PUBLIC UTILITIES REGULATORY COMMISSION (PURC), GHANA

# 2026-2030 ELECTRICITY, WATER AND NATURAL GAS MAJOR TARIFF REVIEW DECISION

January 2026

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**PREAMBLE**

The purpose of this Tariff Decision Paper is to fulfill the statutory mandate of the Public Utilities Regulatory Commission (PURC) as set out in the Public Utilities Regulatory Commission Act, 1997 (Act 538) relating to approval of tariffs for utility services – natural gas, electricity and water. Additionally, it aims to enhance transparency in the utility tariff setting process in Ghana, in line with international best practice. This decision paper provides the rationale underpinning the 2026-2030 natural gas, electricity and water tariffs. It is issued for the benefit of the Utility Companies, Investors, the Government of Ghana, Consumers and the Public.

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The Commission warrants the accuracy of information contained in this paper as at the date of the tariff decision. The decision remains in force until duly revoked by the Commission.

**Executive Summary**

On December 02, 2025, the Public Utilities Regulatory Commission (PURC) announced its decision on tariffs applicable to Ghana's natural gas, electricity and water value chain. These utilities are managed and operated by the Natural Gas Transmission Company (Ghana National Gas Limited Company (GNGLC)), Generation Companies (Volta River Authority (VRA), Independent Power Producers (IPPs)), the Transmission Utility (Ghana Grid Company Limited (GRIDCo) and the Distribution Companies (Electricity Company of Ghana Limited (ECG), Northern Electricity Distribution Company Limited (NEDCo), Enclave Power Company Limited (EPC)) and Ghana Water Limited (GWL) for the 2026-2030 tariff control period. These tariffs set out the rates chargeable for supply of natural gas, electricity and water by regulated public utilities to consumers in Ghana. The Commission's tariff determination and approval was executed within the mandate of the Public Utilities Regulatory Commission Act, 1997 (Act 538) with regards to rate setting, particularly, Sections 3(b), 18 and 19.

As a regulatory requirement, the approved rates were arrived at after careful examination of tariff filings made by Utility Companies noted above. The tariffs/rates examination process was conducted taking into consideration PURC's Rate Setting Guidelines, several utility operational considerations as well as exogenous factors including macro-economic and socio-economic factors which have direct bearing on natural gas, electricity and water production, supply and consumption. The approval process also took into consideration submissions made by major stakeholders.

GNPC per the Public Utilities Regulatory Commission Act 1997, (Act 538) is not a public utility regulated by the Public Utilities Regulatory Commission, but by virtue of Section 17 of the Public Utilities Regulatory Commission Act 1997, (Act 538), the Commission has an indirect regulatory role in terms of the cost of the product or commodity the corporation deals in. Thus, by virtue of GNPC's role as owner of domestic gas, which commodity and associated costs are critical in determination of volume of electricity generated and tariffs, made submissions in respect of adjustment in gas commodity prices and volumes for Sankofa and Jubilee gas fields as well as gas management and service charges. This according to GNPC is to recover investments made in these gas fields.

GNGLC, as the utility mandated with responsibility for transportation of natural gas in the country, provided several reasons in support of the Company's proposed tariffs. These include recovery of fixed operational expenses required to ensure uninterrupted operation of GNGLC's facilities and the delivery of gas, recovery of cost of investments, return on assets which facilitates repayment of the cost of capital and equity return to shareholders. In that regard, the Company proposed an upward review in Total Tariff for Gas Gathering, Processing and Transmission from USD1.1051/MMBtu in 2025 to USD2.1819/MMBtu in 2026.

VRA put forward various reasons in support of the company's tariff submissions. These include recovery of cost of power supply to the Distribution Companies, cost of ancillary services to the National Interconnected Transmission System (NITS), operation and maintenance costs of existing mini-grids and additional costs borne by VRA to ensure grid stability and uninterrupted power supply in the nation. In addition, the Authority noted it had undertaken a number of thermal power plant initiatives and projects aimed at enhancing reliability and affordability while ensuring sustainability. The Authority therefore proposed a 47.80% increase in its existing Composite Bulk Generation Tariff of GHp45.7033/kWh to GHp67.5495/kWh in 2026.

With regards to electricity transmission, GRIDCo indicated that there has been an increase in cost of maintenance due to majority of the company's transmission lines located in densely forested vegetation coupled with high incidence of corrosion on coastal transmission backbone and increased transformer capacity at most substations. In addition, the company noted their inability to undertake short to medium term investments in the NITS due to high cost of financing and unavailability of funds. GRIDCo further noted that the company has embarked on and intends to undertake several capital projects aimed at improving reliability of the NITS to enhance customer satisfaction. To this end, the company proposed an increase of 107.45% in its existing Transmission Service Charge-1 of GHp6.2553/kWh to GHp12.9768/kWh in 2026.

The three Electricity Distribution Companies namely Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo) and Enclave Power Company (EPC) put forward numerous reasons as underpinning their tariff proposals.

ECG noted that instability of macroeconomic and market driven variables such as exchange and inflation rates have increased cost of both imported and local materials required by the company to serve its customers. In terms of investments, ECG stated that the company has undertaken regular investments to improve service delivery. The company also put forward a number of critical projects to be undertaken over the Tariff Control Period including technical and commercial/revenue enhancement works and strategies aimed at ensuring reliable and quality supply of power to customers as well as improve cash flows. In light of above, ECG proposed a 251% increase in existing Distribution Service Charge-1 of GHp 17.8900/kWh to GHp62.8204/kWh for 2026.

NEDCo, on the other hand indicated that a number of reasons in support of the Company's request for upward review of its Distribution Service Charge. These include the sparse nature of habitation in many of rural communities within its operational territory which continues to worsen with each square kilometer increase of distribution network. The company also noted the impact of increasing depreciation of Ghana Cedi and high inflation on its operations. NEDCo further indicated that a number of technical and commercial/revenue enhancement projects have been completed and plan to undertake. The company noted that failure to undertake these projects will result in increase in technical and commercial losses and poor quality of service. The company therefore proposed a 297.16% upward review in its existing in DSC-1 of GHp30.2031/kWh to GHp 119.9534/kWh for 2026.

In support of the company's proposal, EPC indicated that the need to undertake capital investments to support growing demand from its customers specifically from its greenfield site in Dawa. According to EPC, previous investments have been funded with loans at full commercial interest rates and more commercial borrowing would be required for the new infrastructure. With regards to improving system reliability and quality of service to customers, EPC indicated that a number of initiatives have been undertaken to cover system reliability enhancement, system automation, loss control, capacity building and customer responsiveness. In that regard, the company proposed an upward adjustment of 117.04% in its DSC-1 of GHp21.6220/kWh to GHp 46.9274/kWh for 2026.

In respect of Water Production, Transmission, Distribution and Supply, GWL noted the company's inability to raise enough revenue to finance much needed capital investment projects to increase urban water demand and coverage country-wide. Also, the company noted it is unable to undertake urgent repairs of assets, extensions as well as replacement of over-aged and obsolete equipment/pipelines resulting in the company not being able to meet its regulatory service delivery targets hence persistent customer complaints. In addition, the company is saddled with severe debt overhang because of non- payment of on-lend loans. GWL also noted the impact of exchange rate fluctuation on the real value of its tariff over time. Additionally, GWL indicated that several revenue enhancing projects in production, transmission and distribution improvement works have either been completed or ongoing. The company proposed a 297.81% increase from its existing Weighted Average Water Tariff of GHS13.6340/$m^3$ to GHS54.2370/$m^3$.

The Commission upon analyses and consideration of factors mentioned above, approved USD 7.8749/MMBtu as the Weighted Average Cost of Gas (WACOG) which was used in computation of Fuel Recovery Charges for power plants operating on Natural Gas for the 2026-2030 Tariff Control Period. A pass-through Composite Generation Charge of GHp125.7350/kWh for both VRA and Independent Power Producers (IPPs) was approved as cost of generating electricity for the regulated electricity market.

With regards to Electricity Transmission and Distribution, the Commission approved Annual Revenue Requirement (ARR) of GHS 1,828.81Million, GHS 4,817.45Million, GHS 1,785.93Million and GHS 116.18Million for GRIDCo, ECG, NEDCo and EPC respectively. This resulted in an average Transmission Service Charge Attributable to Network Operations of GHp9.9453/kWh, Distribution Service Charge Attributable to Network Operations of GHp30.9042/kWh for ECG, GHp84.1202/kWh for NEDCo and GHp39.1962/kWh for EPC.

In the determination of the total revenue requirement for the regulated electricity supply value chain, that is, Generation-Transmission-Distribution, the Commission also provided 2% of the Distribution Utilities' ARR to cover non-collectible revenue. The overall effect of the Commission's decision with respect to approved rates for regulated electricity market is an average increase of 9.86% across board for all category of customers.

Regarding water, the Commission approved total revenue requirement amounting to GHS 3,258.04 Million for the 2026-2030 tariff control period. To fully recover this revenue requirement, the Commission approved a 15.92% increase across board in water rates for all categories of customers.

The Commission wishes to urge Utility Service Providers, Consumers and other key Stakeholders to honour their obligations in terms of quality-of-service delivery vis-à-vis prompt payment electricity and water bills.

**Abbreviations and Acronyms**

| | |
|---|---|
| Act | Public Utilities Regulatory Commission Act, 1997 (Act 538) |
| ARR | Annual Revenue Requirement |
| EC | Energy Commission |
| ECG | Electricity Company of Ghana |
| EMOP | Electricity Market Oversight Panel |
| EPC | Enclave Power Company |
| ESI | Electricity Supply Industry |
| GDP | Gross Domestic Product |
| GHS | Ghana Cedis |
| GNGLC | Ghana National Gas Limited Company |
| GNPC | Ghana National Petroleum Corporation |
| GoG | Government of Ghana |
| GRIDCo | Ghana Grid Company |
| GW | Gigawatt |
| GWL | Ghana Water Limited |
| GWh | Gigawatt-hour |
| IPP | Independent Power Producer |
| KTPP | Kpone Thermal Power Plant |
| kW | Kilowatt |
| kWh | Kilowatt-hour |
| MDAs | Ministries, Departments and Agencies |
| MoE | Ministry of Energy |
| NITS | National In |
| NEDCo | Northern Electricity Distribution Company |
| PURC | Public Utilities Regulatory Commission |
| O&M | Operation and Maintenance |
| RAB | Regulated Asset Base |
| RoR | Rate of Return |
| TARR | Total Annual Revenue Requirement |
| TI | Tariff Income |
| USD | United States of America Dollar |
| VRA | Volta River Authority |
| WACC | Weighted Average Cost of Capital |
| WACOG | Weighted Average Cost of Gas |

## 1.0 INTRODUCTION

The Public Utilities Regulatory Commission (PURC) is mandated by Sections 3(a) and (b) of the Public Utilities Regulatory Commission Act, 1997 (Act 538) to perform the following functions:

**(i)** to provide guidelines on rates chargeable for provision of utility services

**(ii)** to examine and approve rates chargeable for provision of utility services

In accordance with Section 19 of the Act, the PURC on December 02, 2025, issued new utility tariffs, setting out rates chargeable for the supply of natural gas, electricity and water by Regulated Utilities to consumers in Ghana. These rates are contained in Appendix 3. The new rates approved by the Commission came into effect on January 01, 2026 and will remain in force until reviewed by the Commission. The Commission will undertake rate revisions under its Rate Setting Guidelines for Quarterly Review of Natural Gas, Electricity and Water Tariffs to ensure that targeted revenue requirements for the Regulated Utilities are achieved at any point in time.

It is worth noting that the tariff decision is the culmination of a major tariff review process which enabled the Commission to solicit relevant information/data from regulated utility companies, consumers and other stakeholders. The process included:

- Filings by the regulated utility companies, namely: Volta River Authority (VRA), Ghana National Gas Limited Company (GNGLC), Ghana Grid Company (GRIDCo), Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo), Enclave Power Company (EPC) and Ghana Water Limited (GWL).
- Submissions and written papers by other key stakeholders including Ghana National Petroleum Corporation (GNPC) and the public.
- Public consultations which provided the platform for the utility companies to make presentations to the public.

To restate, the new rates approved by the Commission are effective January 01, 2026: and remain in force until reviewed by the Commission. To this end and as noted earlier, the Commission will undertake periodic rate revisions to ensure that targeted revenue requirements for the Regulated Utilities are achieved.

## 2.0 PURC TARIFF DECISION AND PRINCIPLES

### 2.1 Tariff Decision

The Commission's tariff decisions are based on prudent and efficient costs which are key to the financial viability of the regulated public utilities. The decisions are also intended to foster economic growth by sending signals to the market.

In addition, the Commission's position is that the enhancement of the regulatory environment's operations must be assessed from this perspective.

In arriving at prudent and efficient costs of the utility companies, the Commission considered the performance of the utility companies since the last Major Tariff Review in 2022.

### 2.2 PURC Tariff Principles

In addition to the prudent and efficient cost criteria outlined in 2.1 above, the Commission took into consideration the legal requirements of the PURC Act, which legal requirements are listed in Table 2-1. The Commission also executes these legal requirements through its Rate Setting Guidelines and approval of rates.

**Table 2-1** Summary of Relevant Sections in Act 538 on Determination of Tariffs

| **Relevant Section of Act 538** | **Objective** |
|---|---|
| 16 (3) (a) | Consumer interest |
| 16(3) (b); 3(c) | Investor / Utility interest |
| 16(3)(c) | Assuring reasonable cost of production of the service |
| 16(3)(d) | Assurance of the financial viability of the public utility |
| 20(1) | Uniformity of prices throughout the country |
| 20(1)(a) | Population distribution |
| 20(1)(b) | Best use of natural resources |
| 20(1)(c) | Economic development of the country |
| 20(2) | Different rates for different consumer classes |

The Commission's interpretation of these provisions is summarised below:

- **Consumer Interest**: Ensuring value for money in terms of price, quality and reliability; maintaining an optimum balance between affordability and availability of service; fair apportionment of total cost of supply to various classes of consumers; provision of a minimum level of service (lifeline supply) at an affordable price to a specified category of residential customers; ensuring long term availability of service.
- **Investor/ Utility Interest**: Ensuring the utility or investor's ability to recover operational expenses and earn a reasonable return.
- **Reasonable Cost of Production**: Examination of the cost of production of a service by a public utility or others to exclude unreasonable or inefficient costs from the revenue requirement of the utility company.
- **Financial Viability:** Ensuring that the utility companies always maintain positive cash flows to achieve reasonable financial indices.
- **Uniformity of Prices and Population Distribution**: Allowance for a tariff structure which incorporates uniform rates for all customers within a particular consumer category

regardless of geographic location.

- **Economic Development of the Country**: Providing for "Special Rates" for priority consumers whose activities may enhance or significantly affect economic development.

## 3.0 REGULATORY AND POLICY CONSIDERATIONS UNDERLYING 2026-2030 MULTI-YEAR MAJOR TARIFF REVIEW DECISION

### 3.1 Regulatory Philosophy

The regulatory philosophy underpinning the determination of tariffs for the 2026-2030 Tariff Control Period is three-fold:

i. Recovery of efficient and prudently incurred costs of supply of Utility Services to end consumers with a view to ensuring recovery of the Utility company's revenue requirement.

ii. Recovery of reasonable and efficient costs, including return on assets.

iii. Provision of economic signals through multi-year tariff reviews and quarterly adjustments which recognise existing infrastructure, to maintain the alignment of revenues and prices with trends in costs, considering the social and cultural environment.

In this regard, PURC employed a joint approach, which combines the determination of the revenue requirements with approved key performance indicators.

Guided by this philosophy, PURC's hybrid tariff methodology combines revenue cap principles and performance-based incentive mechanisms to encourage regulated utilities to work towards achieving the Commission's regulatory performance benchmarks. This methodology enables regulated utilities realize approved revenue requirements hence improve quality of service delivery to consumers.

The tariff methodology is based on the following objectives:

i. Implementation of cost recovery tariffs, by providing the Utility the opportunity to achieve a regulated revenue requirement including a fair rate of return.

ii. Introduction of pass-through mechanisms for timely recovery of pass-through costs, without earnings on those pass-through costs.

iii. Development of effective regulatory policies to help provide needed capital to implement capital investment programs and secure efficient system expansion.

iv. Development and implementation of an appropriate tariff structure to better track technical and economic characteristics of consumption and associated costs of servicing different customer categories.

v. Fair allocation of total cost of supply to various classes of consumers.

vi. Allowance for a tariff structure which incorporates uniform rates for all customers within a particular category of consumers regardless of geographic location.

### 3.2 Regulatory Control Period

To create a stable and predictable regulatory environment while taking into account current macroeconomic conditions, the Commission adopted a 5-Year Tariff Control Period in line with requirements of the Commission's Rate Setting Guidelines.

## 3.3 Policy Considerations

A number of key policies underpins PURC's 2026-2030 Multi-Year Major Tariff Review. These key policies include short-term capital investment expenditure, operating expenses, mini-grid tariff policy, system losses, depreciation, regulated asset base, return on regulated asset base and harmonisation of natural gas pricing for electricity generation.

### 3.3.1 Short-Term Capital Investment Expenditure

The Commission introduced the policy of short-term capital investments in the 2026-2030 Multi-year Major Tariff Review in line with the PURC's Rate Setting Guidelines for Investment Approval and Verification. This policy was designed to resolve bottle necks that impede quality of service delivery in the short term. Under this policy, the Commission approved a number of short-term investments for the regulated utilities and incorporated these investments as part of the tariffs. The investments include meters, reliability improvement projects, technical loss reduction projects, voltage Improvement projects, commercial loss and revenue improvement projects. To this end, the Commission, will as part of its regulatory oversight responsibilities, periodically monitor both the execution and impact of these projects on the value chain and provide support where necessary.

### 3.3.2 Operating Expenses

The policy relating to operating expenses is to ensure prudence and efficiency in the determination of costs relating to operational activities of regulated utilities, using an operating efficiency percentage benchmark vis-à-vis approved regulatory asset base, which costs are then used in the Commission's tariff decision.

### 3.3.3 Mini-Grid Tariff Policy

The Commission, as a major policy to reduce the revenue gap faced by VRA in the operation and maintenance of the existing eight (8) mini-grids has incorporated the subsidy gap between the revenue received from the mini-grid customers and the actual cost of operating and maintaining these mini-grids.

### 3.3.4 System Losses

As part of the Commission's efforts at loss reduction over the 2026-2030 Tariff Control Period, the Commission approved annual loss reduction targets for Electricity Distribution Companies and the Water Company. These loss reduction targets set by the Commission for the regulated utilities are linked to approved short-term capital investments over the period. It is thus the expectation of the Commission that these investments will be carried out to realize the targets set which should in turn lead to improvement in performance, hence quality of service delivery to consumers.

### 3.3.5 Depreciation

The Commission's Rate Setting Guidelines, stipulates that depreciation expense shall be calculated on Net Revalued Fixed Assets that are deemed used and useful in providing utility services. Accordingly, the Commission approved these depreciation amounts in accordance with the Rate Setting Guidelines and made the necessary adjustments to account for grant supported investments, capital works in progress and fluctuations in exchange rate. Notably, depreciation was not applied to assets funded by grants and the Government.

### 3.3.6 Regulated Asset Base

The policy of the Commission with regards to regulated asset base as captured in the Rate Setting Guidelines is that the value of regulatory asset base at any tariff period shall be determined using inflation-adjusted historical cost of regulated assets less accumulated depreciation for the period under consideration plus net working capital. In line with the above, the Commission used the net replacement value of the regulated asset base of the utilities for the 2026-2030 Tariff Control Period.

### 3.3.7 Return on Regulated Asset Base

The policy outlined in the Rate Setting Guidelines specifies that the allowable rate of return must match the estimated Weighted Average Cost of Capital (WACC). In this context, the Commission calculated the WACC by accessing the cost associated with debt and equity along with the respective proportion of debt and equity in line with the PURC capital structure benchmark.

