Millennium Challenge Corporation Threshold Programme and other development partners is implementing critical sector and institutional reforms that would go a long way in changing the trajectories of electricity and water sectors to the economy of Sierra Leone. EWRC as a regulatory institution has also been developing the required regulatory frameworks and instruments to enable it effectively carry out its mandate in the electricity and water sectors. EWRC identified seven strategic goals to be of important focus from 2018-2022, namely:

- Strategic Goal 1: Ensure that EWRC's organizational capacity is strengthened
- Strategic Goal 2: Ensure market entry, competition, and universal access;
- Strategic Goal 3: Ensure that utility tariffs are based on efficient cost of service;
- Strategic Goal 4: Ensure quality of service comparable to international standards;

## Core Values

The work of EWRC is guided by the following values:

- Professionalism
- Spirit of Partnership
- Excellence
- Innovation
- Integrity
- Responsibility
- Pride

- Strategic Goal 5: Ensure Consumer Protection;
- Strategic Goal 6: Establish effective cooperation with international stakeholders and;
- Strategic Goal 7: Establish effective cooperation with national stakeholders.

## Functions

By virtue of Section 19 of the SLEWRC Act (2011), the Commission is an independent body and is not subject to the direction or control of any person or authority in the performance of its functions. SLEWRC is, however, statutorily required to submit audited financial statements and reports of its operations yearly to the Minister(s) of the sectors and subsequently the Minister(s) lay a copy before Parliament. The Commission is enjoined by law, its regulatory policy and good regulatory practice to take reasonable account of representations made to it by consumers before approving any rates.

- Issue and as the case may be renew, amend, suspend, revoke, and cancel licenses
- Monitor compliance with the terms of the licenses
- Provide guidelines on rates chargeable for provision of electricity and water services
- Protect the interest of consumers and providers of electricity and water services
- Monitor standards of performance for the provision of electricity and water services
- Initiate and conduct investigations into the quality of service given to consumers
- Promote fair competition among public utilities
- Conduct studies relating to economy and efficiency of public utilities
- Make valuation of property of public utilities as it considers necessary for the purposes of the commission
- Collect and compile data on public utilities as it considers necessary for the performance of its functions
- Advise any person or authority in respect of any public utility
- Maintain a register of public utilities
- Carry out such other activities conducive to the attainment of the object of the Commission as stated in Section 10 (1)

The operations of community water systems are however excluded from the Commission's purview.

The Commission works through Committees comprised of both Commissioners and Secretariat staff, which deliberate on matters and submit recommendations to the Commission for approval. The Committees are: Finance and General Purpose, Technical (electricity and water) and License Committees.

The mandates of SLEWRC include: approving rates chargeable for provision of electricity and water services, protecting the interests of consumers and providers of electricity and water services, monitoring the compliance of service companies with standards of performance established by the Commission, and promoting fair competition among public utilities. The Commission also receives and resolves complaints related to the provision of electricity and water services.

The Commission has regulation-making powers and is in the process of seeking parliamentary approval for over 15 (fifteen) regulations to enhance quality electricity and water services.

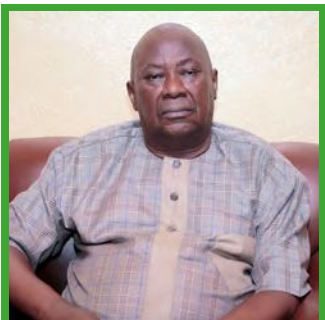
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## THE BOARD COMMISSIONERS

The nine (9) members of the Commission are appointed by the President on the recommendation of the sector ministers. The Commission consists of a Chairman; a representative each of the Sierra Leone Institution of Engineers; Sierra Labour Congress; the Sierra Leone Consumer Protection Agency; and four (4) other persons with formal qualifications, extensive knowledge and experience relevant to the functions of the Commission (two each from the electricity and water supply sectors), and the Director-General. The Commission is supported by a staff team made up of engineering/technical, economics, financial, customer service, legal and other professions.

The Chairman and other members of the Commission, except the Director-General, are by statute appointed for a three-year term and shall be eligible for reappointment for only a second term of three years. Members of the Commission comprise:



Mohamed B. D. Seisay  
Chairman



Ing. Juana P. Moiwo (Dr.)  
Member



Ing. L. J. Tani Pratt  
Member



Ibrahim M. Kabia  
Member  
Representative of the Sierra  
Consumers Protection  
Agency



Saidu Boakarie  
Member



Ing. John Bosco Kaikai,  
Member  
Representative of the  
Sierra Leone  
Institution of Engineers



Sahr J. B. Nyayenga  
Member



Muluku Sulaiman Tarawally  
Member  
Representative of the Sierra  
Leone Labour Congress



Emmanuel Mannah, PhD  
Member (Director-General)

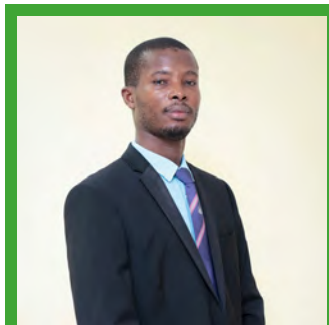


## MANAGEMENT TEAM

The Management is superintended by the Director General and is the executive body that operates under the oversight body consisting the Chairman and Members of the Commission. The Management serves both as a secretariat and as the provider of expert services. The Management prepares and issue documents for considerations at the Commission meetings, enacts approved decisions and oversees the implementation of those decisions.



Emmanuel Mannah, PhD  
Member (Director-General)



Head-Electricity Engineering  
Ing. Kelcise Vidal Sesay



Head-Water Engineering  
Ing. Michael Mohamed  
Kargbo



Head-Finance and  
Administration  
Salieu Mohamed Barrie



Head-Regulatory  
Economics  
Brima Bah



Head-Consumer-Affairs and  
Public Relations  
Ngozi Obi Sesay (Mrs.)



