



PUBLIC UTILITIES REGULATORY COMMISSION

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PRESS RELEASE

APPROVED ELECTRICITY AND WATER TARIFFS EFFECTIVE 14th DECEMBER 2015

The Public Utilities Regulatory Commission in the middle of the year 2015, received proposals from the Utility Service Providers in the Electricity and Water Sectors namely, the Volta River Authority (VRA), Ghana Grid Company Ltd (GRIDco), Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDco) and Ghana Water Company Limited.

The proposals were a request for an upward adjustment in electricity and water tariffs where the Electric Utilities requested for an average increase of 128.6% and the Ghana Water Company requested for 400.2% increase.

As mandated by law and the Commission's decision-making process, extensive stakeholder consultations were held to solicit views and gather inputs for the final determination of an adjustment in tariffs.

Subsequent to a careful investigation of the Proposals submitted by the Utility Service Providers and in considering the inputs of, and concerns of consumers and key stakeholders who were consulted, the Commission has approved utility tariff increases for various customer categories. The approved electricity tariff increase is 59.2% across board. The approved water tariff increase for residential consumers is about 67.2%.

In arriving at a decision the Commission was guided by its mandate and considered factors which balance the following::

- Consumer Interest
- Investor Interest
- Economic Development of the Country
- The Generation Mix
- Fuel Mix
- Availability of the Service
- Growth in Demand
- Power Purchase Cost (IPP)
- Revenue Requirement (to ensure Financial Viability of the Utility Service Providers)
- Cedi Dollar Exchange Rate

In adjusting the tariffs the Commission considered the social impact a full cost recovery would have on certain categories of consumers who need to be supported through a Lifeline Tariff intervention which seeks to ensure that such consumers are not over burdened. As stipulated in the Commission's Rate Setting Guidelines in calculating the rate for Lifeline Consumers, consideration was given to the price of a gallon of kerosene. In all there are 1,147,475 customers on Lifeline which is about 32% of the customer population.

The adjustment in Tariffs is largely driven by a shift in Generation Mix from about 58.0% Hydro and 42.0% Thermal in 2013, to about 27.0% Hydro and 73.0% Thermal in 2015. The significant change and increasing dependency on thermal generation has greatly impacted on the cost of electricity generation and supplied by the Utility Service Providers. For Water Utilities, the adjustment in tariff is driven by Chemical Cost in addition to the Power Purchase Cost and Operation and Maintenance Cost for the Ghana Water Company.

The Commission wishes to remind all Consumers and Stakeholders that Tariffs alone cannot raise the needed capital for the Utility Service Providers to operate effectively. In this regard the Commission is urging government to continue sourcing funds to supplement the Tariff income for infrastructural purposes.

Table-1: Approved Residential End-User Electricity Tariff Effective December 14, 2015

Units Consumed	Existing Tariff (GHp/kWh)	Approved Tariff (GHp/kWh)	Percentage Increase
0-50	21.0795	33.5586	59.2%
51-150	42.2910	67.3273	59.2%
151-300	42.2910	67.3273	59.2%
300-600	54.8855	87.3777	59.2%
601+	60.9839	97.0864	59.2%

Table-2: Approved Residential Water Rates Effective December 14, 2015

Units Consumed	Existing Tariff (GHp/Metre Cubic)	Approved Tariff (GHp/Metre Cubic)	Percentage Increase
0-5	178.3326	301.3820	69.0%
5+	267.3313	507.3948	89.8%

Signed

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