### 3.3.8 Harmonisation of Natural Gas Pricing for Electricity Generation

To streamline the pricing of natural gas in Ghana, the Commission continued its practice of harmonization of natural gas prices into a single price – the Weighted Average Cost of Gas (WACOG). This approach aims to consolidate the various gas sources and associated prices. The objective is to create a uniform price platform for monitoring plant efficiency and to prevent the passage of inefficient fuel costs in power generation to end users.

## 4.0 FILINGS IN RESPECT OF MAJOR TARIFF REVIEW

The requirements for filing of tariffs by public utilities are outlined in Sections 21 and 22 of the PURC Act 1997, (Act 538). Each public utility is required to file its tariff proposals with the Commission detailing the rates to be charged in accordance with the 2025 PURC tariff filing forms. In furtherance of this, the Commission notified the Regulated Utilities and other stakeholders of the commencement of the tariff filing process and requested them to file tariff proposals for the period 2026-2030 Tariff Control Period.

### 4.1 Preliminary Actions

Pursuant to foregoing legal and prudency test requirements which have been operationalised via various Water, Natural Gas and Electricity Rate Setting Guidelines as approved to guide discharge of the Commission's mandate, the Secretariat executed a number of key preparatory and preliminary actions in respect of the 2026-2030 Multi-Year Major Tariff Review. These actions are stated below:

**I. February 25-27, 2025**

In line with the Guidelines for Approval and Verification of Investments by Utility Service Providers, a preliminary investment hearing was held where the Utilities made presentations on their proposed 5-year investment plans. The objective of this hearing was to serve as a precursor to the main investment hearing to be conducted as well as ensure compliance with the contents of the investment plans as stipulated in the aforementioned Guidelines.

**II. April 17, 2025**

The Utilities submitted their revised 5-year investment plans incorporating inputs from the preliminary investment hearing conducted in February 2025.

**III. July 07-10, 2025**

The investment hearing panel constituted by the Board conducted the first-ever investment hearing for the Utilities over a 4-day period. The Utilities presented their critical, short-term, medium-term and long-term investment plans to the Panel. There was a cross-examination of their investment plans and where gaps were identified, Utilities were requested to rectify as well as submit additional documentation in support of the investment plans.

**IV. July 16, 2025**

The Utilities submitted final investment plans with justification in the form of project benefits and supporting documentation for review and recommendation by the investment hearing panel and subsequent approval by the Board of the Commission.

**V. August 12, 2025**

The PURC Board gave their approval on key short term critical investments to be undertaken by the Utilities to improve quality of natural gas, electricity and water supply services.

**VI. August 13, 2025**

Following the decision on approval of investment plans by the Board, each Utility was informed of list of critical investments that can be incorporated as part of their tariff proposal submissions.

**VII. August 14, 2025**

The Secretariat requested the utility service providers to submit their tariff proposals by incorporating approved critical investments. In addition, the tariff proposals were to reflect the tariff control period of 2026-2030.

## 4.2 Tariff Procedure

The following procedure per the Commission's Rate Setting Guidelines was adopted.

i. **Request for Papers**

The Commission commenced the tariff review process in August 2025 by inviting submissions on natural gas, electricity and water tariffs from interested persons.

ii. **Utility Proposals**

The following Regulated Utilities filed tariff proposals by August 21, 2025, requesting adjustment of rates chargeable for their services:

1. Ghana National Gas Limited Company
2. Volta River Authority
3. Ghana Grid Company Limited
4. Electricity Company of Ghana Limited
5. Enclave Power company Limited
6. Northern Electricity Distribution Company
7. Ghana Water Limited

iii. **Tariff Proposal Publication and Hearings**

For a transparent and holistic public involvement, the Commission directed all regulated utility companies to publish summaries of their proposals to enable interested parties to examine the bases of their requests by August 29, 2025. This was followed by Stakeholder consultations commencing September 8-25, 2025. Public hearings were also held regionally from September 17, 2025 to October 30, 2025.

iv. **Examination of Tariff Proposals**

As stated in Section 16 of the PURC Act 1997 (Act 538), the Commission is required to consider consumer interest, investor interest, the cost of production of the service, and assurance of the financial integrity of the public utility in its Rate Setting Guidelines. These factors form the foundation for the Commission's examination and approval by the Commission. The Commission reviewed all presentations made by regulated utility companies and key stakeholders while making this tariff decision.

## 4.3 Summary of Tariff Submissions by Regulated Utility Companies

Regulated Utilities submitted their proposals to the Commission for review and approval regarding service provision levels, associated costs as well as revenue requirement. A summary of these submissions is presented in the following sections.

### 4.3.1 Volta River Authority (VRA)

VRA's tariff proposal focused on six key areas:

i. The proposed power purchase tariffs for Electricity Distribution Companies (DisCos namely ECG, NEDCo and EPC)
ii. prices for reactive power compensation
iii. forecast electrical energy supply for regulated electricity market
iv. cost of operation and maintenance for mini-grids
v. rationale underpinning tariff submission
vi. key policy issues for tariff consideration.

#### 4.3.1.1 VRA Proposed Power Purchase Tariffs for DisCos

VRA proposed power purchase tariffs and electrical energy allocation for DisCos as part of the Authority's tariff proposal for the 2026-2030 Tariff Control Period. Data in respect of above is presented in Table 4-1.

**Table 4-1** Summary of Proposed Power Purchase Tariffs and Electrical Energy Allocation by DisCos

| Item Description | Existing Tariff (USCents/kWh) | Proposed Tariff (USCents/kWh) | VRA Electrical Energy Allocation By DisCos (GWh) | | | |
|---|---|---|---|---|---|---|
| | | | ECG | NEDCo | EPC | Total |
| Power Plant: | | | | | | |
| Akosombo | 2.0208 | 3.9519 | 2,903.0 | 740.0 | 46.0 | 3,689.0 |
| Kpong | 4.1428 | 9.5427 | 520.0 | 132.0 | 8.0 | 660.0 |
| TAPCo | 10.0497 | 8.6226 | 80.0 | 1,540.0 | | 1,620.0 |
| TT1PP | 10.4207 | 12.4854 | | | | |
| KTPP | 10.3126 | 15.3505 | | | 254.0 | 254.0 |
| AMERI | 9.9324 | 10.7476 | 69.0 | | | 69.0 |
| Navrongo Solar | 12.4918 | 12.4918 | | 3.0 | | 3.0 |
| Lawra Solar | 9.0000 | 9.0000 | | 9.0 | | 9.0 |
| **Total VRA Generation** | | | **3,572.0** | **2,424.0** | **308.0** | **6,304.0** |
| **Weighted Bulk Generation Charge (USCents/kWh)** | | | **5.0017** | **7.7329** | **13.4973** | |

Source: 2026-2030 VRA Tariff Proposal

#### 4.3.1.2 Reactive Power Compensation

VRA proposed compensation for reactive power generation by the Authority. The Authority noted that reactive power generation is necessary to ensure voltage stability, system reliability and efficient power delivery on the transmission network. VRA therefore requests the Commission to approve a cost reflective tariff for reactive power being provided by the Authority of which proposed charges is presented in Table 4-2.

**Table 4-2** Summary of Proposed Reactive Power Charges by Power Plant

| Power Plant | Measure | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Akosombo | GHS/kVar/Year | 932.46 | 1,184.30 | 1,257.96 | 1394-95 | 144.24 | 1,486.29 |
| Kpong | GHS/kVar/Year | 1,843.96 | 1,882.50 | 2,029.21 | 2,087.40 | 2,111.86 | 2,133.13 |

Source: 2026-2030 VRA Tariff Proposal

#### 4.3.1.3 VRA Forecast Electrical Energy Supply

VRA presented forecast electrical energy supply by power plant for the regulated electricity market as shown in Table 4-3.

**Table 4-3** Summary of VRA Forecast Electrical Energy Supply by Power Plant for Regulated Electricity Market 2026-2030

| Item Description | Measure | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| **Forecasted Supply:** | | | | | | | |
| Akosombo GS | GWh | 6450 | 5513 | 5072 | 4690 | 4690 | 4690 |
| Kpong GS | GWh | 1000 | 987 | 928 | 910 | 910 | 910 |
| TAPCo | GWh | 2222 | 2234 | 2234 | 2234 | 2234 | 2234 |
| TT1PS | CWh | 383 | 482 | 482 | 482 | 482 | 482 |
| KTPS | GWh | 481 | 460 | 460 | 460 | 460 | 1526 |
| ATPS | GWh | 1519 | 1813 | 1813 | 1813 | 1813 | 1813 |
| VRA Renewable Plants: | | | | | | | |
| Navrongo Solar plant | GWh | 4 | 3 | 3 | 3 | 3 | 3 |
| Lawra/Kaleo Solar Plant | GWh | 10 | 9 | 9 | 9 | 9 | 9 |
| Total VRA Renewable Generation | GWh | 14 | 12 | 12 | 12 | 12 | 12 |
| VRA Thermal Generation Under Development | | | | | | | |
| Takoradi 3 Project (T3) | GWh | | | | 1041 | 1041 | 1041 |
| **Total Forecasted VRA Supply for Regulated Electricity Market** | GWh | **12,069** | **11,501** | **11,001** | **11,642** | **11,642** | **12,708** |

Source: 2026-2030 VRA's Tariff Proposal

### 4.2.4 Operation and Maintenance of Mini Grids

The Authority proposed the inclusion of Operation and Maintenance costs (O&M) for eight (8) existing Mini-Grids in Ghana as part of the grid-connected costs. The mini-grid proposal is in response to a directive from the Ministry of Energy, assigning the VRA to be responsible for the operation and maintenance of both generation and distribution of the Island mini-grids across the country. The mini-grids are situated in island communities on the Volta Lake in the Oti Region and near Ada in the Greater Accra Region. VRA reports that the revenue generated from mini-grid customers is insufficient to cover the total O&M costs for these installations. Table 4-4 provides a summary of the proposed operation and maintenance costs for the eight mini-grids, along with the subsidy gap required.

**Table 4-4** Summary of VRA proposed Cost of Operation and Maintenance Expense for 8 Mini-Grids

| Item | Amount (GHS) |
|---|---|
| Total Annual Cost for OPEX of the Eight Pilot Mini Grids | 2,437,072.61 |
| Total Revenue from Eight (8) Facilities | 494,336.55 |
| **Subsidy Gap Needed to Break Even** | **1,942,736.06** |

Source: 2026-2030 VRA's Tariff Proposal

The Authority stated that the reasons for requesting tariff adjustments include the cost of power supply, losses due to foreign exchange, the expenses associated with liquid fuels, the costs of providing ancillary services to the NITS, and the necessity to undertake projects aimed at improving generation efficiency and expanding capacity to enhance power supply and reliability.

### 4.3.2 Ghana Grid Company Limited (GRIDCo)

GRIDCo submitted a proposal that includes an Electricity Supply Plan and a revenue requirement request for the 2026-2030 tariff control period. Details of the Electricity Supply Plan for 2025 can be found in Table 4-5, while the revenue requirement details are outlined in Table 4-6.

**Table 4-5** Summary of Proposed Transmission Service Charge for 2026-2030

| Tariff | Measure | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 | Average |
|---|---|---|---|---|---|---|---|---|
| Transmission Service Charge-1 (GRIDCo) | GHp/kWh | 12.9768 | 13.0468 | 12.9798 | 13.1088 | 13.1156 | 13.4449 | 13.1121 |

Source: 2026-2030 GRIDCo's Tariff Proposal

A comparative review of GRIDCo's existing TSC-1 of GHp 6.2553/kWh with the proposed TSC-1 of GHp 8.9181/kWh for 2026 indicates a **108.6%** upward adjustment in TSC-1. However, the average for the tariff control period indicates **110%** upward adjustment in the TSC-1

### 4.3.2.1 2025 Electricity Supply Plan

The 2025 electricity supply plan outlines electrical energy consumption by customers and the supply from generation plants for the period 2026–2030. This information is detailed in Tables 4-6 and 4-7, respectively.

**Table 4-6** 2025 Electricity Supply Plan Indicating Electrical Energy Consumption by Customer and Supply by Generation Plant

| Customer Catergory | Projected Consumption (GWh) |
|---|---|
| **Projected Energy Consumption** | |
| Domestic | 24,372 |
| VALCO | 850 |
| Export (CED+ SONABEL +CIE) | 3,117 |
| **Total** | **28,339** |
| **Generation Sources:** | |
| VRA Power Plants: | |
| Akosombo GS | 6,450 |
| Kpong GS | 1,000 |
| T1 | 1,866 |
| T2 | 1,785 |
| TT1PP | 383 |
| KTPP | 662 |
| ATPS | 1,154 |
| VRA Kaleo Solar Power Plant | 44.2 |
| VRA Navrongo Solar Power Plant | 3.9 |
| VRA Lawra Solar Power Plant | 10 |
| Import from Cote d'voire | 0 |
| Total - VRA | **13,358** |
| | |
| **IPP Power Plants** | |
| Bui GS | 1,211 |
| Bui Solar | 173.6 |
| Sunon Asogli I | 712 |
| Sunon Asogli II | 2,282 |
| CENIT | 0 |
| KARPOWER | 2,903 |
| AKSA | 1,296 |
| CENPOWER | 2,318 |
| Twin City | 1,601 |
| Early Power | 1,331 |
| Meinergy | 25 |
| BXC Solar | 27 |
| Genser | 1098 |
| **Total IPPs** | **14,978** |
| **Total Supply (GWh)** | **28,336** |

Source: 2025 Electricity Supply Plan

Details of GRIDCo's proposed Electricity Supply Plan for 2025, as presented in Table 4-4, indicate that GRIDCo projects to transmit a total energy volume of 28,336 GWh to both regulated and deregulated electricity markets.

### 4.3.2.2 Technical, Economic and Financial Assumptions

GRIDCo submitted the following technical, economic and financial assumptions, as presented in Table 4-7.

**Table 4-7** Summary of GRIDCo's Proposed Technical, Economic & Financial Assumptions 2026-2030

| Item | Measure | Cost By Regulatory Year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Electricity Available for Dispatch | GWh | 28,339 | 30,983 | 33,208 | 35,280 | 38,334 | 41,966 |
| Total Electricity Sales | GWh | 27,143 | 29,613 | 31,746 | 33,728 | 36,655 | 40,128 |
| Transmission Loss | % | 4.22 | 4.42 | 4.4 | 4.4 | 4.38 | 4.38 |
| | | | | | | | |
| Operation & Maintenance Costs | MGHS | 112.31 | 140.94 | 163.25 | 187.17 | 225.35 | 251.95 |
| Administrative & General Costs | MGHS | 79.48 | 84.83 | 92.45 | 100.53 | 109.91 | 117.33 |
| Human Resource Costs | MGHS | 256.33 | 280.61 | 320.30 | 366.16 | 390.87 | 450.77 |
| Depreciation | MGHS | 200.45 | 213.31 | 227.18 | 244.91 | 250.82 | 259.91 |
| Return on Regulated Asset Base | MGHS | 1,033.74 | 1,164.58 | 1,436.42 | 1,470.92 | 1,525.34 | 1,587.49 |
| Cost of Working Capital | MGHS | 306.01 | 331.70 | 425.54 | 454.54 | 483.67 | 480.52 |
| Corporate Tax | MGHS | 20.03 | 34.25 | 12.31 | 13.23 | 103.87 | 61.61 |
| **Total Revenue Requirement** | **MGHS** | **2,008.35** | **2,250.22** | **2,677.45** | **2,837.46** | **3,089.83** | **3,209.58** |

Source: GRIDCo's Tariff Proposal, 2026-2030

As indicated in Table 4-7, GRIDCo proposed a total revenue requirement ranging from GHS 2,250.22Million in 2026 to GHS 3,209.58Million in 2030. This request, according to GRIDCo, is in respect of transmission services the company would provide for the Tariff Control Period.

The Company noted that its request for upward review of operational costs by PURC is underpinned by the impact of Cedi depreciation on its operations, increasing cost of maintenance and financing, the need to upgrade transmission network capacity, the replacement of aged and obsolete assets to meet growth in demand, as well as improve the quality and reliability of supply.

### 4.3.3 Electricity Company of Ghana Limited (ECG)

ECG's tariff proposal covered adjustment in the Company's distribution service charge, rationale for the level of tariff being proposed, key policy issues for tariff consideration, as well as underlying technical, economic, and financial assumptions.

**Table 4-8** Summary of Proposed Distribution Service Charge for 2026-2030

| Tariff | Measure | 2025 | 2026 | 2027 | 2028 | 2029 | Average |
|---|---|---|---|---|---|---|---|
| Distribution Service Charge-1 (ECG) | GHp/kWh | 64.6410 | 62.8204 | 60.6931 | 59.0567 | 57.1456 | 60.8714 |

Source: 2026-2030 ECG Tariff Proposal

A comparative review of ECG's existing DSC-1 of GHp 17.8900/kWh with the proposed DSC-1 of GHp 64.6410/kWh for 2025 indicates a **261.3%** upward adjustment in DSC-1. However, the average for the tariff control period indicates **240.3%** upward adjustment in the DSC-1.

### 4.3.3.1 Technical, Economic and Financial Assumptions

A number of key technical, economic and financial assumptions were identified by ECG as underlying their tariff proposal for the 2026-2030 Tariff Control Period. A summary of these assumptions is presented in Table 4-9 and Table 4-10.

**Table 4-9** Summary of ECG's Technical, Economic and Financial Assumptions

| Item | Measure | Cost By Regulatory Year | | | | |
|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 |
| Power Purchases @ Bulk Supply Point | GWh | 17,777 | 18,700 | 19,664 | 20,671 | 21,721 |
| Power Sales | GWh | 13,155 | 14,025 | 14,945 | 15,917 | 16,942 |
| System Losses | % | 26.0% | 25.0% | 24.0% | 23.0% | 22.0% |
| Operation & Maintenance Expenses | MGHS | 983.83 | 1,049.75 | 1,120.29 | 1,195.35 | 1,275.44 |
| Administrative & General Expenses | MGHS | 836.77 | 892.84 | 952.83 | 1,016.67 | 1,084.79 |
| Human Resource Expenses | MGHS | 1,464.23 | 1,562.33 | 1,667.32 | 1,762.19 | 1,880.26 |
| Customer Service Expenses | MGHS | 760.69 | 811.66 | 866.20 | 924.24 | 986.16 |
| Interest on Working Capital | MGHS | 31.02 | 33.51 | 37.97 | 41.04 | 37.09 |
| Capital Recovery Payments | MGHS | 659.83 | 659.83 | 659.83 | 659.83 | 659.83 |
| Depreciation | MGHS | 1,518.81 | 1,518.81 | 1,518.81 | 1,518.81 | 1,518.81 |
| Return on RAB | MGHS | 2,123.48 | 2,123.48 | 2,123.48 | 2,123.48 | 2,123.48 |
| Corporate Tax | MGHS | 124.86 | 158.23 | 123.82 | 158.41 | 115.91 |
| Total Revenue Requirement | MGHS | **8,503.5** | **8,810.4** | **9,070.6** | **9,400.0** | **9,681.8** |

Source: ECG's Tariff Proposal, 2026-2030

As shown in Table 4-9, ECG proposed a total revenue requirement ranging from GHS 8,810.4Million in 2026 to GHS 9,681.8Million over the 5 years.

### 4.3.3.2 ECG System Demand, Electrical Energy Supply and Procurement Cost Data

ECG's projected system peak demand over five (5) years, as well as electrical energy supply from VRA power plants and bilaterally contracted power plants, are presented in Table 4-10.