## OPERATIONS - DEPARTMENTAL REPORTS

### Electricity Technical Regulation

The electric utilities were engaged in several meetings following the unbundling of the now defunct National Power Authority (NPA) with a view to fully understand how they are coping as two different institutions performing different roles towards serving the same consuming public. These engagements were also geared towards giving the Commission an opportunity to determine where regulatory interventions are urgently needed in line with the SLEWRC Act 2011 and National Electricity Act 2011.

The Electrical Contractors were also engaged with an aim of ensuring that a standard approach is followed in all electrical installations and to ensure that their activities are regulated. The aspect of having all contractors registered and licensed was given premium in the engagement. The Sierra Leone Licensed Electrical Contractors Association (SLLECA) was asked to take the lead to bring their members forward for registration. The Executive of the Association made firm commitments to the Commission in that regard.

The department coordinated the draft process for a Power Purchase Agreement (PPA) between the two state-owned utilities, the Electricity Generation and Transmission Company (EGTC) and the Electricity Distribution and Supply Authority (EDSA) and made meaningful contributions during the review process and in subsequent negotiation meetings as a stakeholder in an observatory role. A significant contribution was also made during the technical processing and analysis of the tariff application done by EDSA. The department provided the required technical expertise to the Regulatory Economics department during the review of the application.

The Interim Electricity Grid Code review process was initiated with a Grid Code Committee comprising electricity industry stakeholders such as the utilities, large consumers, academic and professional institutions and government representatives. The review process is geared toward a technical and legal assessment of the draft code and the recommendation or modification of the same to fit the development aims of the electricity sector and energy policy.

The Commission formed part of the GoSL team in a number of PPA negotiation sessions with prospective power sector investors. Technical staff from the department along with the Regulatory Economics staff joined other government experts mostly in an observer's role to guide the government in these negotiations.

The department participated in a number of workshops and events organized by the Ministry of Energy (MoE) such as the workshop on "Standard Procurement and Implementation Documents for Solar IPPs process". The department welcomed three electrical engineers to fill the positions of electricity engineer and electricity enforcement officers. The review of the KPIs for the Electricity sector was also carried out. This formed part of the Results-Based Financing (RBF) project, under the MCCU's Threshold Programme. In this review, the Commission engaged the utilities on the KPIs identified for this process and a number of meaningful sessions resulted in the definition of a set of indicators to be used for the RBF evaluations.

The Commission was represented in the Technical Committee of the Energy Sector Steering Committee charged with the assessment of the sector's preparation for the launch for Cote D'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) line and the subsequent connection of the same. Technical staff from the department participated in the engagements of this sub-committee as it assessed the country's state of readiness.

### Water Technical Regulation

The water department embarked on key number of activities during 2019 aimed at increased monitoring of the sector players and effective collaboration with key stakeholders. The GVWC submitted the global rationing schedule to distribute water within Freetown in April 2019 and the Commission reviewed the schedule and is currently monitoring the implementation.

#### Sierra Leone Water Company (SALWACO)

Monitoring of Facilities: The Director General, the Head of Water and three Commissioners (Mr. Saidu Boakarie, Ing. Dr. Juana P Moiwo and Mr. Sahr Ngayenga) visited the water systems in Bo Kenema and Kailahun. During the visit, we were able to discuss with the various managers

and engineers responsible for the operations of the respective systems at the various locations. Generally, we identified some common problems at all locations, such as very low customer base, poor services delivery and very low debt recovery.

### **Packaged Water Producers**

The Commission together with Ministry of Health and Sanitation, Sierra Leone Standards Bureau and the Packaged Water Association undertook a comprehensive monitoring exercise of packaged water entities between October and November 2019. A total of 167 packaged water entities were inspected in Freetown. A training of packaged water producers, in collaboration with the Ministry of Health and Standards bureau, was carried out to ensure that there is improved hygiene, water quality and consumer service. At the training, packaged water providers were given a deep insight into the regulatory requirements and critical compliance issues were discussed as laid out in the Packaged water Regulation.

Efforts were directed to the harmonisation of roles of the Ministry of Health, Standards Bureau, with the Commission serving as the lead in the harmonization process. The harmonisation work commenced in June 2019 with meetings that led to the joint monitoring of all packaged water facilities in Sierra Leone. All roles were harmonized and a document was developed, with the roles of every stakeholders agreed upon and highlighted.

### **Support to other Departments of the Commission**

- The Water Department facilitated the licensing of water operators
- Supported the Economic Regulation Department to conduct technical review of the GWWC and SALWACO tariff applications
- The Consumer Affairs and Public Relations department were supported to handle complaints from water producers and also in public consultations and radio talk shows.

### **Legal and Compliance**

The Commission is mandated to issue out licenses, and supervision of terms and conditions of licenses. Various institutions and operators were provided with provisional licenses and permits during the period under review. The Compliance rate is gradually improving as the Commission have worked on regulatory tools aimed at improving compliance.

### **Regulations**

The Commission championed the preparation of the following 16 regulations:

- Minigrid Regulations (Passed by Parliament in November 2019)
- Electricity and Water License Rules
- Conduct of Business Regulations
- Electricity Quality of Supply Regulations
- Electricity and Water Tariff Rules
- Electricity Consumer Services Regulations
- Electricity Prepayment Meter Aggregators Permit Rules
- Electricity Meter Service Providers
- Certification of Electrical Professional and Vendors Rules
- Captive Power Generation Permit Rules
- Electricity and Water Complaints Handling Regulations
- Electricity and Water Reporting Rules
- Water Consumer Service Regulations
- Water Quality of Supply Regulations
- Bottled and Sachet Water Production Regulations
- Certification (Water Supply Industry Professionals) Rules

### **Water Sector**

#### **Types of Water License**

The Water department pursued the licensing of various operators in the sector. A public register has been developed as required by section 16 of the SLEWRC Act, 2011. The register currently categorizes water licensees into:

- Production Utilities
- Distribution Utilities
- 

### **Electricity Sector**

#### **Types of Electricity License**

The Electricity department pursued the licensing of various operators in the sector. A public register has been developed as required by section 16 of the SLEWRC Act, 2011. The register currently categories electricity licensees into:

- Distribution and Supply Utilities
- Mini-grid operators
- Generating Utilities
- Electrical Contractors
- Captive Power Generation
- Electrical Materials Suppliers
- Electrical Energy Metering Service Providers
- Aggregators

## Licenses Overview

The Commission developed a license monitoring tool in 2019 and also recruited a staff dedicated to license compliance and monitoring. Table 1 below shows the licenses that were issued for 2019.

