

HC Public Utilities 7
 FUA & NAC
 06 July 2020

His Excellency, Chief Willie M. Obiano
 Governor, Anambra State
 Government House
 Awka, Anambra State

SSG
 B/C Implementation
 5/11/2020

11/11/2020

Your Excellency,

EXCO SUBCOMMITTEE TO DETERMINE APPROPRIATE PRICING MODEL FOR CONCESSION OF THE GREATER ONITSHA WATER SCHEME TO BIRSA WATER LTD – REPORT AND RECOMMENDATION

1.0 TERMS OF REFERENCE

Your Excellency may recall that approval was granted at the EXCO meeting of 15 June 2020, for BIRSA Water Ltd to rehabilitate and manage the Greater Onitsha Water Works scheme, under a PPP/BOT concession arrangement. An EXCO subcommittee was set up to review the pricing model under the concession, to ensure fairness of pricing to consumers, while enabling commercial operation by Birsa Water Ltd. the concessionaire.

2.0 COMPARATIVE ANALYSIS

A comparative analysis of pricing adopted by other states for their water supply schemes was reviewed, taking into consideration both pricing on a per-consumption basis, and also pricing on a flat rate basis.

BIRSA's PROPOSED PRICING:

	Domestic	Commercial	Government	Industrial	Institutional	Average
Price (₦/m ³)	170	325	300	400	350	309
Price (₦/L)	0.17	0.33	0.30	0.40	0.35	0.31
Avg. Monthly Consumption (M ³)	16	25	35	55	70	NA
Avg. Monthly Charge (₦)	2,720	8,125	10,500	22,000	24,500	NA

Note: 1 cubic metre (m³) = 1000 Litres (L)

PRICE PER M³ CONSUMED – COMPARISON WITH OTHER STATES:

	Domestic (₦/m ³)	Commercial (₦/ m ³)	Public Institution (₦/ m ³)	Industrial	Institutional
BIRSA	170	325	300	400	350
Lagos	200 – 260*	350			
Abuja	80	150			
Kaduna	64	250	100		
Ebonyi	100	100			
Enugu	50				

*In Lagos, high density areas are charged ₦200 while low density areas are charged ₦260

(B) Snr Geo
 pls refer to the above
 and b.u draft letter to Birsa
 on the approved tariff rates on
 the report of Greater Onitsha Water
 Scheme for further action

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 (A)
 AUG 10
 21/11/2020
 process

MAJOR CITIES COVERED BY THE SCHEME:

Onitsha North:

Enu Onicha; Omagba layout; Low cost Housing Estate; Trans Nkissi layout; Army Barracks.

Onitsha South:

Fegge; Upper Iweka; Odoakpu; Woliwo; Awada; Ochanja.

Idemili North:

Nkpor; Ogidi; Obosi; Abatete.

4.0 COMMITMENT OF PARTNERS

BIRSA Water Consortium is comprised of 3 companies:

- i. Paterson Candy International (South Africa) Pty Ltd (PCIA)
- ii. Paul B Nigeria Ltd
- iii. JOAT Consulting South Africa

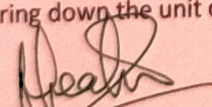
BIRSA have confirmed in writing as of June 2020 that all consortium members remain committed to the project.


5.0 MOBILIZATION TIME FRAME

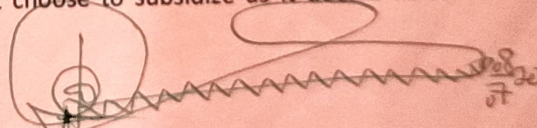
BIRSA Water Ltd has confirmed the company would mobilize to site within 180 days of execution of concession agreement.


6.0 RECOMMENDATIONS & PRAYER


1. That Birsa Water Ltd. Pricing model is in line with other States and commercial realities, and MOU should be allowed to proceed.
2. A flat pricing model per household may also be set by the ASWSSRC (the state's regulatory body) in the future.
3. The State Government may allow Birsa pricing, but choose to subsidize as it deems fit to bring down the unit cost to the consumer.



Ifeatu Okejeme
Hon. Comm., Finance


Emeka Ezenwanne
Hon. Comm., Public Utilities,
Water Resources &
Community Development


Sally Mbanefo
Hon. Comm., Solid Minerals
& Tertiary Education


Barr. Uju Nwogu
Attorney General &
Hon. Comm. of Justice


Obi Nwankwo
Hon. Comm., Environment


Jide Ikeako
MD, Anambra State
Investment Promotion &
Protection Agency (ANSIPPA)