**Table 4-10** Summary of ECG System Demand and Supply Data 2026-2030

| Item Description | Measure | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
|---|---|---|---|---|---|---|---|
| Peak Demand | MW | 2524 | 2616 | 2751 | 2892 | 3039 | 3191 |
| **Supply Sources:** | | | | | | | |
| **Embedded Generation- Renewables (Solar & Biomass):** | | | | | | | |
| BXC | GWh | 37 | 37 | 37 | 37 | 37 | 37 |
| Meinergy | GWh | 37 | 37 | 37 | 37 | 37 | 37 |
| Safisana | GWh | 1 | 1 | 1 | 1 | 1 | 1 |
| Total Renewables | GWh | **74** | **74** | **74** | **74** | **74** | **74** |
| **Hydro Generation:** | | | | | | | |
| Akosombo (VRA) | GWh | 3,316 | 3,316 | 3,316 | 3,316 | 3,316 | 3,316 |
| Kpong (VRA) | GWh | 606 | 606 | 606 | 606 | 606 | 606 |
| Bui | GWh | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 |
| Total Hydro | GWh | **4,953** | **4,953** | **4,953** | **4,953** | **4,953** | **4,953** |
| **Thermal Generation:** | | | | | | | |
| **VRA:** | | | | | | | |
| TapCo (VRA) - NG | GWh | 373 | 373 | 373 | 373 | 373 | 373 |
| Ameri (VRA) - NG | GWh | 1,117 | 1,861 | 1,861 | 1,861 | 1,861 | 1,861 |
| Total VRA Thermal | GWh | **1,490** | **2,234** | **2,234** | **2,234** | **2,234** | **2,234** |
| **IPPs:** | | | | | | | |
| Amandi (NG) | GWh | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 |
| Cenpower (NG) | GWh | 982 | 982 | 982 | 982 | 982 | 982 |
| Karpowership (NG) | GWh | 784 | 962 | 1,927 | 2,934 | 3,627 | 3,627 |
| Cenit (NG) | GWh | - | - | - | - | - | - |
| Sunon Asogli Power 1 (NG) | GWh | - | - | - | - | 357 | 1,077 |
| Sunon Asogli Power 2 (NG) | GWh | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 |
| Early Power (NG) | GWh | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 |
| AKSA Energy (NG) | GWh | 725 | 725 | 725 | 725 | 725 | 725 |
| AKSA Energy (HFO) | GWh | 1,088 | 1,088 | 1,088 | 1,088 | 1,088 | 1,088 |
| Cenpower (LCO) | GWh | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 | 1,310 |
| Cenpower (DFO) | GWh | 327 | 327 | 327 | 327 | 327 | 327 |
| Sunon Asogli Power 2 (LCO) | GWh | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 | 1,410 |
| AKSA Kumasi | GWh | | | | | | 372 |
| Total Thermal (IPPs) | GWh | **11,261** | **11,439** | **12,404** | **13,411** | **14,460** | **15,553** |
| Total Thermal (VRA+IPPs) | GWh | **12,751** | **13,673** | **14,638** | **15,645** | **16,695** | **17,787** |
| **Grand Total** | **GWh** | **17,777** | **18,700** | **19,664** | **20,671** | **21,721** | **22,813** |

Source: ECG's Tariff Proposal, 2026-2030

ECG projected its system peak demand to increase from 2,616MW in 2026 to 3,191MW in 2030. Electrical energy supply from VRA and Independent Power Producers (IPPs) is projected to increase from 18,700GWh in 2026 to 22,813GWh in 2030.

With regards to the rationale underpinning ECG's request for upward review of its tariffs, the company indicated that a change in macroeconomic and market-driven variables, such as exchange and inflation rates have increased the cost of both imported and local distribution materials required by ECG to serve its customers, as well as exchange rate losses. In addition, ECG indicated the need to undertake some critical investments to improve service quality and reduce system losses.

### 4.3.4 Northern Electricity Distribution Company (NEDCo)

NEDCo's proposal submission dwelt on rationale underpinning the company's tariff proposal and economic, technical as well as financial assumptions for the regulatory control period. A summary of NEDCo's Distribution Service Charge (DSC-1) are presented in Table 4-11.

**Table 4-11** Summary of Proposed NEDCo DSC for 2026-2030

| Tariff | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average |
|---|---|---|---|---|---|---|---|
| Distribution Service Charge-1 (NEDCo) | GHp/kWh | 119.9534 | 118.0790 | 115.2662 | 112.5408 | 112.1422 | 115.5963 |

Source: 2026-2030 NEDCo's Tariff Proposal

A review of NEDCo's existing DSC-1 of GHp 30.2031/kWh with proposed DSC-1 of GHp 119.9534/kWh for 2026, indicates a **297.16%** upward adjustment in DSC. However, average for the tariff control period indicates a **282.73%** upward adjustment in the DSC-1.

#### 4.3.4.1 Technical, Economic and Financial Assumptions

NEDCo identified a number of key technical, economic and financial assumptions as underlying the company's proposed tariffs. A summary of these assumptions is presented in Table 4-12.

**Table 4-12** Summary of NEDCo's Technical, Economic and Financial Projections

| Item | Measure | Cost By Regulatory Year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Power Purchase | GWh | 2,284 | 2,444 | 2,619 | 2,807 | 3,009 | 3,221 |
| Power Sales | GWh | 1,804 | 1,931 | 2,069 | 2,218 | 2,377 | 2,545 |
| | | | | | | | |
| Operation & Maintenance Expenses | MGHS | 116.28 | 111.87 | 118.67 | 128.93 | 123.75 | 134.31 |
| Administrative & General Expenses | MGHS | 160.54 | 171.62 | 182.18 | 193.11 | 193.11 | 204.69 |
| Human Resource Expenses | MGHS | 507.54 | 536.90 | 579.85 | 637.83 | 701.61 | 771.78 |
| Depreciation | MGHS | 756.38 | 729.68 | 762.24 | 778.74 | 808.29 | 850.26 |
| Return on Average Net Fixed Assets | MGHS | 793.98 | 765.95 | 800.13 | 817.45 | 848.46 | 892.52 |
| Total Revenue Requirement | MGHS | **2,334.71** | **2,316.01** | **2,443.07** | **2,556.06** | **2,675.22** | **2,853.56** |
| | | | | | | | |
| Average Net Fixed Assets | MGHS | 26,465.83 | 25,531.65 | 26,670.99 | 27,248.38 | 28,282.06 | 29,750.67 |
| Return on ANFA | % | 3 | 3 | 3 | 3 | 3 | 3 |

Source: NEDCo's Tariff Proposal, 2026-2030

The summary of the data presented in Table 4-9 indicates that NEDCo anticipates energy sales of 1,931 GWh in 2026, rising to 2,545 GWh by 2030.

In terms of revenue, NEDCo has requested a total revenue requirement of GHS 2,316.01 million for 2026, with expectations for this amount to increase to GHS 2,853.56 million in 2030.

The company attributes these requests to several factors, including the increasing depreciation of the Ghanaian cedi against the US dollar, high inflation rates, rising costs of essential materials and equipment necessary for service provision, and the imperative to expand, upgrade, and replace outdated distribution networks. These measures are crucial for accommodating growing demand, minimising system losses, and enhancing the quality and reliability of supply.

### 4.3.5 Enclave Power Company Limited (EPC)

EPC's proposal outlines an adjustment to the company's distribution service charge, detailing the rationale for the proposed tariff level alongside the underlying technical, economic, and financial assumptions. A summary of EPC's Distribution Service Charge (DSC-1) is provided in Table 4-13.

**Table 4-13** Summary of Proposed EPC DSC for 2026-2030

| Tariff | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average |
|---|---|---|---|---|---|---|---|
| Distribution Service Charge-1 (EPC) | GHp/kWh | 46.9274 | 53.2473 | 52.4248 | 63.7214 | 65.9890 | 51.4268 |

Source: 2026-2030 EPC's Tariff Proposal

A review of EPC's existing DSC-1 of GHp21.6220 /kWh with the proposed 2026 DSC-1 of GHp 46.9274/kWh indicates an **117.04%** upward adjustment in DSC-1. However, the average for the tariff control period indicates **137.84%** upward adjustment in the DSC-1.

#### 4.3.5.1 Technical, Economic and Financial Assumptions

EPC identified a number of key technical, economic, and financial assumptions underpinning the company's proposed distribution tariffs. A summary of these assumptions is presented in Table 4-14.

**Table 4-14** Summary of EPC Projected Technical, Economic and Financial Assumptions

| Item | Measure | Cost By Regulatory Year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Power Purchases | GWh | 398 | 491 | 573 | 649 | 723 | 803 |
| Power Sales | GWh | 368 | 388 | 468 | 469 | 540 | 617 |
| | | | | | | | |
| Operation & Maintenance Expenses | MGHS | 6.57 | 8.80 | 9.85 | 12.06 | 15.13 | 18.91 |
| Administrative & General Expenses | MGHS | 10.46 | 12.37 | 14.84 | 17.65 | 21.18 | 21.64 |
| Human Resource Expenses | MGHS | 23.85 | 24.06 | 25.26 | 27.81 | 29.49 | 32.36 |
| Depreciation | MGHS | 38.93 | 46.88 | 54.14 | 68.04 | 78.32 | 91.21 |
| Interest on Local Loans | MGHS | | | | | | |
| Return on Equity | MGHS | 43.32 | 55.19 | 69.90 | 87.86 | 109.48 | 135.21 |
| Interest on Working Capital | MGHS | 0.40 | 0.48 | 0.56 | 0.62 | 0.69 | 0.75 |
| Corporate Tax | MGHS | 49.13 | 58.96 | 70.75 | 84.90 | 101.87 | 122.25 |
| Total Revenue Requirement | MGHS | **172.67** | **206.75** | **245.29** | **298.94** | **356.16** | **422.32** |

Source: EPC's Tariff Proposal, 2026-2030

EPC proposed an energy sales volume of 388GWh in 2026. This is projected to increase to 617 GWh in 2030 to serve customers within the regulated market but located in Free Zone areas. Details of data presented in Table 4-14 indicate that EPC requests recovery of revenue requirement amounting to GHS 206.75Million in 2026. This request, the Company noted, is expected to increase to GHS 422.32Million in 2030.

In relation to the rationale behind EPC's tariff proposal, the company has highlighted the necessity for additional capital investments in network infrastructure to address the increasing demand from customers and to achieve its technical and commercial performance targets.

### 4.3.6 Ghana Water Limited (GWL)

GWL's tariff proposal underscores significant issues and the necessity for an upward review of the company's average end-user water tariff by the PURC. The company provided a summary of its proposed tariff, categorised by cost item and customer segment. The subsequent sections outline the rationale for the proposed tariff adjustment, incorporating the underlying economic, technical, and financial assumptions.

#### 4.3.6.1 Proposed Water Tariff by Customer Category

A summary of GWL's proposed water tariffs by cost item and customer category is presented in Table 4-15 and Table 4-16.

**Table 4-15** Summary of Proposed Water Tariff by Cost Item for 2026-2030

| Proposed Tariffs | Measure | Period (Year) | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| GWL OpEx | GHS/m3 | 37.06 | 42.64 | 50.07 | 59.8 | 69.91 | 81.01 |
| GWL OpEx & Depreciation | GHS/m3 | 42.95 | 49.08 | 57.16 | 67.58 | 78.46 | 90.41 |
| GWL OpEX & CRC | GHS/m3 | 44.31 | 50.58 | 58.8 | 69.43 | 80.49 | 92.65 |
| GWL Grand Total | GHS/m3 | 47.11 | 53.85 | 62.07 | 72.77 | 83.57 | 95.59 |
| DESAL OpEx | GHS/m3 | 54.54 | 62.69 | 64.35 | 67.6 | 65.88 | 66.18 |
| GWL OpEx & DESAL OpEx | GHS/m3 | 37.83 | 43.52 | 50.71 | 60.14 | 69.73 | 80.35 |
| GWL OpEx, Depreciation & DESAL OpEx | GHS/m3 | 43.46 | 49.69 | 57.48 | 67.58 | 77.91 | 89.34 |
| GWL OpEx, CRC & DESAL OpEx | GHS/m3 | 44.76 | 51.11 | 59.04 | 69.35 | 79.85 | 91.48 |
| GWL & DESAL Grand Total | GHS/m3 | 47.44 | 54.24 | 62.17 | 72.55 | 82.79 | 94.29 |

Source: 2026-2030 GWL Tariff Proposal

**Table 4-16** Summary of Proposed Water Tariff by Customer Category for 2026-2030

| Category | Existing Tariff GHp/m3 | Proposed Tariff GHp/m3 | Proposed Increase % | Expected Sales m3 | Expected Revenue GHS | Customers No. |
|---|---|---|---|---|---|---|
| Residential | | | | | | |
| 0-5 | 528.1760 | 1,509.7720 | 185.85 | 6,486,508 | 97,931,476 | 315,210 |
| 5 and above | 934.4558 | 2,555.7146 | 173.50 | 107,005,907 | 2,734,765,535 | 419,459 |
| Bulk Supply | 896.8042 | 4,412.4458 | 392.02 | 392,573 | 17,322,083 | 11 |
| Non Residential | 1,580.9172 | 9,659.6814 | 511.02 | 8,139,204 | 786,221,136 | 27,431 |
| Commercial | 2,828.3569 | 13,562.2317 | 379.51 | 9,586,649 | 1,300,163,593 | 40,910 |
| Industrial | 2,828.3569 | 13,562.2317 | 379.51 | 7,675,334 | 1,040,946,622 | 522 |
| Public Distribution/Gov't Depts | 1,357.6113 | 6,165.8711 | 354.17 | 22,755,060 | 1,403,047,687 | 7,126 |
| Public Standpipe | 632.7664 | 2,407.7508 | 280.51 | 3,725,139 | 89,692,074 | 8,629 |
| Port & Harbour | 3,699.4909 | 15,076.9993 | 307.54 | 626,708 | 94,488,724 | 26 |
| Bottled Water Producers | 2,828.3569 | 13,562.2317 | 379.51 | 3,028,983 | 410,797,744 | 35 |
| Sachet Water Producers | 2,488.9541 | 9,470.7640 | 280.51 | 1,298,687 | 122,995,600 | 1,087 |
| Total | | | | **170,720,752** | **8,098,372,274** | **820,446** |

Source: 2026-2030 GWL Tariff Proposal

A comparative review of GWL's existing average tariff of GHp 13.6340/kWh with a proposed average tariff of GHp54.2370/kWh for 2026 indicates a **297.81%** upward adjustment in GWL's tariff.

#### 4.3.6.2 Technical, Economic and Financial Assumptions

From a technical, economic and financial perspective, GWL submitted underpinning assumptions shown in Table 4-17 with regard to its proposed revenue requirements and tariffs.

**Table 4-17** Summary of GWL's Proposed Economic, Technical and Financial Projections for 2026-2030

| Item | Measure | Cost By Regulatory Year | | | | | |
|---|---|---|---|---|---|---|---|
| | | 2025 | 2026 | 2027 | 2028 | 2029 | 2030 |
| Total Production | m3 | 342,891,837 | 343,500,658 | 343,500,658 | 343,500,658 | 343,500,658 | 343,500,658 |
| Total Sales | m3 | 170,720,753 | 174,458,161 | 177,892,377 | 181,326,593 | 184,760,808 | 188,195,024 |
| Non-Revenue Water | % | 50.21 | 49.21 | 48.21 | 47.21 | 46.21 | 45.21 |
| | | | | | | | |
| **Recurrent Expenditure** | | | | | | | |
| Personnel Cost | GHS | 1,149,758,740 | 1,421,101,802 | 1,756,481,828 | 2,171,011,539 | 2,683,370,262 | 3,316,645,644 |
| Chemicals | GHS | 336,604,712 | 402,495,085 | 481,283,498 | 575,494,742 | 688,147,838 | 796,806,382 |
| Electricity Consumption | GHS | 661,374,339 | 740,739,260 | 829,627,971 | 954,072,167 | 1,068,560,827 | 1,196,788,127 |
| VAT/NHIS | GHS | 132,274,868 | 148,147,852 | 165,925,594 | 190,814,433 | 213,712,165 | 239,357,625 |
| Fuel | GHS | 58,741,275 | 70,113,586 | 85,461,450 | 108,348,026 | 128,869,142 | 149,217,579 |
| Materials | GHS | 78,353,498 | 93,522,735 | 113,994,861 | 144,522,685 | 171,895,282 | 199,037,547 |
| Reagents | GHS | 7,523,027 | 8,979,485 | 10,945,094 | 13,876,190 | 16,504,341 | 19,110,376 |
| Hiring of Equipment | GHS | 8,095,493 | 9,662,780 | 11,777,962 | 14,932,101 | 17,760,241 | 20,564,583 |
| Overheads | GHS | 353,339,950 | 421,746,564 | 514,066,887 | 651,733,999 | 775,172,418 | 897,572,143 |
| R&M | GHS | 543,458,449 | 648,672,004 | 790,666,306 | 1,002,406,743 | 1,192,262,580 | 1,380,520,841 |
| Financial Cost | GHS | 20,296,961 | 24,226,453 | 29,529,623 | 37,437,657 | 44,528,349 | 51,559,375 |
| Exchange Loss | GHS | 25,548,158 | 30,494,281 | 37,169,479 | 47,123,465 | 56,048,650 | 64,898,731 |
| Levies | GHS | 35,770,254 | 42,695,375 | 52,041,392 | 65,978,077 | 78,474,325 | 90,865,421 |
| Crop and Land Compensation | GHS | 6,527,032 | 7,310,275 | 8,187,508 | 9,170,009 | 10,270,410 | 11,502,860 |
| Pipeline Right of Way & Vegetatio | GHS | 17,142,700 | 17,860,000 | 17,860,000 | 17,860,000 | 17,860,000 | 17,860,000 |
| Construction of Customer Service | GHS | 10,800,000 | 10,937,688 | 10,937,688 | 10,937,688 | 10,937,688 | 10,937,688 |
| Construction of Regional Laborat | GHS | 27,250,000 | 63,900,000 | 63,900,000 | 63,900,000 | 63,900,000 | 63,900,000 |
| Capital Maintenance | GHS | 1,819,075,236 | 2,171,248,202 | 2,591,601,854 | 3,093,335,973 | 3,692,205,817 | 4,407,016,863 |
| Meters | GHS | 627,557,299 | 749,052,392 | 913,019,960 | 1,157,526,706 | 1,376,762,264 | 1,594,153,025 |
| Plant Water Quality Laboratories I | GHS | 128,000,000 | 26,666,667 | 29,866,667 | 33,450,667 | 37,464,747 | 41,960,516 |
| **Cash Operating Expenses** | **GHS** | **6,047,491,989** | **7,109,572,486** | **8,514,345,624** | **10,363,932,868** | **12,344,707,347** | **14,570,275,327** |
| | | | | | | | |
| **Capital Recovery Cost** | | | | | | | |
| Return on Assets (Cost of Equity) | GHS | | | | | | |
| Interest on Loans (Cost of Debt) | GHS | 222,046,267 | 248,691,820 | 278,534,838 | 320,315,064 | 358,752,871 | 401,803,216 |
| Depreciation | GHS | 960,226,438 | 1,075,453,611 | 1,204,508,044 | 1,349,049,009 | 1,510,934,890 | 1,692,247,077 |
| Loan Repayment (Principal) | GHS | 456,931,560 | 545,393,510 | 556,953,879 | 579,297,832 | 543,474,398 | 529,081,054 |
| **Sub-Total** | **GHS** | **1,639,204,266** | **1,869,538,941** | **2,039,996,761** | **2,248,661,905** | **2,413,162,159** | **2,623,131,346** |
| **GWCL Grand Total** | **GHS** | **7,686,696,254** | **8,979,111,426** | **10,554,342,385** | **12,612,594,773** | **14,757,869,506** | **17,193,406,674** |
| | | | | | | | |
| **Desalination** | | | | | | | |
| Capacity Charge | GHS | 264,752,334 | 316,008,386 | 322,706,620 | 335,653,009 | 314,896,426 | 306,556,728 |
| Water Charge | GHS | 32,672,635 | 38,998,057 | 39,824,675 | 41,422,367 | 38,860,832 | 37,831,644 |
| Electricity Cost | GHS | 114,251,044 | 127,961,170 | 143,316,510 | 164,813,986 | 184,591,665 | 206,742,665 |
| **Desalination Total Cost** | GHS | **411,676,014** | **482,967,613** | **505,847,805** | **541,889,362** | **538,348,923** | **551,131,037** |
| | | | | | | | |
| **Total Estimated Revenue Require** | GHS | **8,098,372,268** | **9,462,079,039** | **11,060,190,189** | **13,154,484,135** | **15,296,218,429** | **17,744,537,710** |

Source: 2026-2030 GWL Tariff Proposal

As indicated in Table 4-17, GWL projected an average annual total production volume of 343.50 Mm³ for the tariff control period. The total sales volume to consumers is expected to rise from 174.46 Mm³ in 2026 to 188.19 Mm³ in 2030.