Table 1: Issued Licenses

License Category	Sector	Number
Electrical Contractors	Electricity	13
Electrical Material Vendors	Electricity	4
Electric Utilities	Electricity	4
Standby Genset Permit	Electricity	25
Packaged Water Producers	Water	24
		70

## Consumer Services and Public Relations

Consumer protection is a key function of the Commission and during the year under review major steps were taken to improve consumer education.

### Website and Social Media

The Commission's website ([www.ewrc.gov.sl](http://www.ewrc.gov.sl)) which was developed in 2016, received a boost in 2019. Pertinent information were added to the website and appearance/display and enhanced to make navigation easy for internal users and visitors. Investors, utilities, the public and other relevant stakeholders can now get their information needs from the website.

### Public Education and Outreach Programme

Nationwide consultations were carried out for both the mini-grid and on-grid regulations and the results informed not only the final version of the regulations but also broadening of the Commission's strategic plan. Minigrid tariff consultations were carried out with residents of 13 sample locations and the views of the communities considered in the final tariff decision.

Public Notices were issued for the EDSA tariff application and the first public hearing of the Commission was held on 24th October 2019 where the consuming public was given a platform to be heard on the tariff application of EDSA as required by section 45 (3) of the Act. The Commission commenced its weekly radio programme (Every Friday 2pm to 3pm) dubbed Electricity and Water Regulatory Talk. The programme has been a huge success. The Commission also printed a good quantity of brochures that were distributed to these communities as way of increasing public awareness about the Commission's mandate, vision, mission and functions.

### Consumer Complaints and Resolution

The Commission considers addressing consumer concerns to be of paramount importance. To this end, the Commission did a detailed assessment on how an effective consumer complaint system can be deployed on a solid information communications technology platform. A proposal for the system development and installation has been submitted to the Millennium Challenge Coordinating Unit (MCCU) for funding under the MCC Threshold Program. Meanwhile, the utilities are regularly visited for purposes of monitoring the management and resolution of consumer complaints.

The Commission received a total of 35 (thirty-five) telephone complaints from customers between August and December 2019.

The complaints ranged from faulty meters to selling price of bundle water. All these complaints have been addressed. Additionally, the following written complaints were received from customers in relation to high voltage from EDSA and poor-quality water of bottled producers.

### Service Provider Complaints and Resolution

We received a complaint by letter, from Foodland Water Company on 27th May 2019, regarding impersonation by Crystal Clear. The Commission then invited both parties to the office, and after a successful mediation process and pointing out the competition guidelines of the Commission, both parties agreed to settle the matter amicably. Another complaint was received in November 2019, but this time around, the impersonation complaint was reported against two companies in Makeni. Foodland reported that their label is used 20 litre bottles with expired dates by Mountain Valley Water Company in Makeni. Similarly, Hawasaad Supermarket at No. 30 Azzolina Highway, Makeni is involved in the same act with

the 18 litre bottles. These matters are still under investigation but the Commission will soon close on them.

## Economic Regulation

The regulation of tariffs for all customers is a key role and a priority of the Commission. The regulatory process ensures stronger tariff stability and a balance between the interests of a supplier (utility service provider) and consumers. Under the current tariff setting regime, a service provider is able to make investments in improving their business as well as to earn a reasonable profit for its shareholders.

### Electricity Tariff

#### Promoting Renewable Energy Services for Social Development (PRESSD) Project

The PRESSD-SL Project is aimed at promoting renewable energy country-wide. Funded by the European Union and implemented by International and Local NGOs in partnership with the Ministry of Energy, the mini-grid systems will supply a large number of households with domestic and productive forms of electric energy. An application by Welt Hunger Hilfe (WHH) on the PRESSD Project for a tariff approval for the solar mini-grids at both Panguma (Kenema District) and Segbwema (Kailahun District) was submitted for approval. A provisional tariff was approved as shown in Table 1.

Table 2: Segbwema and Panguma Minigrid Tariff

Customer Category	Consumption (KWh/Day)	EWRC Approved Tariff/SLL
Residential Basic	0.5	1,400
Residential Advanced	4	2,800
Commercial	7	4,400
Industrial, Single Phase	15	4,800

### Gbinti Solar Project

The project is undertaken by NGOs - IBIS, and Energy for Opportunity (ENFO), and Cooperazione Internazionale (COOPI) and Welt Hunger Hilfe (WHH) as the lead. The project is geared towards the alleviation of poverty in rural communities through the use of renewable energy services. It is based on the rationale that with the right policy in place, technology can be used to enhance enterprise in these communities through a sustainable energy market.

Table 3 below shows the approved tariff for this project.

Table 3: Gbinti Tariff

Customer Category	EWRC Approved Tariff/SLL per KWh
Domestic	2,500
Commercial	3,500
Industrial	4,800
Industrial 3 Phase	4,800

### UNOPS Supported Minigrids Rural Renewable Energy Project (RREP)

The Rural Renewable Energy Project (RREP), an initiative of the Government of Sierra Leone, will start its commercial operation soon by providing electricity in fifty-four (54) sites across the country and thus completing the first phase of the project or the 'Work Package 1 (WP1)'. This project is implemented by the Ministry of Energy and three private partners in a Public-Private-Partnership (PPP) with support from the United Nations Office for Project Services (UNOPS) and grant financing by DFID. The United Nations Office for Project Services (UNOPS) under the RREP project provided a lot of support to the Commission in the design of a tariff methodology for the mini-grid sector given their intervention through the support of the Department for International Development (DfiD) in the development of mini-grids for various communities in the country.

