



# **PUBLIC UTILITIES REGULATORY COMMISSION**

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5<sup>TH</sup> March, 2018

## **PUBLIC UTILITIES REGULATORY COMMISSION**

### **PRESS RELEASE**

#### **APPROVED ELECTRICITY TARIFF EFFECTIVE 15<sup>TH</sup> March 2018**

The Public Utilities Regulatory Commission (PURC), after extensive stakeholder consultations, detailed technical analysis of utility tariff proposals and consideration of inputs and concerns of consumers, has approved utility tariff reductions for various electricity customer categories, effective 15<sup>th</sup> March 2018.

The Commission received tariff proposals from the utility service providers in the electricity and water sectors namely, Ghana Grid Company Limited (GRIDCo), Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo), Enclave Power Company Limited (EPCL) and the Ghana Water Company Limited (GWCL).

In line with Section 17(2) of the Public Utilities Regulatory Commission Act 1997, (Act 538) the Commission investigated the cost of production of all sources of supply of electricity to the distribution utilities.

As prescribed by law, the Commission's decision-making process includes but is not limited to detailed technical analysis of tariff proposals and extensive stakeholder consultation, which were held to solicit views and inputs for the determination of the approved tariffs.

The Commission's key objectives in this tariff review were:

- To ensure efficient and equitable tariffs; and
- To ensure that tariffs are relevant to the current socio-economic environment.

The following were the major considerations taken into account in arriving at the tariff decision:

- Consumer Interest
- Investor Interest
- Economic Development
- Revenue Requirement
- Natural Gas prices
- Re-negotiation of Power Purchase Agreements (PPAs)
- Prudent and Efficient costs of the operations of the utility companies

The Commission also took into consideration the impending Private Sector Participation (PSP) Concession within the Electricity Distribution Sector.

The review process resulted in reductions in key utility costs. The reductions, which are based on PURC's 2015 Gazetted Electricity Tariffs are only on the energy charges and range from 10% to 30%. Maximum Demand and Service Charges remain the same as that of the 2015 gazetted tariffs.

Effective March 15, 2018, the electricity tariffs summarized in Table 1 have been approved for the customer categories, depending on their level of consumption.

**Table-1                  Summary of PURC Approved Average Percentage Reduction in Tariffs**

| Customer Category                           | PURC Approved Average Percentage Reduction |
|---------------------------------------------|--------------------------------------------|
| Residential Customers                       | 17.5%                                      |
| Non-Residential Customers                   | 30%                                        |
| Special Load Tariff Customers (LV, MV & HV) | 25%                                        |
| Mines                                       | 10%                                        |

The tariff structure therefore remains the same and will be reviewed in 2019.

Review of water tariffs require further consultations and the Commission is unable to announce a decision at this time. Water tariffs therefore remain the same and a decision will be taken in the coming weeks.

The Commission wishes to express its gratitude to all stakeholders for their input into the tariff approval process and will continue to monitor operations of the utility service providers to ensure value for money and quality of service delivery. The Commission will also continue to strictly implement its Automatic Adjustment Formula (AAF) in order to address changes in operational conditions.

The Commission's full decision will be published in the gazette in due course and will be available on the Commission's website: [www.purc.com.gh](http://www.purc.com.gh)

**Signed**

A handwritten signature in dark ink, appearing to be 'Mami Dufie Ofori', written in a cursive style.

**MRS. MAMI DUFIE OFORI**

**EXECUTIVE SECRETARY, PUBLIC UTILITIES REGULATORY COMMISSION**