To enable GWL to recover the full cost of its operations, the company has proposed a total revenue requirement ranging from GHS 9,462.08 million in 2026 to GHS 17,744.54 million in 2030, as detailed in Table 4-17.

According to GWL, the company's request for an increase in tariffs is primarily due to several factors: the depreciation of the Ghana cedi against the US dollar, a shift in the government's economic policies concerning the repayment of on-lent loans, and the necessity for adequate funds to make critical investments aimed at expanding service coverage, improving supply quality, and reducing non-revenue water losses.

## 5.0 TARIFF SETTING METHODOLOGY

### 5.1 Introduction

The PURC's Tariff Methodology Building Blocks focuses on establishing the following elements:

1. Service Levels
2. Revenue Requirements
3. Conversion of the Determined Revenue Requirement into Rates Payable by Consumers

### 5.2 2026-2030 Multi-Year Major Tariff Review Methodology

The Commission's tariff methodologies for determining the cost components of the revenue requirement, including operation and maintenance expenses, administrative and general expenses, human resource expenses, and financing costs (both return on and of capital) are detailed in its approved Rate Setting Guidelines for Natural Gas, Electricity, and Water.

### 5.3 Determination of Service Levels

As a key component in the Commission's tariff decision, transmission system loss, distribution system loss, non-revenue water, revenue collection ratios and quality of service index as service levels were determined as obligatory standards for the regulated utilities to deliver over the tariff period. These outcomes reflect regulatory benchmarks and legislative obligations which Regulated Utilities must meet in accordance with licensing and other regulatory benchmarks.

### 5.4 Determination of Revenue Requirements

The Commission's determination of revenue requirements for regulated utility service providers was to be conducted in accordance with the Rate Setting Guidelines approved by the Commission. In alignment with the Commission's Rate Setting Guidelines, all Regulated Public Utilities (GWL, GNGLC, VRA, GRIDCo, ECG, NEDCo, and EPC) submitted technical, economic, and financial data. This data was utilised by the Commission in its decisions regarding the approval of expenses related to operation and maintenance, administrative and general expenses, human resource costs, and financing costs. This included both the return on and of capital, ensuring that regulated utilities are adequately equipped to deliver efficient outcomes.

#### 5.4.1 Natural Gas Revenue Requirement

The Commission's determination of the natural gas revenue requirement for the 2026-2030 tariff control period involved an analysis of gas commodity volume and price by source, treated as a pass-through cost, alongside the regulated costs associated with gas gathering, gas processing (where necessary), and gas transportation. In this context, the weighted average cost of gas was established, incorporating the weighted average gas commodity charge, the weighted average gas gathering charge, the weighted average gas processing charge, the weighted average gas transmission service charge, and the weighted average gas services charge. This determination was approved by the Commission, utilising the methodology outlined in Appendix 4 of this decision paper.

#### 5.4.2 2026-2030 Electricity Generation Revenue Requirement

Electricity Generation Revenue Requirement was determined by considering the projected volume of electrical energy to be supplied within the Tariff Control Period as indicated in the Electricity Supply Plan and the Composite Bulk Generation Charge in line with the methodology outlined in PURC Rate Setting Guidelines for Procurement and Supply of Electrical Generation Capacity and Energy in the Regulated Electricity Market.

In line with the Rate Setting Guidelines for Procurement and Supply of Electrical Generation Capacity and Energy in the Regulated Electricity Market, the Composite Bulk Generation Charge was computed using the formula indicated in Appendix-4 (B).

### 5.4.3 Electricity Transmission Revenue Requirement (Added Value)

The Commission determined the revenue requirement for the Transmission Utility (GRIDCo) in accordance with the Rate Setting Guidelines for Electricity Transmission and System Operations. In that regard, tariff proposal submitted by GRIDCo to the Commission in respect of GRIDCo' s investment in the Electricity Transmission Infrastructure as well as the required operation and maintenance and related expense of operating the Electricity Transmission Infrastructure vis-à-vis projected electricity transmission volume for the 2026-2030 Multi-Year Major Tariff Review were utilised to determine Electricity Transmission Annual Revenue Requirement by applying the formula captured in Appendix-4 (C). Having determined the revenue requirement in respect of electricity transmission, the Commission then computed the Electricity Transmission Service Charge (TSC-1) using the formula indicated in Appendix-4 (C.1).

The rate determined above reflects the cost of providing transmission grid services and is referred to as Transmission Service Charge-1 (TSC-1) payable by all end-use customers to the transmission utility. This excludes the cost or charge for transmission losses which is also referred to as Transmission Service Charge-2 (TSC-2) and payable to the relevant generator. The cost of transmission losses is therefore not to be retained by the Transmission Utility.

### 5.4.4 Electricity Distribution Utilities Revenue Requirement

The Annual Revenue Requirement (ARR) for Distribution Utilities were determined in line with the Commission's Rate Setting Guidelines for Electricity Distribution and Supply. In that regard, tariff proposals submitted by the three DisCos to the Commission in respect of investment in the Electricity Distribution Infrastructure as well as the required operation and maintenance and related expense of operating the Electricity Distribution Infrastructure vis-à- vis projected electricity sales volume for the 2026-2030 Tariff Control Period were utilised to determine Electricity Distribution Annual Revenue Requirement using the formula captured in Appendix-4 (D).

The rate determined above reflects the cost of providing distribution network services and is referred to as Distribution Service Charge (DSC) payable by all end-use customers to the Distribution Utility. The DSC comprises the Distribution Service Charge-1 (DSC-1) which is to cover network business operating costs and Distribution Service Charge-2 (DSC-2) which is to cover the cost of distribution losses payable to the relevant generators.

#### 5.4.4.1 Total Annual Revenue Requirement for Regulated Electricity Supply Industry Value Chain

PURC established the Total Revenue Requirement for the Electricity Supply Value Chain in line with the Rate Setting Guidelines for Electricity Distribution and Supply, taking into consideration the Projected Power Purchase Cost, comprising Generation and Transmission Costs, in addition to Distribution and Supply Cost as captured in Appendix-4 (E).

### 5.4.5 Allocation of Total Revenue Requirement for Electricity Supply Value Chain

The Total Revenue Requirement determined in line with the Rate Setting Guidelines for Electricity Distribution and Supply shall be allocated fully to Rate Payers or End-use Customers on the basis of customer class rates. The translation process involves allocation of costs to various customer categories on the basis of their cost of service, while taking into consideration socio-economic factors as they impact identified consumer groups.

### 5.4.6 Water Production, Transmission, Distribution and Supply Revenue Requirement

The Commission in determining efficient and prudent Water Tariffs for GWL based on its proposed volume, costs and revenue requirement over the Tariff Control Period, employed the three Annual Revenue Requirement methodologies for Water Production, Transmission, Distribution and Supply as per the Rate Setting Guidelines for Water Production, Transmission, Distribution, and Supply.

In that regard, tariff proposals submitted by GWL to the Commission in respect of investment in Water Production, Transmission, Distribution and Supply Infrastructure as well as the required operation and maintenance and related expense of operating the Water Production, Transmission, Distribution and Supply Infrastructure vis-à-vis projected water sales volume for the 2026-2030 Tariff Control Period were utilised to determine the Annual Revenue Requirement using the formula captured in Appendix-4(F).

The Commission having determined the revenue requirement in respect of Water Production, Transmission, Distribution and Supply Operations computed the Average Water End-User Tariff using the formula indicated in Appendix-4 (F).

## 6.0 TARIFF DECISION IN RESPECT OF NATURAL GAS REVENUE REQUIREMENT

This section presents the results of analyses of projected natural gas volumes and natural gas tariffs by gas supply sources. The section also highlights various components of the Weighted Average Cost of Gas as well as GNGLC Gas Gathering, Processing, and Transmission Revenue Requirement.

### 6.1 Gas Supply Volumes and Tariffs by Gas Source

The Commission's approved projected gas supply volumes and tariffs by gas source, as well as GNPC's service charges, are indicated in Table 6-1.

**Table 6-1** Summary of PURC Approved Projected Gas Volumes, Tariffs by Gas Source

| Gas Supply Volumes/Tariffs | Measure | Gas Volumes and Tariffs By Gas Supply Source and Activity | |
|---|---|---|---|
| | | Proposed | Approved |
| Gas Volume: | | | |
| Jubilee | MMScf/D | 113 | 113 |
| Sankofa | MMScf/D | 270 | 270 |
| N-Gas | MMScf/D | 100 | 100 |
| | | | |
| Commodity Charge: | | | |
| Jubilee | USD/MMBtu | 3.0788 | 2.5542 |
| Sankofa | USD/MMBtu | 10.0900 | 7.6684 |
| N-Gas | USD/MMBtu | 8.1900 | 8.1900 |
| | | | |
| Reverse Flow Transmission - WAGP (Tdi-Tema): | | | |
| Contracted Comingled Reverse Flow Volume* | MMScf/D | 100 | 90 |
| Contracted Reverse Flow Transmission Charge | USD/MMBtu | 2.4124 | 2.4124 |
| | | | |
| GNPC Services Cost: | | | |
| GNPC Financing Service Cost | USD/MMBtu | 0.5000 | 0.0500 |
| Gas Management Cost | | | |
| First 200MMScfd | USD/MMBtu | 0.0843 | 0.0843 |
| Beyond 200MMScfd | USD/MMBtu | 0.0432 | 0.0432 |

*The Commingled Reverse Gas Volume of 90 MMScf/D is a component of gas volume from the three gas fields: Jubilee, TEN and Sankofa

Source: PURC Tariff Analyses, 2026-2030

As indicated in Table 6-1, the Commission's decisions with regards to projected gas volumes and tariffs were based on the following:

1. In terms of projected gas volumes, the Commission maintained the proposed volumes from Jubilee, Sankofa and N-Gas. This decision was made to align demand with supply, as the projected gas supply sources considered were limited to 2026.
2. Regarding the Jubilee and Sankofa Commodity Charge, GNPC proposed prices of USD3.0788/MMBtu and USD10.0900/MMBtu, respectively.
3. However, the Commission considered the fact that since no directive was received from GoG/ Ministry of Finance about restoration of the 24% GoG/GNPC share in Sankofa's price and 17.4% for Jubilee. Consequently, the Commission excluded the royalties, leading to a reduction in the Sankofa price from USD10.0900/MMBtu to USD7.6684 /MMBtu and the Jubilee price from USD3.0788/MMBtu to USD2.5542/MMBtu.
4. For GNPC's Services Cost, the Commission maintained the existing GNPC Financing Service Cost of USD0.0500/MMBtu. This decision was due to the inconclusive engagement with GNPC on the proposed upward adjustment of the financing service cost. The Commission will consider GNPC's proposal in its subsequent tariff review when the engagement is concluded.

## 6.2 Natural Gas Gathering, Processing and Transmission Service Charges

For purposes of determining financially sustainable Charges for GNGLC's Gathering, Processing and Transmission segments of Gas Supply Value vis-a-vis projected gas volumes, revenue requirements and tariffs submissions made by GNGLC, the Commission subjected GNGLC's proposals to review and analyses which led to approval of Gas Gathering, Processing and Transmission Revenue Requirement and Tariffs for GNGLC as indicated in Table 6-2 and Table 6-3.

**Table 6-2** Summary Results of PURC Proposed Vs Approved GNGLC Revenue Requirement

| Cost Type | Measure | Existing | Proposed | Approved |
|---|---|---|---|---|
| **Projected Gas Volumes** | | | | |
| Gathering | MMBtu | 52,000 | 52,778 | 52,778 |
| Processing | MMBtu | 48,078 | 52,778 | 52,778 |
| Transmission | MMBtu | 110,056 | 145,388 | 145,388 |
| **Gathering Revenue Requirement:** | | | | |
| Capital Recovery Expenses | MUSD | 2.72 | 8.42 | 11.12 |
| Operating Expenses | MUSD | 21.23 | 2.59 | 22.99 |
| NGLs Revenue Offset | MUSD | (18.10) | (8.85) | (19.34) |
| Corporate Tax | MUSD | | 0.86 | 0.80 |
| **Total** | MUSD | **5.85** | **3.02** | **15.57** |
| **Processing Revenue Requirement:** | | | | |
| Capital Recovery Expenses | MUSD | 7.00 | 3.64 | 3.49 |
| Operating Expenses | MUSD | 43.84 | 80.44 | 46.86 |
| NGLs Revenue Offset | MUSD | (37.68) | (21.22) | (40.26) |
| Corporate Tax | MUSD | | 0.43 | 0.24 |
| **Total** | MUSD | **13.15** | **63.29** | **10.33** |
| **Transmission Revenue Requirement:** | | | | |
| Capital Recovery Expenses | MUSD | 12.97 | 25.56 | 22.31 |
| Operating Expenses | MUSD | 66.16 | 185.56 | 72.82 |
| Cost of Working Capital Allowance | MUSD | | 6.80 | 0.41 |
| Corporate Tax | MUSD | | 2.22 | 1.71 |
| **Total** | MUSD | **79.13** | **220.14** | **97.25** |
| **Total Revenue Requirement** | **MUSD** | **98.14** | **286.45** | **123.15** |

Source: PURC Tariff Analyses, 2026-2030

The PURC determined total annual average revenue requirement for GNGLC without NGLs offsetting amounted to USD182.75 million. A Projected Annual NGL's revenue of USD 59.60 million was offset against the total annual revenue requirement. Specifically, the Commission approved total revenue requirements for GNGLC's gas gathering, processing, and transmission operations, amounting to an average of USD 15.57 million for gathering, USD 10.33 million for processing, and USD 97.25 million for transmission totalling USD 123.15Million, as indicated in Table 6-2.

The variation in GNGLC proposed and PURC approved Revenue Requirement is due to the following:

1. Differences in the computation of the Weighted Average Cost of Capital (WACC) and capital recovery factor.
2. Application of the full proposed NGLs revenue by PURC as GNGLC did not include the full NGLs revenue by GNGLC.
3. Operating expenses were calculated using an operating expense efficiency benchmark as a percentage of the regulated asset base (RAB).

**Table 6-3** Summary Results of PURC Approved Vs Proposed GNGLC Tariffs by Value Chain

| Item Description | Measure | Gas Tariffs By Gas Value Chain | |
|---|---|---|---|
| | | Proposed | Approved |
| GNGC Tariffs By Activity: | | | |
| Gathering Charge | USD/MMBtu | 0.0562 | 0.2950 |
| Processing Charge | USD/MMBtu | 0.8358 | 0.1957 |
| Transmission Service Charge | USD/MMBtu | 1.2899 | 0.6689 |
| Total | USD/MMBtu | 2.1819 | 1.1596 |

Source: PURC Tariff Analyses, 2026-2030

GNGLC Proposed, and PURC Approved Natural Gas Gathering, Processing and Transmission Service Charges for GNGLC, as presented in Table 6-3, are the resultant effect of the approved revenue requirement presented in Table 6-2. The variations are due to the reasons noted above.

## 6.3 Weighted Average Cost of Gas

The Commission determined the Weighted Average Cost of Gas, which was used to determine the Fuel Recovery Charge component of the Total Applicable Generation Tariff for each of the power plants supplying electricity to the regulated electricity market. Details of the Weighted Average Gas Commodity Charge (WAGCC), Weighted Average Gas Gathering Charge (WAGGC), Weighted Average Gas Processing Charge (WAGPC), Weighted Average Gas Transmission Service Charge (WAGTSC), including Statutory Levies and Weighted Average Gas Service Charge (WAGSC) are presented in Table 6-4.

**Table 6-4** Summary of PURC Existing Vs Approved Weighted Average Gas Charges

| Item Description | Measure | Existing | Approved |
|---|---|---|---|
| Weighted Average Commodity Charge | USD/MMBtu | 6.6011 | 6.4324 |
| Weighted Average Gathering Charge | USD/MMBtu | 0.0255 | 0.0773 |
| Weighted Average Processing Charge | USD/MMBtu | 0.0620 | 0.0513 |
| Weighted Average Transmission Service Charge | USD/MMBtu | 0.5686 | 0.9689 |
| Weighted Average Regulatory Levy Charge | USD/MMBtu | 0.3592 | 0.2482 |
| Weighted Average Service Charge | USD/MMBtu | 0.0969 | 0.0968 |
| **Total - Weighted Average Charge of Gas (WACOG)** | **USD/MMBtu** | **7.7134** | **7.8749** |

Source: PURC's Tariff Analyses, 2026-2030

The projected WACOG of USD7.8749/MMBtu was used in calculating the Fuel Recovery Charge for each power plant incorporated into the Composite Bulk Generation Tariff.

## 7.0 TARIFF DECISION IN RESPECT OF BULK ELECTRICITY GENERATION COSTS

This section presents the outcome of analyses of the costs and tariffs as well as tariff decision in respect of electricity generation.

The Generation Revenue Requirement for 2026-2030 Tariff Control Period was determined considering the projected electricity supply plan and also tariffs for each of the power plants as approved by the Commission. To match the electrical energy demand by ECG, NEDCo, and EPC with available electrical energy supply by VRA and contracted IPPs, various demand and supply projections captured in the proposals submitted by the DISCos and VRA were used. These projections, including hydro allocation by Electricity Market Oversight Panel (EMOP) to the Regulated Electricity Market, were reviewed and realigned to establish a perfect balance for purposes of determining as accurately as possible the Composite Bulk Generation Charge for ECG, NEDCo, and EPC. The Commission also considered capacity and energy projections captured in their various Power Purchase Agreements as presented in Table 7-1.

**Table 7-1** Summary of 2026-2030 Projected Electrical Energy Generation by Power Plant

| Power Plants | Projected Electrical Energy By Power Plant (GWh) | | | | |
|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 |
| **VRA Generation:** | | | | | |
| Akosombo | 4,261 | 4,261 | 4,261 | 4,261 | 4,261 |
| Kpong | 723 | 723 | 723 | 723 | 723 |
| TAPCo | 1,977 | 2,214 | 2,441 | 2,470 | 2,842 |
| KTPP | 150 | 158 | 165 | 173 | 181 |
| ATPS | 1,816 | 1,816 | 1,816 | 1,816 | 1,816 |
| Navrongo Solar Plant | 3 | 3 | 3 | 3 | 3 |
| Lawra/Kaleo Solar Plant | 9 | 9 | 9 | 9 | 9 |
| Total VRA Generation | 8,940 | 9,185 | 9,419 | 9,456 | 9,836 |
| **IPP Generation:** | | | | | |
| **Operation Plants - Thermal Contracts** | | | | | |
| Sunon Asogli 1 | - | - | - | 357 | 1,077 |
| Sunon Asogli 2 | 2,821 | 2,821 | 2,821 | 2,821 | 2,821 |
| Karpowership | 962 | 1,927 | 2,934 | 3,627 | 3,627 |
| AKSA | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 |
| CENIT | - | - | - | - | - |
| CENPOWER | 2,619 | 2,619 | 2,619 | 2,619 | 2,619 |
| Early Power | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 |
| AMANDI (TWIN CITY) | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 |
| Total | 11,439 | 12,404 | 13,411 | 14,460 | 15,181 |
| **Operation Plants - Renewable Contracts** | | | | | |
| Bui Power | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 |
| BPA Solar Farm | - | - | - | - | - |
| BXC Solar | 37 | 37 | 37 | 37 | 37 |
| Meienergy Solar | 37 | 37 | 37 | 37 | 37 |
| Safisana Biogas | 1 | 1 | 1 | 1 | 1 |
| Total | 1,104 | 1,104 | 1,104 | 1,104 | 1,104 |
| **Total IPPs** | **12,543** | **13,508** | **14,515** | **15,564** | **16,284** |
| **Total VRA + IPPs** | **21,483** | **22,692** | **23,933** | **25,020** | **26,120** |

Source: PURC Tariff Analysis, 2026-2030

Based on above, the Commission determined a Composite Bulk Generation Charge (CBGC) in line with Section 3 of the PURC Rate Setting Guidelines for Procurement and Supply of Electrical Generation Capacity and Energy in the Regulated Electricity Market hence total generation revenue requirement, details of which are presented in Table 7-2.