Table 4: RREP Tariff for Work Package 1

Operator	Connection fee (SLL)	Average tariff (\$/ kWh) excl. GST	Average tariff (SLL/kWh) excl. GST	Tariff structure
OGP (Lots 1+2)	150,000	0.82	6,990	8,500 SLL for ≤ 3 kWh; 6,000 SLL for >3 kWh Note: the above threshold is 2 kWh for households
Winch (Lot 3)	150,000	0.86	7,481	20,000 SLL/month as standing charge for ≤ 2 kWh; 6,605 SLL/kWh for >2 kWh
Power Leone (Lot 4)	150,000	0.87	7,482	900 SLL/day as service charge for ≤ 90 Wh; 5,101 SLL for >90 Wh

### EDSA /EGTC Tariff

The Commission approved a tariff of \$ 0.10 per kWh or SLL 730 per kWh for electricity generated and supplied by EGTC to EDSA. This is an interim tariff effective 1st. April 2017. This tariff will be in effect till a Power Purchase Agreement is negotiated between EDSA and EGTC.

However, towards the end of 2019 the Commission through the Electricity Sector Steering Committee coordinated Power Purchase Agreement (PPA) negotiation between EDSA and EGTC. Several technical sessions were held and the negotiation is at an advance stage.



## EDSA Tariff

Approved Tariff for EDSA effective 1st December 2019 is as shown in Table 5 below:

Table 5: EDSA Tariff

Tariff Category	Units per kWh	Le per kWh	GST 15%	Tariff inc GST	Service Charge
		Le	Le	Le	Le
T-1 Residential - social	0-25	560	84	644	10,500
T-1 Residential - Normal	Above 25	1,600	240	1,840	
T-2 Commercial	All units	1,870	280.5	2,150.5	14,115
T-3 Institutions	All units	1,800	270	2,070	14,730
T-4 Large energy users	All units	1,890	283.5	2,173.50	75,630
T5-5- Street Lighting	All units	1,678	251.7	1,929.7	29,460
T-2 Welding	All units	1,900	285	2,185	39,570

## Water Tariff

### Guma Valley Water Company

Tariff applied by Guma Valley Water Company in 2019 remained at amounts approved in 2016 and as shown in Table 6 below:

Table 6: GVWC Tariff

Charge Description	Category	Details	Approved Charge (Le)
Service Charge	Residential		15,000
	Commercial		38 Multiply by Assessed Annual Value
	Schools, Colleges, Churches and Mosques		15,000
	Government		38 Multiply by Assessed Annual Value
Usage Charge Per Kilo Litre (Kl)	Residential	1-13,000 Litres	2, 500 Per Kl
		Above 13,000 Litres	3,000 Per Kl
	Commercial		5,000 Per Kl
	Commercial-Major	5,500	5,500 Per Kl
	Commercial-Slam	5,500	5,500 Per Kl
	Commercial- Super Major	10,000	10,000 Per Kl
	Institutions	Same As Residential Above	
	Government		5,000 Per Kl
Ship Bunker		10,000 Per Kl	
Flat Charge Per Month	Residential		50,000
	Commercial	Small Business	100,000

Charge Description	Category	Details	Approved Charge (Le)
		Large Business	250,000
		Small Hotels & Restaurants	250,000
		Large Hotels & Restaurants	500,000
	Commercial-Major	Based On Assessment	
	Commercial-Slam		
	Commercial- Super Major		
		Institutions	
Energy Surcharge (Per Connection Account)	Residential		20,000
	Non-Residential		50,000

## SALWACO

SALWACO tariff also remained at 2016 rates which is a tariff of Le. 5.00/ litre for residential customers and Le. 10.00/litre for commercial and other institutions on a provisional basis.

## Human Resource and Administration

Under the current EWRC organisational structure there are six departments namely: Finance and Administration, Legal, Consumer Affairs, Water, Electricity and Economic Regulation. The staff complement of the Secretariat at the end of 2019 stood at 24 as analysed in Table 7.

Table 7: 2019 Staff Complement

Staff Complement by Department	
DG's Office	3
Finance and Administration	8
Electricity	4
Water	3
Legal	1
Consumer Affairs	3
Economic Regulation	2
<b>Total</b>	<b>24</b>

12 (twelve) staff were recruited during the year under review. These staff have bolstered the middle level management of the Commission which was in dire need of support. Also, 1 (one) staff resigned from the service of the Commission. EWRC can, with suitable support, make many institutional changes which will improve its organisational health and help it to attract and retain staff. But a pre-condition to sustainability

must be the resolution of its financial position. At present EWRC has no financial independence and receives significant amount of its expenditure requirements including staff salaries from Government subventions.

## Staff Capacity Building

The Commission staff and Commissioners were engaged in several capacity building programmes during 2019 as shown in Table 8 below:

Table 8: Staff Capacity Building

Number of Staff	Details of Training	Location and Date	Funded by
2 Staff	Electricity Regulatory Index	Ivory Coast, March 2019	NARUC
2 Staff	Twinning with Nigeria Electricity Regulatory Commission	Nigeria, April 2019	USAID
1 Staff	Tariff and Performance Working Group	Ghana, May and October 2019	ADB
6 Members of the Commission	Utility Regulation and strategy	USA, June 2019	MCCU
1 Staff	Electricity Supply and Transmission Contracts	Liberia, July 2019	World Bank
1 Staff	ECOWAS Regional Electricity Code	Guinea Bissau, August 2019	World Bank
1 Staff	ERERA Consultative Meeting	Senegal, October 2019	ERERA
1 Staff	Complaints Management and Resolution	Dubai, November 2019	MCCU
1 Staff	Electronic Records Management	Kenya, November, 2019	MCCU
1 Staff	Financial Modelling & Valuation	South Africa, November 2019	MCCU
1 Staff	IT Strategy and Strategic Information Management	South Africa, November 2019	MCCU
1 Staff	GIS and Remote Sensing Applications for the Water Sector	Kenya, November, 2019	MCCU
1 Staff	Basic Executive Office Administration and Secretarial Skills	South Africa, December 2019	MCCU
3 Staff	Technical Audit in the energy sector	Kenya, December 2019	MCCU
1 Staff	Human Resources Policy Formulation, Analysis and	South Africa, December 2019	MCCU
2 Staff	Fundamentals of Electricity Regulation	The Gambia, December, 2019	ERERA

## Administration

The Commission in 2019 invested in its information technology infrastructure by establishing a local area network to improve data storage and information sharing, installed CCTV system to improve on the security of the office and installed IP phone to enhance internal communication. Key Administrative policies procedures and guidelines were approved during the year under review for which the board of commissioners played a significant role. The Commission also procured a biometric attendance management system to effectively record and monitor staff working hours. With this system in place, we have seen increased accountability from employees.



