



PUBLIC UTILITIES REGULATORY COMMISSION

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PRESS RELEASE ON 2014 FIRST QUARTER

AUTOMATIC ADJUSTMENT FORMULA

The Public Utilities Regulatory Commission at a meeting today has adjusted Tariffs for Electricity and Water for the first quarter of the year 2014 beginning 1st January – March 31st using the Automatic Adjustment Formula.

In adjusting the Tariffs the Commission considered the key variables that underpin the Automatic Adjustment Formula (AAF) and these are:

- Ghana Cedi –USD Exchange Rate
- Inflation
- Price of Crude Oil and Natural Gas
- Fuel Mix (light Crude Oil, Natural Gas, Distillate Fuel Oil)
- Generation Mix (Hydro & Thermal)
- Power Purchase Cost (IPPs)
- Demand Forecast Variations
- Chemical Cost
- Electricity Cost

The electricity and water tariffs have been increased by 9.73% and 6.80% respectively effective January 1, 2014 to correct for movements in the above AAF variables in order to preserve the real value of tariffs approved for the utilities in October 2013.

It should be noted that the current increase is largely driven by movements in the exchange rates, inflation and the demand variation.

The Tariff is exclusive of all statutory charges – VAT and NHIL.

The following are Tariffs for the First Quarter 2014 for Electricity and Water

APPROVED ELECTRICITY TARIFF

Tariff Category	Tariff
Residential	
0-50 (Exclusive) (GHp/kWh)*	17.1998
51-300 (GHp/kWh)	34.5072
301 – 600 (GHp/kWh)	44.7836
601+ (GHp/kWh)	49.7596
Service Charge (GHp/month)	324.5190
Non-Residential	
0-300 (GHp/kWh)	49.6081
301 – 600 (GHp/kWh)	52.7884
601+ (GHp/kWh)	83.2932
Service Charge (GHp/month)	540.8649
SLT-LV	
Max. Demand (GHp/kVA/month)	3,028.8436
Energy Charge (GHp / kWh)	51.7067
Service Charge (GHp / month)	2,163.4597
SLT-MV	
Max. Demand (GHp/kVA/month)	2,596.1516
Energy Charge (GHp / kWh)	40.0240
Service Charge (GHp / month)	3,028.8436
SLT-HV	
Max. Demand (GHp/kVA/month)	2,596.1516
Energy Charge (GHp / kWh)	36.7788
Service Charge (GHp / month)	3,028.8436
SLT-HV MINES	
Max. Demand (GHp/kVA/month)	3,028.8436
Energy Charge (GHp / kWh)	58.4134
Service Charge (GHp / month)	3,028.8436

APPROVED WATER TARIFF

Category of Service	Monthly Consumption (1000 Litres)	Approved Rates in GHp/ 1000 Litres Effective 1st January 2014 Billing Cycle
(a) Metered Domestic	0-20	135.3971
	21 and above	202.9672
(b) Commercial/Industrial	Flat Rate	288.5133
(c) Public Institutions /Govt. Departments	Flat Rate	260.3617
(d) Unmetered Premises-Flat rate per house per month		881.2367
(e) Premises without connection (Public stand pipes) per 1000 litres		133.8563
(f) Special Commercial per 1000 litres		820.4236

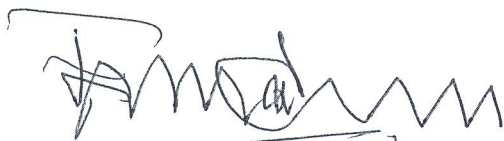
The Automatic Adjustment Formula is a Pricing Mechanism that tracks and incorporates movements in key determining factors to reflect the cost of Electricity Supply (Generation, Transmission and Distribution) and Water Supply (Production, Transmission and Distribution).

It allows for quarterly reviews of electricity and Water Tariffs to reflect changes in factors whose effects on operations were considered to be beyond the control of the Utility Companies namely (Volta River Authority (VRA), Ghana Grid Company (GRIDCO) Electricity Company of Ghana (ECG), and Northern Electricity Distribution Company of Ghana (NEDCO).

The Commission is also directing the ECG and NEDCO not to bill consumers retrospectively (Back Billing) with the new Tariffs. Such an action by the ECG and NEDCO would attract the necessary regulatory sanctions.

ECG, NEDCO and GWCL should do well to improve customer responsiveness during this yuletide season to avoid the incidences of unattended faults in the electricity and water distribution systems and also ensure the sustainability of the quality of supply.

The Public Utilities Regulatory Commission (PURC) wishes all consumers of Electricity and Water and our key stakeholders who have supported us throughout the year a Merry Christmas and a Prosperous New Year.

A handwritten signature in black ink, appearing to read 'Dr. E. K. Annan', with a horizontal line underneath it.

Dr. E. K. Annan
Chairman