**Table 7-2** Summary of 2026-2030 Average Electrical Energy Generation by Power Plant and Tariffs

| Power Plant | Projected Electrical Energy (GWh) | Generation Mix % | Tariff (GHp/kWh) |
|---|---|---|---|
| **VRA Plants** | | | |
| **VRA-Hydro:** | | | |
| Akosombo | 4,261 | 17.87% | 30.7516 |
| Kpong | 723 | 3.03% | 57.3426 |
| **Sub-Total VRA Hydro** | **4,984** | | |
| **VRA-Thermal:** | | | |
| TAPCo | 2,389 | 10.02% | 109.0317 |
| KTPP | 166 | 0.70% | 173.6215 |
| ATPS | 1,816 | 7.61% | 129.0860 |
| **Sub-Total VRA Thermal** | **4,371** | | |
| **VRA-Renewable:** | | | |
| Solar (Navrongo) | 3 | 0.01% | 149.9847 |
| Solar (Kaleo/Lawra) | 9 | 0.04% | 108.0599 |
| **Sub-Total VRA Renewable** | **12** | | |
| **Total VRA Electrical Energy** | **9,367** | | |
| **ECG IPPs:** | | | |
| Sunon Asogli Phase I | 287 | 1.20% | 149.7521 |
| Sunon Asogli Phase II | 2,821 | 11.83% | 144.2724 |
| Karpowership | 2,615 | 10.97% | 164.8456 |
| AKSA | 1,813 | 7.60% | 131.2905 |
| Cenit | 0 | 0.00% | 139.5540 |
| Cenpower | 2,619 | 10.98% | 159.0674 |
| Early Power | 1,612 | 6.76% | 156.1562 |
| Amandi (Twin City) | 1,612 | 6.76% | 150.9363 |
| Bui Power Authority | 1,030 | 4.32% | 122.9481 |
| BPA Solar Farm | 0 | 0.00% | 122.9481 |
| BXC Solar | 37 | 0.15% | 241.7804 |
| Meienergy Solar | 37 | 0.15% | 217.5966 |
| Safisana Plant | 0.7 | 0.00% | 210.1164 |
| **Sub-Total IPPs** | **14,483** | | |
| **Total Electrical Energy/ VRA+ECG IPPs Composite Bulk Generation Charge** | **23,850** | | **120.4159** |

Source: PURC's Tariff Analyses, 2026-2030

The tariffs above assume a constant exchange rate of Ghana Cedis 12.0067 to the US Dollar for the 2026–2030 Tariff Control Period and is subject to quarterly adjustment under PURC's Rate Setting Guidelines for Natural Gas, Electricity and Water Tariffs.

A breakdown of PURC Approved Tariffs by Power Plant into Capacity Charge and Energy Charge for the 2026-2030 Tariff Control Period is presented in Table 7-3. The Approved Capacity and Energy Charges remain the same for each of the years in the 2026-2030 Tariff Control Period and will also be adjusted quarterly in line with the PURC's Rate Setting Guidelines for Quarterly Adjustment of Natural Gas, Electricity and Water Tariffs.

**Table 7-3** Summary of 2026-2030 Approved Average Capacity and Energy Tariffs by Power Plant

| Power Plant | PURC Approved Tariffs By Power Plant Effective January 01, 2026 | | |
|---|---|---|---|
| | Capacity Charge (GHp/kWh) | Energy Charge (GHp/kWh) | Total Applicable Tariff (GHp/kWh) |
| **VRA Plants** | | | |
| **VRA-Hydro:** | | | |
| Akosombo | 29.2551 | 1.4964 | 30.7516 |
| Kpong | 55.7742 | 1.5683 | 57.3426 |
| **VRA-Thermal:** | | | |
| TAPCo | 29.2674 | 79.7642 | 109.0317 |
| ATPS | 31.3854 | 97.7007 | 129.0860 |
| KTPP | 70.8753 | 102.7462 | 173.6215 |
| **Sub-Total VRA Thermal** | | | |
| **VRA-Renewable:** | | | |
| Solar (Navrongo) | 149.9847 | | 149.9847 |
| Solar (Lawra/Kaleo) | 108.0599 | | 108.0599 |
| **IPPs:** | | | |
| Sunon Asogli Phase I | 62.7648 | 86.9874 | 149.7521 |
| Sunon Asogli Phase II | 53.2927 | 90.9797 | 144.2724 |
| Karpowership | 71.5801 | 93.2656 | 164.8456 |
| AKSA | 45.8306 | 85.4599 | 131.2905 |
| Cenpower | 78.4527 | 80.6148 | 159.0674 |
| Early Power | 69.8115 | 86.3447 | 156.1562 |
| Amandi (Twin City) | 74.6454 | 76.2909 | 150.9363 |
| Bui Power | 122.3478 | 0.6003 | 122.9481 |
| BPA Solar Farm | 122.9481 | | 122.9481 |
| BXC Solar | 241.7804 | | 241.7804 |
| Meienergy Solar | 217.5966 | | 217.5966 |
| Safisana Plant | 210.1164 | | 210.1164 |
| **Total Electrical Energy/ VRA+IPPs** | | | **23,850** |
| **Composite Bulk Generation Charge** | | | **120.4159** |
| **Composite Bulk Generation Fixed Charge** | | | **55.5547** |
| **Composite Bulk Generation Energy Charge** | | | **64.8612** |

** The above tariff values have been arrived at using Projected Ghana Cedi/US Dollar Exchange Rate of 12.0067*

Source: PURC's Tariff Analyses, 2026-2030

In terms of revenue, PURC Approved Generation Revenue broken down into Capacity and Energy Revenue per power plant for the 2026-2030 Tariff Control Period are presented in Table 7-4.

**Table 7-4** Summary of 2026-2030 Approved Annual Average Generation Revenue by Power Plant

| Power Plant | Capacity Revenue (MGHS) | | | | | Energy Revenue (MGHS) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **VRA Plants** | | | | | | | | | | |
| **VRA-Hydro:** | | | | | | | | | | |
| Akosombo | 1,246.56 | 1,246.56 | 1,246.56 | 1,246.56 | 1,246.56 | 63.76 | 63.76 | 63.76 | 63.76 | 63.76 |
| Kpong | 403.25 | 403.25 | 403.25 | 403.25 | 403.25 | 11.34 | 11.34 | 11.34 | 11.34 | 11.34 |
| **Sub-Total VRA Hydro** | **1,649.81** | **1,649.81** | **1,649.81** | **1,649.81** | **1,649.81** | 75.10 | 75.10 | 75.10 | 75.10 | 75.10 |
| **VRA-Thermal:** | | | | | | | | | | |
| TAPCo | 578.68 | 648.05 | 714.48 | 722.97 | 831.89 | 1,577.12 | 1,766.16 | 1,947.23 | 1,970.36 | 2,267.19 |
| ATPS | 569.96 | 569.96 | 569.96 | 569.96 | 569.96 | 1,774.24 | 1,774.24 | 1,774.24 | 1,774.24 | 1,774.24 |
| KTPP | 106.66 | 112.33 | 117.29 | 122.96 | 128.63 | 154.62 | 162.84 | 170.03 | 178.25 | 186.47 |
| **Sub-Total VRA Thermal** | **1,255.30** | **1,330.33** | **1,401.73** | **1,415.89** | **1,530.47** | 3,505.98 | 3,703.24 | 3,891.50 | 3,922.85 | 4,227.90 |
| **VRA-Renewable:** | | | | | | | | | | |
| Solar (Navrongo) | 4.50 | 4.50 | 4.50 | 4.50 | 4.50 | | | | | |
| Solar (Lawra/Kaleo) | 9.73 | 9.73 | 9.73 | 9.73 | 9.73 | | | | | |
| **Sub-Total VRA Renewable** | **14.22** | **14.22** | **14.22** | **14.22** | **14.22** | | | | | |
| **Total VRA** | **2,919.33** | **2,994.37** | **3,065.76** | **3,079.92** | **3,194.50** | **3,581.09** | **3,778.35** | **3,966.60** | **3,997.95** | **4,303.00** |
| **IPPs:** | | | | | | | | | | |
| Sunon Asogli Phase I | | | | 223.96 | 675.98 | | | | 310.40 | 936.85 |
| Sunon Asogli Phase II | 1,503.24 | 1,503.24 | 1,503.24 | 1,503.24 | 1,503.24 | 2,566.28 | 2,566.28 | 2,566.28 | 2,566.28 | 2,566.28 |
| Karpowership | 688.80 | 1,379.33 | 2,100.12 | 2,595.95 | 2,595.95 | 897.48 | 1,797.20 | 2,736.37 | 3,382.41 | 3,382.41 |
| AKSA | 831.06 | 831.06 | 831.06 | 831.06 | 831.06 | 1,549.66 | 1,549.66 | 1,549.66 | 1,549.66 | 1,549.66 |
| Cenpower | 2,054.86 | 2,054.86 | 2,054.86 | 2,054.86 | 2,054.86 | 2,111.49 | 2,111.49 | 2,111.49 | 2,111.49 | 2,111.49 |
| Early Power | 1,125.25 | 1,125.25 | 1,125.25 | 1,125.25 | 1,125.25 | 1,391.74 | 1,391.74 | 1,391.74 | 1,391.74 | 1,391.74 |
| Amandi (Twin City) | 1,203.16 | 1,203.16 | 1,203.16 | 1,203.16 | 1,203.16 | 1,229.69 | 1,229.69 | 1,229.69 | 1,229.69 | 1,229.69 |
| Bui Power | 1,260.18 | 1,260.18 | 1,260.18 | 1,260.18 | 1,260.18 | 6.18 | 6.18 | 6.18 | 6.18 | 6.18 |
| BXC Solar | 88.25 | 88.25 | 88.25 | 88.25 | 88.25 | | | | | |
| Meienergy Solar | 79.42 | 79.42 | 79.42 | 79.42 | 79.42 | | | | | |
| Safisana Plant | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | | | | | |
| **Total IPPs** | **8,835.67** | **9,526.20** | **10,246.99** | **10,966.78** | **11,418.79** | **9,752.52** | **10,652.25** | **11,591.41** | **12,547.85** | **13,174.31** |
| **Total VRA+IPPs** | **11,755.00** | **12,520.56** | **13,312.75** | **14,046.70** | **14,613.30** | **13,333.61** | **14,430.60** | **15,558.02** | **16,545.80** | **17,477.31** |

** The above revenue values have been arrived at using Projected Ghana Cedi/US Dollar Exchange Rate of 12.0067*

Source: PURC's Tariff Analyses, 2026-2030

The Commission's approved generation revenue in Table 7-4 denotes the total revenue requirement needed by the DisCos to pay power producers for projected electricity supply to consumers for the 2026-2030 Tariff Control Period. Any revenue variation between projected electricity supply and contracted electricity supply for bilaterally contacted power plants not captured in Table 7-4 has been addressed in Section 9.1.4.2.

## 8.0 TARIFF DECISION IN RESPECT OF ANNUAL REVENUE REQUIREMENTS FOR TRANSMISSION GRID SERVICES

This section presents the outcome of analyses of costs and tariffs as well as tariff decisions in respect of transmission grid services.

### 8.1 Determination of the Transmission Utility's Annual Revenue Requirement

In determining the TSC, the Commission was guided by the fact that transmission of power is a monopoly business and therefore requires the requisite regulatory supervision to ensure that its costs are prudent and efficient.

The Commission's tariff decision regarding GRIDCo's Annual Revenue Requirement (ARR) for 2026-2030 Tariff Control Period was determined based on the methodology indicated in Rate Setting Guidelines for Electricity Transmission and System Operations. The various components of the PURC approved costs in respect of GRIDCo's transmission grid services (TSC-1) are discussed below.

#### 8.1.1 GRIDCo's Revenue Requirement (Costs Attributable to Transmission Network Operations)

GRIDCo proposed a total revenue requirement of GHS 2,269.35Million to cover its operations for the 2026-2030 Tariff Control Period. The Commission, however, approved an amount of GHS GHS 1,828.81Million to cover the operating expenses of GRIDCo. The total operational expenses of the operations of GRIDCo consist of four major components.

1. Direct operational expenses comprising human resource expenses, operation and maintenance expenses, general and administrative expenses
2. Cost of Working Capital Allowance
3. Capital Expenditure
4. Depreciation and Return on the Regulatory Asset Base (RAB).

Table 8-1 presents the breakdown of GRIDCo's total operational expenses as approved by the Commission, while Table 8-2 compares the approved annual average revenue with the existing and proposed annual average revenue for GRIDCo.

**Table 8-1** Summary of PURC Approved Transmission Revenue Requirement for 2026-2030

| Cost Type | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|---|
| **GRIDCo's Approved Operating Cost:** | | | | | | | |
| Administrative & General Expenses | MGHS | 132.47 | 143.06 | 154.51 | 166.87 | 180.22 | 155.42 |
| Operation & Maintenance Expenses | MGHS | 220.08 | 237.69 | 256.71 | 277.24 | 299.42 | 258.23 |
| Human Resource Expenses | MGHS | 305.86 | 320.30 | 366.16 | 390.87 | 450.77 | 366.79 |
| **Sub-Total** | MGHS | **658.41** | **701.05** | **777.37** | **834.98** | **930.41** | **780.45** |
| **Cost of Working Capital Allowance** | MGHS | **1.31** | **1.40** | **1.55** | **1.66** | **1.66** | **1.52** |
| **Capital Expenditure IRO GRIDCo Critical Investments** | MGHS | **306.73** | **306.73** | **306.73** | **306.73** | **306.73** | **306.73** |
| **Capital Recovery IRO Existing and New Transmission Assets:** | | | | | | | |
| Depreciation | MGHS | 283.41 | 283.41 | 283.41 | 283.41 | 283.41 | 283.41 |
| Return on Regulated Asset Base | MGHS | 397.13 | 397.13 | 397.13 | 397.13 | 397.13 | 397.13 |
| **Sub-Total** | MGHS | **680.54** | **680.54** | **680.54** | **680.54** | **680.54** | **680.54** |
| **Corporate Tax** | MGHS | **59.58** | **59.58** | **59.58** | **59.58** | **59.58** | **59.58** |
| **Total Electricity Transmission Revenue Requirement** | MGHS | **1,706.57** | **1,749.29** | **1,825.77** | **1,883.49** | **1,978.92** | **1,828.81** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 8-2** Summary of PURC Approved Costs vs. Proposed Costs of GRIDCo

| Cost Type | Existing Costs (MGHS) | Proposed Costs (MGHS) | Approved Costs (MGHS) |
|---|---|---|---|
| **Approved Operating Cost:** | | | |
| Administrative & General Expenses | 89.46 | 101.01 | 155.42 |
| Operation & Maintenance Expenses | 535.26 | 193.73 | 258.23 |
| Human Resource Expenses | 305.85 | 366.79 | 366.79 |
| **Sub-Total** | **930.57** | **661.53** | **780.45** |
| **Cost of Working Capital Allowance** | **1.73** | | **1.52** |
| **Capital Expenditure IRO GRIDCo Critical Investments** | **158.55** | **435.19** | **306.73** |
| **Capital Recovery IRO Existing Transmission Assets:** | | | |
| Depreciation | 158.47 | 239.23 | 283.41 |
| Return on Regulated Asset Base | 326.82 | 893.39 | 397.13 |
| **Sub-Total** | **485.28** | **1,132.62** | **680.54** |
| **Corporate Tax** | **9.31** | **45.05** | **59.58** |
| **Total Electricity Network Business Revenue Requirement** | **1,585.44** | **2,274.40** | **1,828.81** |

Source: PURC's Tariff Analyses, 2026-2030

In approving the various operating costs of GRIDCo, including administrative and general expenses, operation and maintenance expenses, and human resource expenses, the Commission undertook a prudence and efficiency test, taking into consideration PURC's Rate Setting Guidelines. Details of the approved costs are explained in the following sections.

### 8.1.2 Administrative and General Expenses

GRIDCo proposed an annual average amount of GHS 101.01Million to cover various administrative and general expenses for the 2026-2030 Tariff Control Period, representing a 12.92% increase over the existing approved costs for 2025. However, the Commission approved an average of GHS 155.42Million representing a 53.87% increase over the existing approved costs for 2025. The variance between the proposed and approved cost was as a result of approved capital expenditure, data validation and use of an operating expense efficiency benchmark in line with the Rate Setting Guidelines.

### 8.1.3 Operation and Maintenance Expenses

With regards to operation and maintenance expenses, GRIDCo proposed an annual average amount of GHS 193.73Million to cover various operation and maintenance expenses for 2026-2030 Tariff Control Period representing a 63.81% decrease over the existing approved costs for 2025. However, the Commission approved an average of GHS258.23Million representing a 3.42% of the Company's gross fixed assets. The variance between the proposed and approved cost was due to approved capital expenditure, data validation and application of operating expense efficiency benchmark in line with the Rate Setting Guidelines.

### 8.1.4 Human Resource Expenses

GRIDCo's human resource expenses covers salaries of staff, staff allowances and other statutory payments in respect of the company's staff. The Commission approved the total human resource expenses of GHS 366.79Million as proposed by GRIDCo to cover human resource expenses for the Company for the 2026-2030 Tariff Control Period in accordance with PURC's Rate Setting Guidelines.

### 8.1.5 Cost of Working Capital Allowance

In terms of cost of working capital allowance, the Commission approved an average of GHS1.52Million for the Company for the 2026-2030 Tariff Control Period. This approval was conducted in line with the Commission's Rate Setting Guidelines for Electricity Transmission and System Operations.

### 8.1.6 Capital Expenditure

With respect to capital expenditure, the Commission approved an average of GHS 306.73Million to cover GRIDCo's short-term critical investments over 2026-2030 Tariff Control Period by taking into consideration the cost of both the loan facility and interest of the total short-term critical investments which was levelised in line with GRIDCo's depreciation policy. The Commission arrived at this amount following the investment hearing held in line with the PURC's Rate Setting Guidelines for Investment Approval and Verification.

### 8.1.7 Depreciation

The Commission approved an annual average depreciation amount of GHS283.41Million as against GRIDCo's proposal of GHS239.23Million for the 2026-2030 Tariff Control Period. The approved amount represents 18.47% increment on the amount proposed by GRIDCo. The Commission's approval was based on the use of net revalued regulated asset base which excluded assets acquired through grants. The variance is due to revision of the regulated asset base value following data validation after submission of the Company's tariff proposal. The approved depreciation amount forms 2.54% of the net revalued regulated asset base.