## FINANCIAL PERFORMANCE FOR 2019

The operating results is based on accrual accounting as not all incomes earned were received in 2019, similarly, not all expenses incurred were paid during the year under review. Table 9 to Table 13 below represent the draft financial statements ye to be presented to the Auditor-General for auditing as required by the Act. Table 14 and Figure 1 show comparative analyses and financial ratios.

2019 was a good financial year for the Commission despite challenges with collection of receivables from our main customers. Overall incomes increased by 23% mainly due to GoSL subventions of payroll payments; expenditures increased by 43% leaving a surplus of Le 4.8 billion or a 6% increase over the 2018 surplus levels. EWRC's main internally generated funds from levies accounted for only 13% increase over the 2018 levels. The foregoing tables duly supported by notes and ratio analysis present EWRC's financial results for the year 2019.

Table 9: Statement of Activities

Statement of Activities		In Thousand Leones (Le '000)	
Notes		2019	2018
<b>3</b>	Income from GoSL	3,164,578	2,018,314
<b>4</b>	Internally Generated Income	7,214,569	6,398,209
<b>5</b>	Other Income	-	-
		10,379,147	8,416,523
	Operating Expenses		
<b>6</b>	Commissioners Allowances & Expenses	(802,912)	(281,532)
<b>7</b>	Staff Emoluments	(2,972,618)	(2,133,718)
<b>8</b>	Programme & Administrative Expenses	(1,813,903)	(1,499,057)
		(5,589,433)	(3,914,307)
	Result for the Period	4,789,714	4,502,216

Table 10: Statement of Financial Position

Statement of Financial Position		In Thousand Leones (Le '000)			
	Notes	2019	2019	2018	2018
Non-Current Assets					
Property Plant and Equipment	9		1,028,488		1,341,084
Intangible Asset	10		9,411		18,823
Current Assets					
Receivables and Prepaid Charges	11	16,571,566		11,157,116	
Bank Balance	12	998,090		1,047,437	
Total current assets		17,569,656		12,204,553	
Creditors: Amount falling due within one year	13	(110,111)		(72,622)	
Net Current Assets			17,459,545		12,131,931
			18,497,444		13,491,838
Represented By					
Deferred Fund	14		18,039,171		13,249,128
Creditors: Amount falling due after one year	15		458,273		242,710
			<b>18,497,444</b>		<b>13,491,838</b>

Table 11: Statement of Cash Flow

Statement of Cash Flows	In Thousand Leones (Le '000)	
	2019	2018
Cash Generated from Operating Activities	(31,443)	67,836
Investing Activities		
Property, Plant & Equipment	(27,904)	(1,154,719)
Intangible Assets	-	-
Cash used for investing Activities	(27,904)	(1,154,719)
Net Cash Flow	(59,347)	(1,086,883)
Reconciliation of Result for the Period to Net Cash Generated from Operating Activities		
Result for the Period	4,782,160	4,502,216
Adjustments for:		
Depreciation	349,911	422,047
Changes in Operating Assets and Liabilities		
Changes in Receivables	(5,414,450)	(4,872,672)
Change in Creditors falling due within one year	35,372	(22,942)
Changes in Creditors falling due after one year	215,563	39,188
	(31,443)	67,837
Balance at the start of the year	1,047,437	2,134,320
Net Cash Flow	(59,347)	(1,086,883)
Balance at the end of the year	988,090	1,047,437

Table 12: Statement of Changes in Funds

Statement of Changes in Funds	In Thousand Leones (Le '000)		
	Deferred Fund	Accumulated Fund	Total Funds
Year ended 31st December 2019			
At the start of the year	1,359,907	11,889,550	13,249,457
Movement during the year	(322,008)	5,111,722	4,789,714
Balance as at end of the year	1,037,899	17,001,272	18,039,171
Year ended 31st December 2018			
At the start of the year	627,234	8,118,117	8,745,351
Movements during the year	732,673	3,771,433	4,504,106
Balance as at end of the year	1,359,907	11,889,550	13,249,457



Table 13: Comparative Analyses

Ratio Analysis	2019	
	Year-on-Year Comparison	Makeup
Income analysis	23%	100%
Income from GoSL	57%	30%
Internally Generated Income	13%	70%
	Year-on-Year Comparison	Makeup
Operating Expense comparison year on year	43%	100%
Commissioners Allowances & Expenses	185%	14%
Staff Emoluments	39%	53%
Programme & Administrative Expenses	21%	32%
Balance sheet analysis		
Working Capital ratio (current liabilities cover)	159.56	Times
Quick ratio (cash cover)	9.06	Times
Debtors to total current assets	94%	
Cash to total current assets	6%	
Assets Base ratios		
Property Plant and Equipment (PPE)	1,028,488	6%
<b>Net Current Assets</b>	<b>17,459,545</b>	<b>94%</b>