### 8.1.8 Return on Revalued Net Fixed Assets

GRIDCo proposed an amount of GHS 893.39Million as Return on Regulated Fixed Assets for the 2026-2030 Tariff Control Period. The Commission determined GRIDCo's return on revalued net fixed assets in line with the Rate Setting Guidelines by utilising a weighted cost of debt based on GRIDCo's existing loans and a cost of equity calculated in accordance with the Commission's methodology for determination of Cost of Equity. A WACC of 6.73% was arrived at and used in the computation. This resulted in an average amount of GHS397.13Million as approved return on revalued net fixed assets representing 55.55% of GRIDCo's proposal. The variance due to differences in WACC and the regulated asset base.

### 8.1.9 Corporate Tax

With respect to Corporate Tax to be incorporated into GRIDCo's operational costs, the Commission approved an annual average amount of GHS 59.58Million as Corporate Tax payable by GRIDCo over the 2026-2030 Tariff Control Period. The corporate tax for the 2026-2030 Tariff Control Period was determined by the Commission using PURC's corporate tax formula per PURC's Rate Setting Guidelines for Electricity Transmission and System Operations.

## 9.0 TARIFF DECISION IN RESPECT OF ELECTRICITY DISTRIBUTION AND SUPPLY SERVICES

In this section, analyses of costs and tariff decision in respect of Electricity Distribution services for ECG, NEDCo and EPC are presented. In that regard, the analyses were carried out within the framework of PURC's Rate Setting Guidelines for Electricity Distribution and Supply.

### 9.1 Electricity Company of Ghana

#### 9.1.1 ECG's Annual Revenue Requirement for Distribution and Supply

The ECG's Annual Revenue Requirement (ARR) determination for the 2026-2030 Tariff Control Period was within the framework of the Commission's Rate Setting Guidelines for Electricity Distribution and Supply taking into consideration projected electrical energy purchases and sales volumes, costs and revenue proposals as submitted by ECG.

ECG proposed a total annual average revenue requirement of GHS 8,957.02Million to cover its operations for the 2026-2030 Tariff Control Period. The Commission, however approved an annual average amount of GHS 4,817.45Million to cover the operating expenses of ECG.

Table 9-1 shows the breakdown of ECG's total operational expenses approved by the Commission and Table 9-2 indicates approved annual average revenue in comparison with existing and proposed annual average revenue by ECG.

**Table 9-1** Summary of PURC Approved Distribution Revenue Requirement for 2026-2030

| Cost Type | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average |
|---|---|---|---|---|---|---|---|
| **ECG's Approved Operating Cost:** | | | | | | | |
| Administrative & General Expenses | MGHS | 455.55 | 492.00 | 531.36 | 573.87 | 619.78 | 534.51 |
| Operation & Maintenance Expenses | MGHS | 949.75 | 1,025.73 | 1,107.79 | 1,196.41 | 1,292.13 | 1,114.36 |
| Human Resource Expenses | MGHS | 1,464.23 | 1,562.33 | 1,667.32 | 1,762.19 | 1,880.26 | 1,667.27 |
| **Sub-Total** | MGHS | **2,869.53** | **3,080.06** | **3,306.47** | **3,532.48** | **3,792.17** | **3,316.14** |
| **Cost on Working Capital Allowance** | MGHS | **1.70** | **1.83** | **1.96** | **2.09** | **2.25** | **1.96** |
| **Capital Expenditure IRO Approved ECG's Critical Investments** | | | | | | | |
| Depreciation | MGHS | 351.62 | 351.62 | 351.62 | 351.62 | 351.62 | 351.62 |
| Return on Investments | MGHS | 183.34 | 183.34 | 183.34 | 183.34 | 183.34 | 183.34 |
| **Sub-Total** | MGHS | **534.96** | **534.96** | **534.96** | **534.96** | **534.96** | **534.96** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | | | | | |
| Depreciation | MGHS | 640.23 | 640.23 | 640.23 | 640.23 | 640.23 | 640.23 |
| Return on Regulated Asset Base | MGHS | 236.88 | 236.88 | 236.88 | 236.88 | 236.88 | 236.88 |
| **Sub-Total** | MGHS | **877.11** | **877.11** | **877.11** | **877.11** | **877.11** | **877.11** |
| **Corporate Tax** | MGHS | **87.27** | **87.27** | **87.27** | **87.27** | **87.27** | **87.27** |
| **Total Electricity Distribution Revenue Requirement** | MGHS | **4,370.58** | **4,581.23** | **4,807.77** | **5,033.91** | **5,293.75** | **4,817.45** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 9-2** Summary of PURC Approved Costs vs. Proposed Costs of ECG

| Cost Type | Existing (MGHS) | Proposed Costs (MGHS) | Approved Costs (MGHS) |
|---|---|---|---|
| **Approved Operating Cost:** | | | |
| Administrative & General Expenses | 616.85 | 956.78 | 534.51 |
| Operation & Maintenance Expenses | 356.95 | 1,994.72 | 1,114.36 |
| Human Resource Expenses | 857.09 | 1,667.27 | 1,667.27 |
| **Sub-Total** | **1,830.89** | **4,618.77** | **3,316.14** |
| **Interest on Working Capital** | **1.08** | **36.12** | **1.96** |
| **Capital Expenditure IRO Approved ECG's Critical Investments** | | | |
| Depreciation | **319.91** | **659.83** | **351.62** |
| Return on Investments | | | **183.34** |
| **Sub-Total** | **319.91** | **659.83** | **534.96** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | |
| Depreciation | 158.20 | 1,518.81 | 640.23 |
| Return on Regulated Asset Base | 75.32 | 2,123.48 | 236.88 |
| **Sub-Total** | **233.52** | **3,642.30** | **877.11** |
| **Corporate Tax** | **9.03** | | **87.27** |
| **Total Electricity Network Business Revenue Requirement** | **2,394.43** | **8,957.02** | **4,817.45** |

Source: PURC's Tariff Analyses, 2026-2030

In approving the various operating costs of ECG, including administrative and general expenses, operation and maintenance expenses, human resource expenses, the Commission undertook a prudence and efficiency test taking into consideration PURC's Rate Setting Guidelines. ECG's ARR results in an average distribution added value (DAV) charge of GHp30.9042/kWh. Details of the approved costs are explained in the following sections.

#### 9.1.1.1 Administrative and General Expenses

ECG proposed an annual average amount of GHS 956.78 million to cover various administrative and general expenses in ECG's operational regions and the headquarters for the 2026-2030 Tariff Control Period. However, the Commission approved a total amount of GHS 534.51Million to cover ECG's administrative and general expenses for the 2026-2030 Tariff Control Period representing a 13.35% decrease over the existing approved costs for 2025. The variance between the proposed and approved cost was due to the use of an operating expense efficiency benchmark, data validation and approved capital expenditure in line with the Rate Setting Guidelines.

#### 9.1.1.2 Operation and Maintenance Expenses

In terms of meeting ECG's operation and maintenance expenses, though the company proposed a total annual average amount of GHS1,994.72Million, the Commission approved a total annual average amount of GHS 1,114.36Million representing 1.85% of the Company's gross fixed assets. The Commission considered these costs as prudent and efficient for the 2026-2030 Tariff Control Period in line with approved capital expenditure, data validation and application of operating expense efficiency benchmark as per PURC's Rate Setting Guidelines.

#### 9.1.1.3 Human Resource Expenses

With regards to human resource expenses, the Commission approved an amount of GHS 1,667.27Million in line with PURC's Rate Setting Guidelines as proposed by ECG to cover human resource expenses for the Company for the 2026-2030 Tariff Control Period.

#### 9.1.1.4 Cost of Working Capital Allowance

The Commission approved an average of GHS1.96Million as cost of working capital allowance for the Company for the 2026-2030 Tariff Control Period in line with the Rate Setting Guidelines for Electricity Distribution and Supply. The approved cost of working capital allowance was based on PURC benchmark payable and receivable days and the WACC.

#### 9.1.1.5 Capital Expenditure

With respect to capital expenditure, the Commission approved an annual average of GHS534.96Million to cover ECG's short-term critical investments over 2026-2030 Tariff Control Period. The Commission arrived at this amount by taking into consideration the cost of both the loan facility and interest as well as levelising the total short-term critical investments amount in line with ECG's depreciation policy. The Commission arrived at this amount following the investment hearing in line with the PURC's Rate Setting Guidelines for Investment Approval and Verification.

#### 9.1.1.6 Depreciation

The Commission approved an annual average depreciation of GHS640.23Million as against ECG's proposal of GHS1,518.81Million for the 2026-2030 Tariff Control Period. The Commission's approved amount represents 42.15% of the amount proposed by ECG and was based on the use of net revalued regulated asset base. The variance is as a result of revision of the regulated asset base value which excluded assets acquired through grants and data validation after submission of the Company's tariff proposal. The approved depreciation amount forms 4.13% of the net revalued regulated asset base.

#### 9.1.1.7 Return on Revalued Net Fixed Assets

ECG proposed an amount of GHS 2,123.48Million as Return on Regulated Fixed Assets for the 2026-2030 Tariff Control Period. The Commission determined ECG's return on revalued net fixed assets based on WACC of 2% and the regulated asset base excluding grants guided by PURC's Rate Setting Guidelines for Electricity Distribution and Supply. Similar to the Commission's decision on depreciation, the Commission approved an annual average amount of GHS 236.88Million as return on revalued net fixed assets for the 2026-2030 Tariff Control. The variance was due to differences in WACC and the regulated asset base.

#### 9.1.1.8 Corporate Tax

With regards to corporate tax, the Commission approved an annual average of GHS 87.27Million as Corporate Tax payable by ECG over the 2026-2030 Tariff Control Period based on the approved net revalued regulated asset base and also in accordance with PURC's Rate Setting Guidelines for Electricity Distribution and Supply.

### 9.1.2 Cost of ECG's Distribution System Losses

The Commission has accounted for cost of power losses in the distribution network by applying the regulated benchmark average distribution system losses of 21.5% for the 2026-2030 Tariff Control Period as shown in Table 9-3. PURC's approved total distribution losses for ECG, based on the 21.5% average target amounts to 4,271 GWh. These distribution losses are estimated at GHS 5,633.81 Million annually, representing an average cost of GHp 36.1286/kWh. The average cost of total distribution system losses is prefixed as DSC-2.

**Table 9-3** Summary of PURC Approved Benchmark Distribution Loss Target

| Item | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|---|
| Approved Benchmark Distribution Loss Target | % | 23.50 | 22.50 | 21.50 | 20.50 | 19.50 | **21.50** |

It must be noted that, the DSC-2 is the rate that covers payment by DISCos to electricity generators to compensate for the cost of PURC benchmarked electricity lost in distribution.

### 9.1.3 Non-collectible Revenue (NCR)

The Commission maintained its previous decision to approve a 2% allowance as a provision for non-collectible revenue by ECG.

### 9.1.4 Total ECG's Annual Revenue Requirement (TARR)

The Commission determined ECG's TARR, taking into consideration the following cost items:

(i) Cost of power purchases from electricity generators, including all losses in the process of high voltage transmission as well as the electricity that is not billed owing to technical and commercial losses within the utility company's distribution network (*VRA and IPPs*)

(ii) Cost of Reserve Capacity

(iii) Direct cost of transmission grid services (*GRIDCo's Costs*)

(iv) Costs of the ECG's own operations (*ECG's ARR*)

(v) Provision for non-collectible revenue

#### 9.1.4.1 ECG's Cost of Power Purchases for 2026-2030

ECG is to procure power from VRA and a number of Independent Power Producers (IPPs) for the 2026-2030 Tariff Control Period. The Commission approved a total projected annual electrical energy requirement of 20,714 GWh for the Company for the 2026-2030 Tariff Control Period. A total of 6,231 GWh is to be procured from VRA, comprising 3,838GWh from Akosombo and Kpong Hydro Generating Stations as well as 2,394GWh from VRA's Thermal Power Plants. Therefore, the balance of 14,483GWh was projected to be procured from the company's bilateral contracted IPPs as noted in Table 9-4.

Having approved the total electrical energy allocated to ECG by VRA and IPP power plants vis- à-vis tariffs by power plant presented in Table 9-4, the Commission determined and approved a Composite Bulk Generation Charge (CBGC) of GHp69.0411/kWh payable by ECG for power purchases from VRA and Composite Bulk Generation charge (CBGC) of GHp125.7350//kWh payable for power purchases by ECG in respect of power purchases from VRA and IPP power plants. This translates into a total annual average amount of GHS 25,044.66 Million to cover the total cost of electrical energy to be purchased by ECG for 2026-2030 Tariff Control Period.

**Table 9-4** Summary of PURC Approved Power Purchase Costs for ECG

| Power Plant | Projected Electrical Energy (GWh) | | | | | | Plant Tariff |
|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | Average | (GHp/kWh) |
| **VRA Plants** | | | | | | | |
| **VRA-Hydro:** | | | | | | | |
| Akosombo | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 3,281 | 30.7516 |
| Kpong | 556 | 556 | 556 | 556 | 556 | 556 | 57.3426 |
| **Sub-Total VRA Hydro** | **3,838** | **3,838** | **3,838** | **3,838** | **3,838** | **3,838** | |
| **VRA-Thermal:** | | | | | | | |
| TAPCo | 503 | 503 | 503 | 503 | 875 | 578 | 109.0317 |
| ATPS | 1,816 | 1,816 | 1,816 | 1,816 | 1,816 | 1,816 | 173.6215 |
| **Sub-Total VRA Thermal** | **2,319** | **2,319** | **2,319** | **2,319** | **2,691** | **2,394** | |
| **Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff** | **6,157** | **6,157** | **6,157** | **6,157** | **6,529** | **6,231** | **69.0411** |
| **ECG IPPs:** | | | | | | | |
| Sunon Asogli Phase I | - | - | - | 357 | 1,077 | 287 | 149.7521 |
| Sunon Asogli Phase II | 2,821 | 2,821 | 2,821 | 2,821 | 2,821 | 2,821 | 144.2724 |
| Karpowership | 962 | 1,927 | 2,934 | 3,627 | 3,627 | 2,615 | 164.8456 |
| AKSA | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 | 1,813 | 131.2905 |
| Cenit | - | - | - | - | - | - | 139.5540 |
| Cenpower | 2,619 | 2,619 | 2,619 | 2,619 | 2,619 | 2,619 | 159.0674 |
| Early Power | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 156.1562 |
| Amandi (Twin City) | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 1,612 | 150.9363 |
| Bui Power Authority | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 | 1,030 | 122.9481 |
| BPA Solar Farm | - | - | - | - | - | - | 122.9481 |
| BXC Solar | 37 | 37 | 37 | 37 | 37 | 37 | 241.7804 |
| Meienergy Solar | 37 | 37 | 37 | 37 | 37 | 37 | 217.5966 |
| Safisana Plant | 1 | 1 | 1 | 1 | 1 | 1 | 210.1164 |
| **Sub-Total IPPs** | **12,543** | **13,508** | **14,515** | **15,564** | **16,284** | **14,483** | |
| **Total Electrical Energy/ VRA+ECG IPPs** | **18,700** | **19,664** | **20,671** | **21,721** | **22,813** | **20,714** | |
| **Composite Bulk Generation Charge (CBGC)** | **121.9759** | **124.0790** | **126.0648** | **127.6907** | **128.0828** | **125.7350** | |
| **Composite Bulk Generation Fixed Charge** | **57.8787** | **58.5509** | **59.1856** | **59.6396** | **59.2428** | **58.9369** | |
| **Composite Bulk Generation Energy Charge** | **64.0972** | **65.5281** | **66.8793** | **68.0511** | **68.8399** | **66.7980** | |

Source: PURC's Tariff Analyses, 2026-2030

The tariffs in GHp/kWh above assume a constant exchange rate of Ghana Cedis 12.0067 to the US Dollar for the 2026–2030 Tariff Control Period and is subject to quarterly adjustment under PURC's Rate Setting Guidelines for Natural Gas, Electricity and Water Tariffs.

A breakdown of PURC Approved Tariffs by Power Plant into Capacity Charge and Energy Charge for the 2026-2030 Tariff Control Period is presented in Table 9-5. The Approved Capacity and Energy Charges remain the same for each of the years in the 2026-2030 Tariff Control Period and will also be adjusted quarterly in line with the PURC's Rate Setting Guidelines for Quarterly Adjustment of Natural Gas, Electricity and Water Tariffs.

**Table 9-5** Summary of 2026-2030 Approved Average Capacity and Energy Tariffs by Power Plant

| Power Plant | PURC Approved Tariffs By Power Plant Effective January 01, 2026 | | |
|---|---|---|---|
| | Capacity Charge (GHp/kWh) | Energy Charge (GHp/kWh) | Total Applicable Tariff (GHp/kWh) |
| **VRA Plants** | | | |
| **VRA-Hydro:** | | | |
| Akosombo | 29.2551 | 1.4964 | 30.7516 |
| Kpong | 55.7742 | 1.5683 | 57.3426 |
| **VRA-Thermal:** | | | |
| TAPCo | 29.2674 | 79.7642 | 109.0317 |
| ATPS | 31.3854 | 97.7007 | 129.0860 |
| KTPP | 70.8753 | 102.7462 | 173.6215 |
| **Sub-Total VRA Thermal** | | | |
| **VRA-Renewable:** | | | |
| Solar (Navrongo) | 149.9847 | | 149.9847 |
| Solar (Lawra/Kaleo) | 108.0599 | | 108.0599 |
| **IPPs:** | | | |
| Sunon Asogli Phase I | 62.7648 | 86.9874 | 149.7521 |
| Sunon Asogli Phase II | 53.2927 | 90.9797 | 144.2724 |
| Karpowership | 71.5801 | 93.2656 | 164.8456 |
| AKSA | 45.8306 | 85.4599 | 131.2905 |
| Cenpower | 78.4527 | 80.6148 | 159.0674 |
| Early Power | 69.8115 | 86.3447 | 156.1562 |
| Amandi (Twin City) | 74.6454 | 76.2909 | 150.9363 |
| Bui Power | 122.3478 | 0.6003 | 122.9481 |
| BPA Solar Farm | 122.9481 | | 122.9481 |
| BXC Solar | 241.7804 | | 241.7804 |
| Meienergy Solar | 217.5966 | | 217.5966 |
| Safisana Plant | 210.1164 | | 210.1164 |
| **Total Electrical Energy/ VRA+IPPs** | | | **23,850** |
| **Composite Bulk Generation Charge** | | | **120.4159** |
| **Composite Bulk Generation Fixed Charge** | | | **55.5547** |
| **Composite Bulk Generation Energy Charge** | | | **64.8612** |

** The above tariff values have been arrived at using Projected Ghana Cedi/US Dollar Exchange Rate of 12.0067*

Source: PURC's Tariff Analyses, 2026-2030

In terms of revenue, PURC Approved Generation Revenue broken down into Capacity and Energy Revenue per power plant for the 2026-2030 Tariff Control Period are presented in Table 9-6.

**Table 9-6** Summary of 2026-2030 Approved Annual Average Generation Revenue by Power Plant

| Power Plant | Capacity Revenue (MGHS) | | | | | Energy Revenue (MGHS) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | 2026 | 2027 | 2028 | 2029 | 2030 | 2026 | 2027 | 2028 | 2029 | 2030 |
| **VRA Plants** | | | | | | | | | | |
| **VRA-Hydro:** | | | | | | | | | | |
| Akosombo | 959.90 | 959.90 | 959.90 | 959.90 | 959.90 | 49.10 | 49.10 | 49.10 | 49.10 | 49.10 |
| Kpong | 310.35 | 310.35 | 310.35 | 310.35 | 310.35 | 8.73 | 8.73 | 8.73 | 8.73 | 8.73 |
| **Sub-Total VRA Hydro** | **1,270.25** | **1,270.25** | **1,270.25** | **1,270.25** | **1,270.25** | **57.83** | **57.83** | **57.83** | **57.83** | **57.83** |
| **VRA-Thermal:** | | | | | | | | | | |
| TAPCo | 147.28 | 147.28 | 147.28 | 147.28 | 256.20 | 401.40 | 401.40 | 401.40 | 401.40 | 698.22 |
| ATPS | 569.96 | 569.96 | 569.96 | 569.96 | 569.96 | 1,774.24 | 1,774.24 | 1,774.24 | 1,774.24 | 1,774.24 |
| **Sub-Total VRA Thermal** | **717.24** | **717.24** | **717.24** | **717.24** | **826.15** | **2,175.64** | **2,175.64** | **2,175.64** | **2,175.64** | **2,472.47** |
| **VRA-Renewable:** | | | | | | | | | | |
| **Total VRA** | **1,987.49** | **1,987.49** | **1,987.49** | **1,987.49** | **2,096.40** | **2,233.47** | **2,233.47** | **2,233.47** | **2,233.47** | **2,530.29** |
| | | | | | | | | | | |
| **IPPs:** | | | | | | | | | | |
| Sunon Asogli Phase I | | | | 223.96 | 675.98 | | | | 310.40 | 936.85 |
| Sunon Asogli Phase II | 1,503.24 | 1,503.24 | 1,503.24 | 1,503.24 | 1,503.24 | 2,566.28 | 2,566.28 | 2,566.28 | 2,566.28 | 2,566.28 |
| Karpowership | 688.80 | 1,379.33 | 2,100.12 | 2,595.95 | 2,595.95 | 897.48 | 1,797.20 | 2,736.37 | 3,382.41 | 3,382.41 |
| AKSA | 831.06 | 831.06 | 831.06 | 831.06 | 831.06 | 1,549.66 | 1,549.66 | 1,549.66 | 1,549.66 | 1,549.66 |
| Cenpower | 2,054.86 | 2,054.86 | 2,054.86 | 2,054.86 | 2,054.86 | 2,111.49 | 2,111.49 | 2,111.49 | 2,111.49 | 2,111.49 |
| Early Power | 1,125.25 | 1,125.25 | 1,125.25 | 1,125.25 | 1,125.25 | 1,391.74 | 1,391.74 | 1,391.74 | 1,391.74 | 1,391.74 |
| Amandi (Twin City) | 1,203.16 | 1,203.16 | 1,203.16 | 1,203.16 | 1,203.16 | 1,229.69 | 1,229.69 | 1,229.69 | 1,229.69 | 1,229.69 |
| Bui Power | 1,260.18 | 1,260.18 | 1,260.18 | 1,260.18 | 1,260.18 | 6.18 | 6.18 | 6.18 | 6.18 | 6.18 |
| BXC Solar | 88.25 | 88.25 | 88.25 | 88.25 | 88.25 | | | | | |
| Meienergy Solar | 79.42 | 79.42 | 79.42 | 79.42 | 79.42 | | | | | |
| Safisana Plant | 1.44 | 1.44 | 1.44 | 1.44 | 1.44 | | | | | |
| **Total IPPs** | **8,835.67** | **9,526.20** | **10,246.99** | **10,966.78** | **11,418.79** | **9,752.52** | **10,652.25** | **11,591.41** | **12,547.85** | **13,174.31** |
| **Total VRA+IPPs** | **10,823.16** | **11,513.69** | **12,234.48** | **12,954.27** | **13,515.20** | **11,985.99** | **12,885.72** | **13,824.88** | **14,781.32** | **15,704.60** |

** The above revenue values have been arrived at using Projected Ghana Cedi/US Dollar Exchange Rate of 12.0067*

Source: PURC's Tariff Analyses, 2026-2030

The Commission's approved generation revenue in Table 9-6 represents the total revenue requirement needed by ECG to pay power producers for projected electricity supply to its customers for the 2026-2030 Tariff Control Period. Any revenue variation between projected electricity supply and contracted electricity supply was addressed as reserve margin in Section 9.1.4.2.

### 9.1.4.2 Reserve Margin

To ensure system reliability, the Commission considered a reserve margin of 2,728 GWh at a cost of GHS1,544.19Million to meet unexpected electrical energy demand of consumers. The Commission thus incorporated this cost as part of generation revenue requirement used the determination of the rates payable by consumers.

### 9.1.4.3 ECG's Transmission Grid Services Cost

ECG is required to pay for transmission grid services provided by GRIDCo as an additional cost for power purchases. For the 2026-2030 Tariff Control Period, total electrical energy to be transmitted on behalf of ECG is projected at 20,714 GWh, which includes transmission losses of 849.27GWh. Since ECG's total purchases of 20,714GWh includes transmission losses, ECG is required to pay the Transmission Service Charge (TSC-1) only to GRIDCo.

The breakdown of total electricity purchases, transmission and distribution losses as well as sales for ECG are presented in Table 9-7.

**Table 9-7** Summary of PURC Approved Transmission and Distribution System Losses for ECG

| Power Purchases | 2026 | 2027 | 2028 | 2029 | 2030 | Average Energy (GWh) |
|---|---|---|---|---|---|---|
| Total Purchases | 18,700 | 19,664 | 20,671 | 21,721 | 22,813 | 20,714 |
| Transmission System Losses | 767 | 806 | 848 | 891 | 935 | 849 |
| Distribution System Losses | 4,214 | 4,243 | 4,262 | 4,270 | 4,266 | 4,271 |
| Final End-User Consumption | 13,719 | 14,615 | 15,562 | 16,560 | 17,612 | 15,594 |

Source: PURC's Tariff Analyses, 2026-2030

### 9.1.4.4 Total Annual Revenue Requirement

Having considered and approved the various cost items as noted above, the Commission has established a Total Annual Revenue Requirement (TARR) for ECG amounting to GHS 34,981.90 Million as presented in Table 9-8.

**Table 9-8** Summary of ECG's Total Annual Revenue Requirement

| Item/Cost Center | 2026 | 2027 | 2028 | 2029 | 2030 | Average (Million GHS) |
|---|---|---|---|---|---|---|
| Power Purchases (Incl. Trans. & Distr. System Losses) | 24,353.34 | 25,943.60 | 27,603.56 | 29,279.78 | 30,763.99 | 27,588.85 |
| Transmission Service Cost (Excl.Transmission Losses) | 1,766.72 | 1,851.67 | 1,967.24 | 2,079.25 | 2,223.61 | 1,975.60 |
| **Total Power Purchases & Transmisson Grid Service Costs** | **26,120** | **27,795** | **29,571** | **31,359** | **32,988** | **29,564.45** |
| Administrative & General Expenses | 455.55 | 492.00 | 531.36 | 573.87 | 619.78 | 534.51 |
| Operation & Maintenance Expenses | 949.75 | 1,025.73 | 1,107.79 | 1,196.41 | 1,292.13 | 1,114.36 |
| Human Resource Expenses | 1,464.23 | 1,562.33 | 1,667.32 | 1,762.19 | 1,880.26 | 1,667.27 |
| Cost on Working Capital Allowance | 1.70 | 1.83 | 1.96 | 2.09 | 2.25 | 1.96 |
| **Capital Expenditure IRO Approved ECG's Critical Investments:** | | | | | | |
| Depreciation | 351.62 | 351.62 | 351.62 | 351.62 | 351.62 | 351.62 |
| Return on Investments | 183.34 | 183.34 | 183.34 | 183.34 | 183.34 | 183.34 |
| **Sub-Total** | **534.96** | **534.96** | **534.96** | **534.96** | **534.96** | **534.96** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | | | | |
| Depreciation | 640.23 | 640.23 | 640.23 | 640.23 | 640.23 | 640.23 |
| Return on Regulated Asset Base | 236.88 | 236.88 | 236.88 | 236.88 | 236.88 | 236.88 |
| **Sub-Total** | **877.11** | **877.11** | **877.11** | **877.11** | **877.11** | **877.11** |
| Corporate Tax | 87.27 | 87.27 | 87.27 | 87.27 | 87.27 | 87.27 |
| **ECG Annual Revenue Requirement (ARR)** | **4,370.58** | **4,581.23** | **4,807.77** | **5,033.91** | **5,293.75** | **4,817.45** |
| **Total Annual Revenue Requirement (TARR)** | **30,490.64** | **32,376.50** | **34,378.57** | **36,392.94** | **38,281.36** | **34,381.90** |

Source: PURC's Tariff Analysis, 2026-2030

The Commission directs ECG to bill and collect from its customers, the tariffs approved by the Commission as indicated above in order to meet all its obligations including power purchases, transmission services and distribution operating expenses.

## 9.2 Northern Electricity Distribution Company (NEDCo)

### 9.2.1 Determination of NEDCo's Revenue Requirement

Determination of NEDCo's Annual Revenue Requirement (ARR) for the 2026-2030 Tariff Control Period was executed in line with the Commission's Rate Setting Guidelines for Electricity Distribution and Supply taking into account projected electrical energy purchases and sales volumes, costs and revenue proposals as submitted by NEDCo.

NEDCo's proposal covered the Company's operational costs detailed as administrative and general expenses, operation and maintenance expenses, human resource expenses, capital expenditure in respect to NEDCo's short term critical investment, depreciation and return on regulated asset base. This amounted to an annual average of GHS 2,549.07Million for the 2026-2030 Tariff Control Period.

Table 9-9 shows the breakdown of NEDCo's total operational expenses approved by the Commission and Table 9-10 indicates approved annual average revenue in comparison with existing and proposed annual average revenue by NEDCo.

**Table 9-9** Summary of PURC Approved Distribution Revenue Requirement for 2026-2030

| Cost Type | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|---|
| **NEDCo's Approved Operating Cost:** | | | | | | | |
| Administrative & General Expenses | MGHS | 192.10 | 207.47 | 224.07 | 242.00 | 261.36 | 225.40 |
| Operation & Maintenance Expenses | MGHS | 125.22 | 135.23 | 146.05 | 157.74 | 170.36 | 146.92 |
| Human Resource Expenses | MGHS | 491.30 | 540.43 | 594.47 | 653.92 | 719.31 | 599.88 |
| **Sub-Total** | MGHS | **808.62** | **883.13** | **964.59** | **1,053.65** | **1,151.02** | **972.20** |
| **Cost on Working Capital Allowance** | MGHS | **0.48** | **0.52** | **0.57** | **0.62** | **0.68** | **0.58** |
| **Capital Expenditure IRO Approved Critical Investments** | MGHS | **451.07** | **451.07** | **451.07** | **451.07** | **451.07** | **451.07** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | | | | | |
| Depreciation | MGHS | 298.74 | 298.74 | 298.74 | 298.74 | 298.74 | 298.74 |
| Return on Regulated Asset Base | MGHS | 54.53 | 54.53 | 54.53 | 54.53 | 54.53 | 54.53 |
| **Sub-Total** | MGHS | **353.27** | **353.27** | **353.27** | **353.27** | **353.27** | **353.27** |
| **Corporate Tax** | MGHS | **8.82** | **8.82** | **8.82** | **8.82** | **8.82** | **8.82** |
| **Total Electricity Distribution Revenue Requirement** | MGHS | **1,622.25** | **1,696.81** | **1,778.31** | **1,867.42** | **1,964.85** | **1,785.93** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 9-10** Summary of PURC Approved Costs Vs. Proposed Costs of NEDCo

| Cost Type | Existing (MGHS) | Proposed Costs (MGHS) | Approved Costs (MGHS) |
|---|---|---|---|
| **Approved Operating Cost:** | | | |
| Administrative & General Expenses | 44.36 | 188.94 | 225.40 |
| Operation & Maintenance Expenses | 154.27 | 123.51 | 146.92 |
| Human Resource Expenses | 295.98 | 645.59 | 599.88 |
| **Sub-Total** | **494.61** | **958.04** | **972.20** |
| **Cost on Working Capital Allowance** | **0.29** | | **0.58** |
| **Capital Expenditure IRO Approved Critical Investments** | **12.92** | | **451.07** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | |
| Depreciation | 19.21 | 785.84 | 298.74 |
| Return on Regulated Asset Base | 6.51 | 805.19 | 54.53 |
| **Sub-Total** | **25.72** | **1,591.04** | **353.27** |
| **Corporate Tax** | **1.09** | - | **8.82** |
| **Total Electricity Network Business Revenue Requirement** | **534.64** | **2,549.07** | **1,785.93** |

Source: PURC's Tariff Analyses, 2026-2030

The Commission in approving the various operating costs of NEDCo, including administrative and general expenses, operation and maintenance expenses, and human resource expenses, the Commission undertook a prudence and efficiency test, taking into consideration PURC's Rate Setting Guidelines. NEDCo's ARR results in an average distribution added value (DAV) charge of GHp84.1202/kWh. Details of the approved costs are explained in the following sections.

#### 9.2.1.1 Administrative and General Expenses

NEDCo proposed an annual average of GHS188.94Million to cover various administrative expenses for the 2026-2030 Tariff Control Period. However, the Commission approved an annual average of GHS 225.40Million which was considered to be prudent and efficient. The variance between the proposed and approved cost was as a result of approved capital expenditure, data validation and use of an operating expense efficiency benchmark in line with the Rate Setting Guidelines.

#### 9.2.1.2 Operation and Maintenance Expenses

With respect to operation and maintenance expenses, the Commission approved an annual average amount of GHS146.92Million representing a 1.05% of the Company's gross fixed assets, which the Commission considers as prudent and efficient as against GHS123.51Million proposed by NEDCo for the 2026-2030 Tariff Control Period. This approval was based on the application of operating expense efficiency benchmark, data validation and approved capital expenditure as per PURC's Rate Setting Guidelines.

#### 9.2.1.3 Human Resource Expenses

The Commission approved an annual average of GHS599.88 million to cover NEDCo's human resource expenses during the 2026–2030 Tariff Control Period, in accordance with PURC's Rate Setting Guidelines.

#### 9.2.1.4 Cost of Working Capital Allowance

Regarding cost of working capital allowance, the Commission approved an annual average of GHS0.58 Million for the Company for the 2026-2030 Tariff Control Period in line with the Rate Setting Guidelines for Electricity Distribution and Supply. The approved cost of working capital allowance was based on PURC benchmark cash conversion cycle and the WACC for NEDCo.

#### 9.2.1.5 Capital Expenditure

The Commission approved an average of GHS 451.07Million to cover NEDCo's short-term critical investments over 2026-2030 Tariff Control Period. It is important to note that this amount was arrived at considering the cost of both the loan facility and interest as well as levelising the total short-term critical investments amount in line with NEDCo's depreciation policy as well as following the investment hearing in line with the PURC's Rate Setting Guidelines for Investment Approval and Verification.

#### 9.2.1.6 Depreciation

With respect to depreciation, the Commission approved an annual average amount of GHS298.74Million as against NEDCo's proposed amount of GHS785.84Million for the 2026-2030 Tariff Control Period. The Commission's approved amount represents 38.02% of the amount proposed by ECG and was based on the use of net revalued regulated asset base. The variance is as a result of revision of the regulated asset base value which excluded assets acquired through grants and also following data validation after submission of the Company's tariff proposal. The approved depreciation amount forms 4.15% of the net revalued regulated asset base.

#### 9.2.1.7 Return on Revalued Net Fixed Assets

The Company proposed a return of GHS 805.19Million on Regulated Fixed Assets for the 2026-2030 Tariff Control Period. However, the Commission approved an annual average of GHS353.27Million as return on revalued net fixed assets guided by PURC's Rate Setting Guidelines for Electricity Distribution and Supply. A WACC of 2% was employed in the computation. The variance is as a result of differences in WACC and the revision of the regulated asset base value, which excluded assets acquired through grants and following data validation after submission of the Company's tariff proposal.

#### 9.2.1.8 Corporate Tax

In respect of Corporate Tax, the Commission approved an annual average of GHS 8.82Million as corporate tax payable by NEDCo over the 2026-2030 Tariff Control Period based on the approved net revalued regulated asset base and in accordance with PURC's Rate Setting Guidelines for Electricity Distribution and Supply.

### 9.2.2 Cost of Distribution Losses

PURC's benchmark average distribution system losses for NEDCo is 21.5% over the 2026-2030 Tariff Control Period which translates into an energy of 581GWh. The total cost of the distribution losses is estimated at GHS 767.03Million, resulting in an average cost of GHp36.1286/kWh. Similar to the case of ECG, the average cost of total distribution system losses is prefixed as DSC-2 and is the rate that covers payment by DISCos to electricity generators to compensate for the cost of PURC benchmarked electricity lost in distribution.

### 9.2.3 Non-Collectible Revenue (NCR)

The Commission maintained and approved a 2% allowance to cover provision for non-collectible revenue by NEDCo.

### 9.2.4 NEDCo's Total Annual Revenue Requirement (TARR)

The Commission in determination of NEDCo's TARR considered the following costs:

(i) Cost of power purchases from electricity generators including all losses in the process of high voltage transmission as well as the electricity that is not billed owing to technical and commercial losses within the utility company's network

(ii) Direct cost of operating the high voltage transmission system of the power to the consumers

(iii) Costs of NEDCo's own operations (ARR)

(iv) Provision for non-collectible revenue

#### 9.2.4.1 NEDCo's Cost of Power Purchases

For the 2026-2030 Tariff Period, the Commission approved a projected annual electrical energy of 2,820 GWh for NEDCo to meet the needs of its customers as well as provide for all losses in transmission and distribution of the electrical energy. It is worth noting that, NEDCo procures all its power requirements from VRA. The Commission approved an annual average amount of GHS2,334.18 million to cover the total cost of electricity to be purchased by NEDCo for 2026-2030 Tariff Control Period. Details of the cost build-up of NEDCo's electricity purchases for 2026- 2030 Tariff Control Period are shown in Table 9-11.

#### 9.2.4.1.1 NEDCo's Composite Bulk Generation Charge

The Commission approved a Composite Bulk Generation Charge (CBGC) of GHp82.7673/kWh for NEDCo for 2026-2030 Tariff Control Period. It is important to note that NEDCo's CBGC represents the weighted average cost of electricity to be procured by NEDCo from VRA including the electricity from the Akosombo and Kpong hydroelectric generating stations. The Approved CBGC for NEDCo translates into total cost of electricity purchases of GHS2,334.18Million. Details of projected power purchases for NEDCo and tariffs by power plant are indicated in Table 9-11.

**Table 9-11** Summary of PURC Approved Power Purchase Costs for NEDCo

| Power Plant | Projected Electrical Energy (GWh) | Tariff (GHp/kWh) |
|---|---|---|
| **VRA Plants** | | |
| **VRA-Hydro:** | | |
| Akosombo | 852 | 24.2630 |
| Kpong | 145 | 49.7412 |
| **Sub-Total VRA Hydro** | **997** | |
| **VRA-Thermal:** | | |
| TAPCo | 1,811 | 120.6627 |
| **Sub-Total VRA Thermal** | **1,811** | |
| **VRA-Renewable:** | | |
| Solar (Navrongo) | 3 | 149.9847 |
| Solar (Kaleo/Lawra) | 9 | 108.0599 |
| **Sub-Total VRA Renewable** | **12** | |
| **Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff** | **2,820** | **82.7673** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 9-12** Summary of PURC Approved Power Purchase Costs for NEDCo (2026-2030)

| Power Plant | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|
| **VRA Plants** | | | | | | |
| **VRA-Hydro:** | | | | | | |
| Akosombo | 852 | 852 | 852 | 852 | 852 | 852 |
| Kpong | 145 | 145 | 145 | 145 | 145 | 145 |
| **Sub-Total VRA Hydro** | **997** | **997** | **997** | **997** | **997** | **997** |
| **VRA-Thermal:** | | | | | | |
| TAPCo | 1,474 | 1,711 | 1938 | 1,967 | 1,967 | 1,811 |
| **Sub-Total VRA Thermal** | **1,474** | **1,711** | **1,938** | **1,967** | **1,967** | **1,811** |
| **VRA-Renewable:** | | | | | | |
| Solar (Navrongo) | 3 | 3 | 3 | 3 | 3 | 3 |
| Solar (Kaleo/Lawra) | 9 | 9 | 9 | 9 | 9 | 9 |
| **Sub-Total VRA Renewable** | **12** | **12** | **12** | **12** | **12** | **12** |
| **Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff** | **2,483** | **2,720** | **2,947** | **2,976** | **2,976** | **2,820** |

Source: PURC's Tariff Analyses, 2026-2030

#### 9.2.4.1.3 NEDCo's Transmission Grid Services Cost

It is important to note that in addition to the cost of power purchases, NEDCo is required to pay for transmission services provided by GRIDCo. The total average power to be transmitted on behalf of NEDCo over the 2026-2030 tariff period is projected at 2,820 GWh which includes transmission losses of 116 GWh as indicated in Table 9-13. Given that NEDCo's total purchases of 2,820 GWh includes the cost of transmission losses, NEDCo is required to pay to GRIDCo only the added value component (TSC-1) of the Transmission Service Charge.