Table 14: Notes to the accounts

Notes	Item Description	2019	2018
<b>3</b>	<b>Government of Sierra Leone Subventions &amp; Grant</b>		
	Salary Grant	3,164,578	1,840,514
	Recurrent Expenses Grant		177,800
		<b>3,164,578</b>	<b>2,018,314</b>
<b>4</b>	<b>Internally Generated Income</b>		
	Levy	6,972,296	6,137,777
	License Fees	242,273	260,432
		<b>7,214,569</b>	<b>6,398,209</b>
<b>5</b>	<b>Other Income</b>		
	Other Income	-	-
	Donation	-	-
<b>6</b>	<b>Commissioners Allowances &amp; Expenses</b>		
	Allowances GoSL (incl NASSIT)	566,200	150,000
	Employers NASSIT Contribution	26,000	
	Sitting Fees & Refreshments GoSL	178,375	5,275
	Other Expenses	32,337	126,257
		<b>802,912</b>	<b>281,532</b>

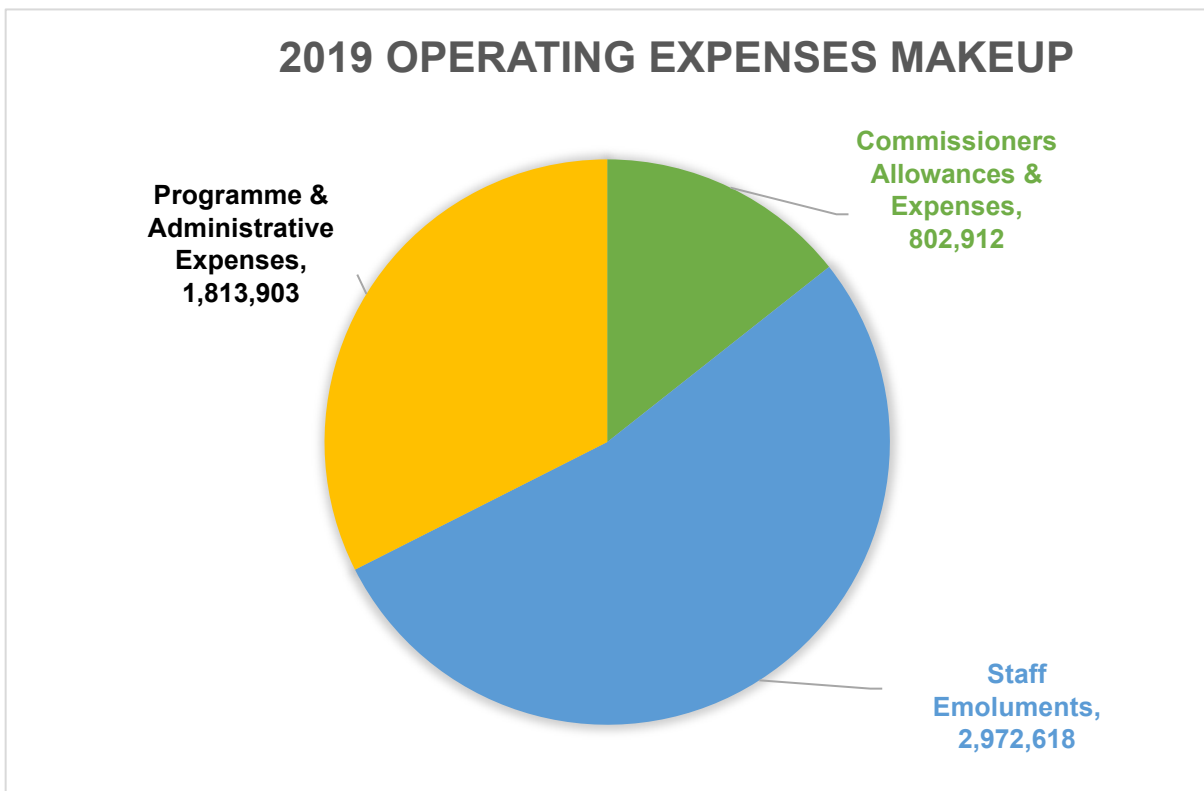
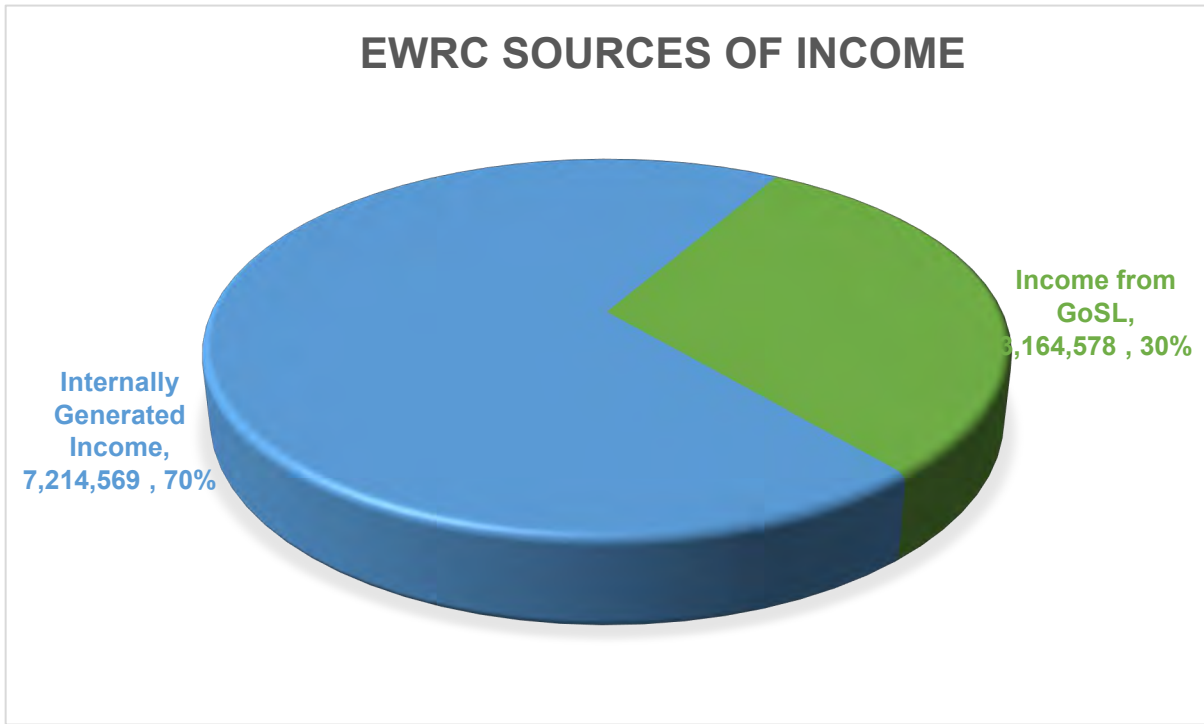
Notes	Item Description	2019	2018
<b>7</b>	<b>Staff Emoluments</b>		
	Salaries and Allowances	2,411,930	1,961,438
	Employers NASSIT Contribution	160,448	100,040
	Personnel Cost	81,191	
	End of Service Cost	287,617	39,188
	Other Employee Cost	31,432	33,052
		<b>2,972,618</b>	<b>2,133,718</b>

<b>8</b>	<b>Administrative Charges</b>	<b>2019</b>	<b>2018</b>
	Office Running Expenses (including books, newspapers & periodicals)	228,506	289,792
	Bank Charges		9,058
	Motor Running Cost: Fuel & Oil; Repairs & Maintenance	160,686	80,943
	Information Communication Technology	126,845	108,378
	Outreach Activities	122,332	48,345
	Overseas Travelling & Training	168,094	201,272
	Local Travelling & Training	98,504	69,358
	Occupancy Cost: Office Rent, utilities/generator running, cleaning	375,707	455,047
	Depreciation	349,911	35,000
	Audit Fees	47,550	41,150
	Repairs & Maintenance	11,316	153,386
	Insurance	124,452	7,328
		<b>1,813,903</b>	<b>1,499,057</b>

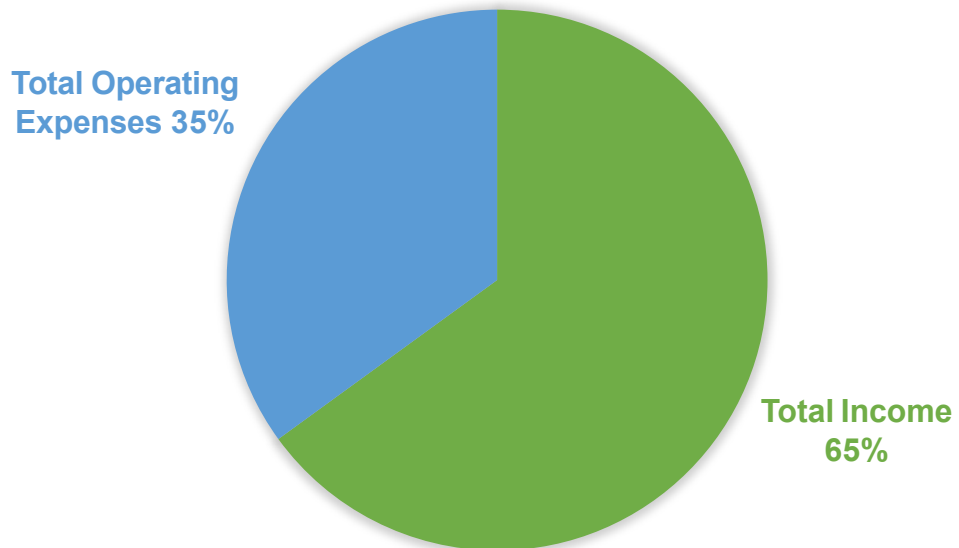
<b>9 Property Plant and Equipment</b>						
	Cost/Valuation	Office & Computer Equipment	Office Furniture & Fittings	Motor Vehicle	Work-in Progress	Total
	At the start of the year	329,956	236,634	1,455,265	170,156	<b>2,192,011</b>
	Additions	0	0	0	0	<b>0</b>
	Balance at the end of the year	329,956	236,634	1,455,265	170,156	<b>2,192,011</b>
	Depreciation					
	At the start of the year	296,832	105,072	421,119		<b>823,023</b>
	Charge for the year	19,392	30,055	291,053		<b>340,500</b>
	Balance at the end of the year	316,224	135,127	712,172		<b>1,163,523</b>
	Carrying Amount					
	As at 31st December 2019	13,732	101,507	743,093	170,156	<b>1,028,488</b>
	31st December 2018	33,124	103,658	1,034,146	170,156	<b>1,341,084</b>

<b>10</b>	<b>Intangible Asset</b>	<b>2019</b>	<b>2018</b>
	Computer Software		
	At the start of the year	28,234	
	Additions	-	
	Balance at the end of the year	28,234	
	Depreciation		
	At the start of the year	9,411	
	Charge for the year	9,412	
	Balance at the end of the year	18,823	
	Carrying Amount		
	As at 31st December 2019	9,411	
	31st December 2018	18,823	
<b>11</b>	<b>Receivables and Prepaid Charges</b>		
	Receivables - Levy Charges	16,146,407	10,850,987
	Prepaid Rent	342,957	297,927
	Staff Loans and Advances	82,202	8,202
		<b>16,571,566</b>	<b>11,157,116</b>
<b>12</b>	<b>Bank Balance</b>		
	Cash at Hand	11,775	10,865
	Bank of Sierra Leone	986,315	1,036,572
		<b>998,090</b>	<b>1,047,437</b>
<b>13</b>	<b>Creditors: Amount falling due within one year</b>		
	Accrued Audit Fees	40,000	29,997
	PAYE Payable	22,857	18,572
	Withholding Tax Payable	47,254	14,410
	Other Payables		9,643
		<b>110,111</b>	<b>72,622</b>
<b>14</b>	<b>Deferred Fund</b>		
	Opening Deferred Fund	13,249,457	8,746,912
	Grants Received during the period	10,379,147	8,416,523
	Grants Utilised during the period	(5,589,433)	(3,914,307)
		<b>18,039,171</b>	<b>13,249,128</b>
<b>15</b>	<b>Creditors: Amount falling due after one year</b>		
	End of Service Provision	458,273	242,710
		<b>458,273</b>	<b>242,710</b>

Figure 1: Comparative Financial Ratios

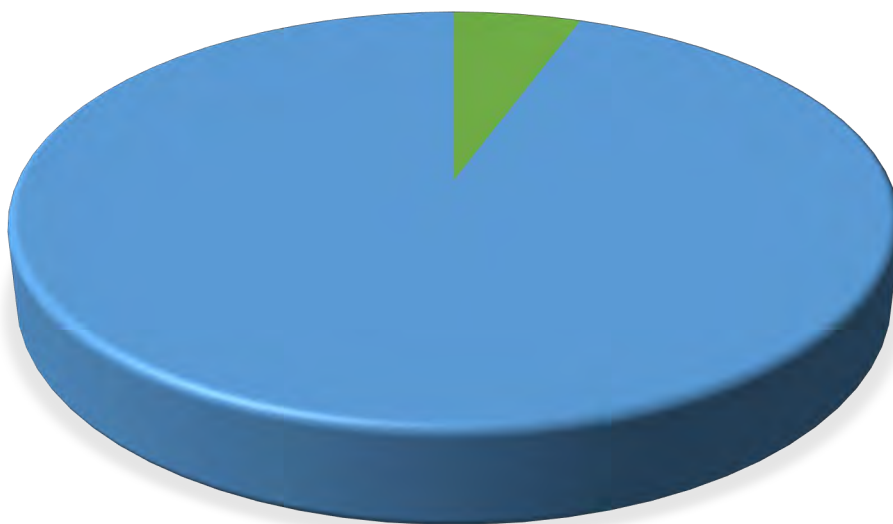


## EWRC INCOME TO EXPENDITURE



## EWRC ASSETS BASE

Property Plant and Equipment 6%



Net Current Assets...

## RECEIVABLES COMPONENT DUE ANALYSIS

■ 1 - 30 ■ 361 - 365 ■ > 365

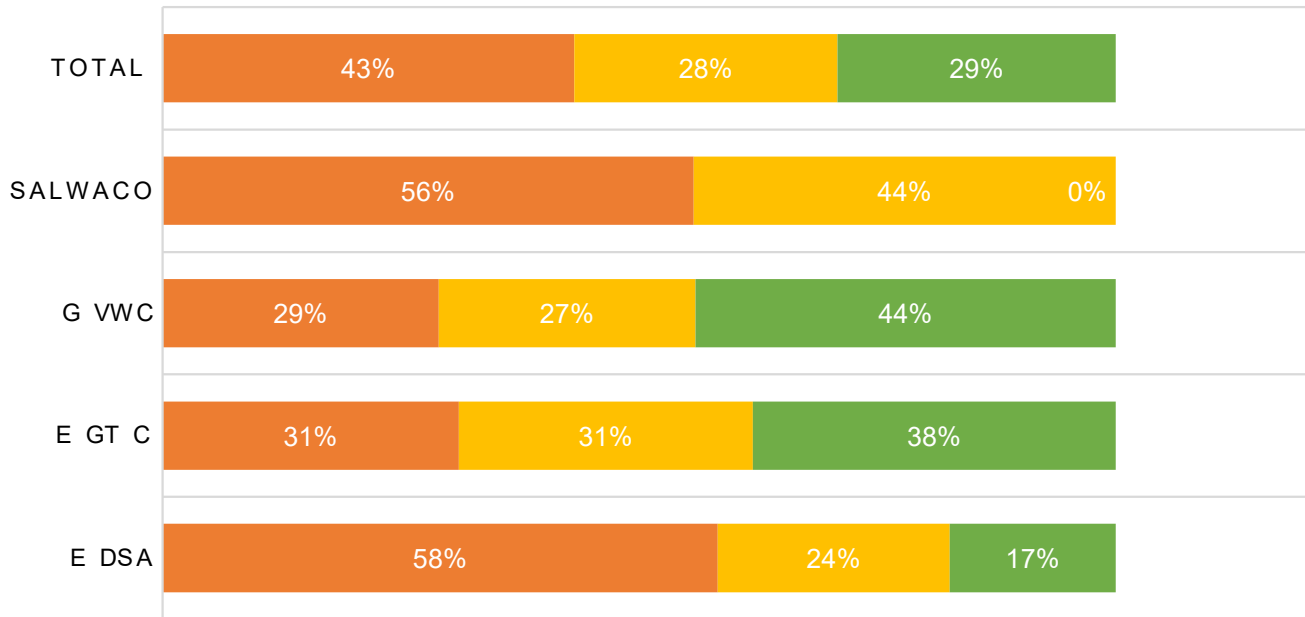




Table 14: Glossary and list of abbreviations

<b>Abbreviation</b>	<b>Meaning</b>
CEO	Chief Executive Officer
CLSG	Cote D'Ivoire, Liberia, Sierra Leone and Guinea
DfID	The United Kingdom Department for International Development
ECOWAS	Economic Community of West African States
EDSA	Electricity Distribution and Supply Authority
EGTC	Electricity Generation and Transmission Company
ERI	Electricity Regulatory Index
ERERA	ECOWAS Regional Electricity Regulatory Authority
EWRC	Electricity and Water Regulatory Commission of Sierra Leone
GVWC	Guma Valley Water Company
Kl	Kilo Litre
kWh	Kilowatt-hour
MCC	Millennium Challenge Corporation
MCCU	Millennium Challenge Coordinating Unit
MoF	Ministry of Finance
NDP	National Development Plan
NGO	Non-Governmental Organisation
NPA	National Power Authority
NARUC	National Association of Regulatory Utility Commissioners
ODP	Organisational Development Plan
OPM	Oxford Policy Management
PPA	Power Purchase Agreement
PPP	Public-Private-Partnership
PRESSD	Promoting Renewable Energy Services for Social Development
RBF	Results Based Financing
RREP	Rural Renewable Energy Project
SLLECA	Sierra Leone Licensed Electrical Contractors Association
SALWACO	Sierra Leone Water Company
UNOPS	United Nations Office for Project Services



# Staff of



# EWRC







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# **EWRC** **Annual Report** **2019**