**Table 9-13** Summary of PURC Approved Transmission and Distribution System Losses for NEDCo

| Description | 2026 | 2027 | 2028 | 2029 | 2030 | Average Value (GWh) |
|---|---|---|---|---|---|---|
| Power Purchases | 2,483 | 2,720 | 2,947 | 2,976 | 2,976 | 2,820 |
| Transmission System Losses | 102 | 112 | 121 | 122 | 122 | 116 |
| Distribution System Losses | 560 | 587 | 608 | 585 | 556 | 581 |
| Final End-User Consumption (Sales) | 13,719 | 14,615 | 15,562 | 16,560 | 17,612 | 2,123 |

Source: PURC's Tariff Analyses, 2026-2030

### 9.2.4.2 Total Annual Revenue Requirement

Similar to ECG, the Commission approved the above costs of NEDCo vis-à-vis performance targets. This yielded a Total Annual Revenue Requirement (TARR) for the Company amounting to GHS 4,389.08Million, which in the opinion of the Commission, is sufficient to cover the operational costs of NEDCo for the 2026-2030. Details of these costs including cost of power purchases are presented in Table 9-14.

**Table 9-14** Summary of NEDCo's Total Annual Revenue Requirement

| Item/Cost Center | 2026 | 2027 | 2028 | 2029 | 2030 | Average (MGHS) |
|---|---|---|---|---|---|---|
| Power Purchases (Incl. Trans. & Distr. System Losses) | 1,966.31 | 2,224.71 | 2,472.21 | 2,503.83 | 2,503.83 | 2,334.18 |
| Transmission Service Cost (Excl.Transmission Losses) | 234.57 | 256.10 | 280.44 | 284.86 | 290.05 | 268.97 |
| **Total Power Purchases & Transmisson Grid Service Costs** | **2,200.88** | **2,480.82** | **2,752.65** | **2,788.69** | **2,793.88** | **2,603.15** |
| Administrative & General Expenses | 192.10 | 207.47 | 224.07 | 242.00 | 261.36 | 225.40 |
| Operation & Maintenance Expenses | 125.22 | 135.23 | 146.05 | 157.74 | 170.36 | 146.92 |
| Human Resource Expenses | 491.30 | 540.43 | 594.47 | 653.92 | 719.31 | 599.88 |
| Cost on Working Capital Allowance | 0.48 | 0.52 | 0.57 | 0.62 | 0.68 | 0.58 |
| Capital Expenditure | 451.07 | 451.07 | 451.07 | 451.07 | 451.07 | 451.07 |
| Depreciation | 298.74 | 298.74 | 298.74 | 298.74 | 298.74 | 298.74 |
| Return on Regulated Asset Base | 54.53 | 54.53 | 54.53 | 54.53 | 54.53 | 54.53 |
| Corporate Tax | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 | 8.82 |
| **NEDCo Annual Revenue Requirement (ARR)** | **1,622.25** | **1,696.81** | **1,778.31** | **1,867.42** | **1,964.85** | **1,785.93** |
| **Total Annual Revenue Requirement (TARR)** | **3,823.12** | **4,177.62** | **4,530.96** | **4,656.11** | **4,758.73** | **4,389.08** |

Source: PURC's Tariff Analyses, 2026-2030

The Commission wishes to state that based on above approved costs, NEDCo is expected to bill and collect from its customers, the tariffs approved by the Commission in order to meet all its obligations including power purchases, transmission services, and distribution operating expenses.

## 9.3 Enclave Power Company (EPC)

### 9.3.4 Determination of EPC's Revenue Requirement

The Commission determined EPC's Annual Revenue Requirement (ARR) for the 2026-2030 Tariff Control Period within the framework of the Rate Setting Guidelines for Electricity Distribution and Supply considering projected electrical energy purchases and sales volumes, costs and revenue proposals as submitted by EPC. It must be stated that the Commission's approval of costs and electrical energy purchases for EPC covers only the regulated market served by EPC.

EPC's proposal covered the Company's administrative and general expenses, operation and maintenance expenses, human resource expenses, cost of working capital allowance, capital expenditure in respect to EPC's short-term critical investments, depreciation and return on regulated asset base, amounting to an annual average of GHS 305.89Million for the 2026-2030 Tariff Control Period.

Table 9-15 shows the breakdown of EPC's 5-year annual revenue requirement approved by the Commission and Table 9-16 indicates approved annual average revenue in comparison with existing and proposed annual average revenue by EPC.

**Table 9-15** Summary of PURC Approved Distribution Revenue Requirement for 2026-2030

| Cost Type | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|---|
| **EPC's Approved Operating Cost:** | | | | | | | |
| Administrative & General Expenses | MGHS | 15.23 | 16.44 | 17.76 | 19.18 | 20.72 | 17.87 |
| Operation & Maintenance Expenses | MGHS | 10.83 | 11.70 | 12.64 | 13.65 | 14.74 | 12.71 |
| Human Resource Expenses | MGHS | 24.06 | 25.26 | 27.81 | 29.49 | 32.36 | 27.80 |
| **Sub-Total** | MGHS | **50.12** | **53.40** | **58.21** | **62.32** | **67.81** | **58.37** |
| **Cost on Working Capital Allowance** | MGHS | **0.15** | **0.15** | **0.17** | **0.18** | **0.20** | **0.17** |
| **Capital Expenditure IRO Approved Critical Investments** | MGHS | **3.69** | **3.69** | **3.69** | **3.69** | **3.69** | **3.69** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | MGHS | | | | | | |
| Depreciation | MGHS | 14.69 | 14.69 | 14.69 | 14.69 | 14.69 | 14.69 |
| Return on Regulated Asset Base | MGHS | 35.24 | 35.24 | 35.24 | 35.24 | 35.24 | 35.24 |
| **Sub-Total** | MGHS | **49.93** | **49.93** | **49.93** | **49.93** | **49.93** | **49.93** |
| **Corporate Tax** | MGHS | **4.03** | **4.03** | **4.03** | **4.03** | **4.03** | **4.03** |
| **Total Electricity Distribution Revenue Requirement** | MGHS | **107.91** | **111.20** | **116.02** | **120.15** | **125.65** | **116.18** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 9-16** Summary of PURC Approved Costs Vs. Proposed Costs by EPC

| Cost Type | Existing (MGHS) | Proposed Costs (MGHS) | Approved Costs (MGHS) |
|---|---|---|---|
| **Approved Operating Cost:** | | | |
| Administrative & General Expenses | 17.26 | 17.54 | 17.87 |
| Operation & Maintenance Expenses | 0.65 | 12.95 | 12.71 |
| Human Resource Expenses | 5.18 | 27.80 | 27.80 |
| **Sub-Total** | **23.09** | **58.28** | **58.37** |
| **Interest on Working Capital** | **0.06** | **0.62** | **0.17** |
| **Capital Expenditure IRO Approved Critical Investments:** | **20.74** | | **3.69** |
| **Capital Recovery IRO Existing Newly Completed and Legacy Distribution Assets:** | | | |
| Depreciation | 11.58 | 67.72 | **14.69** |
| Return on Regulated Asset Base | 24.97 | 91.53 | **35.24** |
| **Sub-Total** | 36.55 | 159.2468572 | 49.93 |
| **Corporate Tax** | **3.71** | **87.74** | **4.03** |
| **Total Electricity Network Business Revenue Requirement** | **84.15** | **305.89** | **116.18** |

Source: PURC's Tariff Analyses, 2026-2030

The approved annual average revenue requirement for EPC results in an average distribution added value (DAV) charge of GHp39.1962/kWh. The Commission, in approving the various operating costs of EPC, including administrative and general expenses, operation and maintenance expenses as well as human resource expenses of EPC, undertook a prudence and efficiency test taking into consideration PURC's Rate Setting Guidelines. Details of the approved costs are presented in the following sections.

#### 9.3.4.1 Administrative and General Expenses

With regards to administrative and general expenses, EPC proposed an annual average of GHS17.54Million to cover various administrative expenses for 2026-2030 Tariff Control Period. However, the Commission approved an annual average of GHS 17.87Million which was considered to be prudent and efficient. The approved administrative and general expenses for the 2026-2030 Tariff Control Period represent a 3.50% increase over the existing approved costs for 2025. The variance between the proposed and approved cost was as a result of use of an operating expense efficiency benchmark in line with the Rate Setting Guidelines.

#### 9.3.4.2 Operation and Maintenance Expenses

The Commission approved an annual average amount of GHS12.71Million as operation and maintenance expenses for EPC which the Commission considered as prudent and efficient as against GHS12.95Million proposed by EPC for the 2026-2030 Tariff Control Period. This represents 5.13% of the Company's gross fixed assets and was based on operating expense efficiency benchmark as per PURC's Rate Setting Guidelines.

#### 9.3.4.3 Human Resource Expenses

In respect of EPC's human resource expenses, the Commission approved an annual average of GHS27.80Million to cover the Company's staff expenses for the 2026-2030 Tariff Control Period. The approval by the Commission was in line with PURC's Rate Setting Guidelines.

#### 9.3.4.4 Cost of Working Capital Allowance

In terms of cost of working capital allowance, the Commission approved an annual average of GHS0.17Million for the Company for the 2026-2030 Tariff Control Period in line with the Rate Setting Guidelines for Electricity Distribution and Supply. The approved cost of working capital allowance was based on PURC benchmark cash conversion cycle and the WACC for EPC.

#### 9.3.4.5 Capital Expenditure

With respect to capital expenditure, the Commission approved an average annual amount of GHS 3.69 Million to cover EPC's short-term critical investments over 2026-2030 Tariff Control Period. It is important to note that this amount was arrived at by taking into consideration the cost of both the loan facility and interest of the short-term critical investments and levelising the amount based on EPC's depreciation policy as well as following the investment hearing in line with the PURC's Rate Setting Guidelines for Investment Approval and Verification.

#### 9.3.4.6 Depreciation

The Commission approved an annual average depreciation of GHS14.69Million as against EPC's proposed amount of GHS67.72Million for the 2026-2030 Tariff Control Period. The Commission's approved amount which represents 21.69% of the amount proposed by EPC was based on the use of net revalued regulated asset base. The variance is due to revision of the regulated asset base value of the Company. The approved depreciation amount forms 3.06% of the net revalued regulated asset base.

#### 9.3.4.7 Return on Revalued Net Fixed Assets

With regards to return on revalued net fixed assets, the Commission approved an annual average of GHS 35.24 Million as return on revalued net fixed assets based on WACC and the regulated asset base guided by PURC's Rate Setting Guidelines for Electricity Distribution and Supply as against GHS 91.53Million proposed by EPC. A WACC of 9.80% was employed in the computation. The variance was due to differences in WACC and the regulated asset base.

#### 9.3.4.8 Corporate Tax

The Commission approved an annual average of GHS 4.03Million as Corporate Tax payable by EPC over the 2026-2030 Tariff Control Period based on the approved net revalued regulated asset base in accordance with PURC's Rate Setting Guidelines for Electricity Distribution and Supply.

### 9.3.5 Cost of EPC's Distribution Losses

The Commission's benchmark total distribution system losses for EPC is 2% over the 2026-2030 Tariff Control Period which translates into an energy of 6GWh. The total cost of the distribution losses is estimated at GHS 7.98Million, resulting in an average cost of GHp2.6921/kWh. Similar to ECG and NEDCo, the average cost of total distribution systems losses is prefixed as DSC-2 which is the rate that covers payment by DISCos to electricity generators to compensate for the cost of PURC benchmarked electricity lost in distribution.

### 9.3.6 Non-collectible Revenue (NCR)

The Commission maintained the 2% allowance to cover provision for non-collectible revenue by EPC.

### 9.3.7 EPC's Total Annual Revenue Requirement (TARR)

The Commission in determination of EPC's TARR considered the following costs:

(i) Cost of power purchases from electricity generators including all losses in the process of high voltage transmission as well as the electricity that is not billed owing to technical and commercial losses within the utility company's network

(ii) Direct cost of operating the transmission system to supply power to EPC's consumers

(iii) EPC's operation costs (ARR)

(iv) Provision for non-collectible revenue

#### 9.3.7.1 EPC's Cost of Power Purchases

The Commission approved a projected annual electrical energy of 315 GWh for EPC to meet the needs of its regulated customers as well as provide for all losses in transmission and distribution of the projected electrical energy. It must be stated that this projected energy is to be procured from VRA. The Commission approved an annual average amount of GHS339.75Million to cover the total cost of EPC power purchases for 2026-2030 tariff period. Details of the cost build-up of EPC's electricity purchases for 2026-2030 Tariff Control Period is shown in Table 9-17.

##### 9.3.7.1.1 EPC's Composite Bulk Generation Charge

The Commission approved a Composite Bulk Generation Charge (CBGC) of GHp107.7216/kWh for EPC for 2026-2030 Tariff Control Period. EPC's CBGC represents the weighted average cost of electricity to be procured by EPC from VRA. The Approved EPC CBGC results in a total annual electricity purchase cost of GHS339.75Million. Details of projected power purchases for EPC and tariffs by power plant are indicated in Table 9-17.

**Table 9-17** Summary of PURC Approved Power Purchase Costs for EPC

| Power Plant | Projected Electrical Energy (GWh) | Tariff (GHp/kWh) |
|---|---|---|
| **VRA Plants** | | |
| **VRA-Hydro:** | | |
| Akosombo | 128 | 30.7516 |
| Kpong | 22 | 57.3426 |
| **Sub-Total VRA Hydro** | **150** | |
| **VRA-Thermal:** | | |
| KTPP | 166 | 173.6215 |
| **Sub-Total VRA Thermal** | **166** | |
| **Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff** | **315** | **107.7216** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 9-18** Summary of PURC Approved Power Purchase for EPC (2026-2030)

| Power Plant | 2026 | 2027 | 2028 | 2029 | 2030 | Average (GWh) |
|---|---|---|---|---|---|---|
| **VRA Plants** | | | | | | |
| **VRA-Hydro:** | | | | | | |
| Akosombo | 128 | 128 | 128 | 128 | 128 | 128 |
| Kpong | 22 | 22 | 22 | 22 | 22 | 22 |
| **Sub-Total VRA Hydro** | **150** | **150** | **150** | **150** | **150** | **150** |
| **VRA-Thermal:** | | | | | | |
| KTPP | 150 | 158 | 165 | 173 | 181 | 166 |
| **Sub-Total VRA Thermal** | **150** | **158** | **165** | **173** | **181** | **166** |
| **Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff** | **300** | **308** | **315** | **323** | **331** | **315** |

Source: PURC's Tariff Analyses, 2026-2030

### 9.3.7.2 EPC's Transmission Grid Services Cost

In addition to the cost of power purchases, EPC is required to pay for the transmission grid services provided by GRIDCo. The total electrical energy to be transmitted on behalf of EPC for the 2026-2030 Tariff Control Period is projected at 315 GWh which includes transmission losses of 6 GWh. Given that EPC's total purchases of 315 GWh include the cost of transmission losses, EPC is required to pay to GRIDCo only the value-added component (TSC-1) of the Transmission Service Charge.

**Table 9-19** Summary of PURC Approved Transmission and Distribution System Losses for EPC

| Description | 2026 | 2027 | 2028 | 2029 | 2030 | Average Value (GWh) |
|---|---|---|---|---|---|---|
| Power Purchases | 300 | 308 | 315 | 323 | 331 | 315 |
| Transmission System Losses | 12 | 13 | 13 | 13 | 14 | 13 |
| Distribution System Losses | 6 | 6 | 6 | 6 | 6 | 6 |
| Final End-User Consumption (Sales) | 282 | 289 | 296 | 304 | 311 | 296 |

Source: PURC's Tariff Analyses, 2026-2030

### 9.3.7.3 Total Annual Revenue Requirement

The Commission approved a Total Annual Revenue Requirement (TARR) for the Company amounting to GHS 486.02Million, which is to cover the operational costs of EPC for the 2026-2030 Tariff Control Period. Details of these costs including cost of power purchases are presented in Table 9-20.

**Table 9-20** Summary of EPC's Total Annual Revenue Requirement

| Item/Cost Center | 2026 | 2027 | 2028 | 2029 | 2030 | Average (MGHS) |
|---|---|---|---|---|---|---|
| Power Purchases (Incl. Trans. & Distr. System Losses) | 313.02 | 326.91 | 339.06 | 352.95 | 366.84 | 339.75 |
| Transmission Service Cost (Excl.Transmission Losses) | 28.34 | 29.00 | 29.98 | 30.92 | 32.26 | 30.08 |
| **Total Power Purchases & Transmisson Grid Service Costs** | **341.36** | **355.91** | **369.04** | **383.87** | **399.10** | **369.84** |
| Administrative & General Expenses | 15.23 | 16.44 | 17.76 | 19.18 | 20.72 | 17.87 |
| Operation & Maintenance Expenses | 10.83 | 11.70 | 12.64 | 13.65 | 14.74 | 12.71 |
| Human Resource Expenses | 24.06 | 25.26 | 27.81 | 29.49 | 32.36 | 27.80 |
| Cost on Working Capital Allowance | 0.15 | 0.15 | 0.17 | 0.18 | 0.20 | 0.17 |
| Capital Expenditure | 3.69 | 3.69 | 3.69 | 3.69 | 3.69 | 3.69 |
| Depreciation | 14.69 | 14.69 | 14.69 | 14.69 | 14.69 | 14.69 |
| Return on Regulated Asset Base | 35.24 | 35.24 | 35.24 | 35.24 | 35.24 | 35.24 |
| Corporate Tax | 4.03 | 4.03 | 4.03 | 4.03 | 4.03 | 4.03 |
| **EPC Annual Revenue Requirement (ARR)** | **107.91** | **111.20** | **116.02** | **120.15** | **125.65** | **116.18** |
| **Total Annual Revenue Requirement (TARR)** | **449.27** | **467.11** | **485.06** | **504.01** | **524.75** | **486.02** |

Source: PURC's Tariff Analyses, 2026-2030

The Commission wishes to state that based on above approved costs, EPC is expected to bill and collect from its customers, the tariffs approved by the Commission to meet all its obligations including power purchases, transmission services, and distribution operating expenses.

## 10.0 TARIFF DECISION IN RESPECT OF WATER PRODUCTION, TRANSMISSION, DISTRIBUTION AND SUPPLY SERVICES

This section provides outcome of PURC's analyses of costs and tariffs as well as the Commission's decision on costs and tariffs for GWL.

### 10.1 Determination of GWL Annual Revenue Requirement

The Commission in its analyses of various costs and performance targets proposed by GWL for the 2026-2030 Tariff Control Period was guided by the fact that potable water service delivery within urban Ghana is to a very large extent a monopoly business hence the need for the requisite regulatory supervision to ensure that incurred costs in service delivery are prudent and efficient and performance targets met.

The Commission approved an annual average amount of GHS 3,194.16Million to cover GWL's revenue requirements for the 2026-2030 Tariff Control Period as against the Company's proposal of GHS 8,880.66Million.

Table 10-1 shows the breakdown of GWL's total yearly annual revenue requirement approved by the Commission and Table 10-2 indicates approved annual average revenue in comparison with existing and proposed annual average revenue by GWL.

**Table 10-1** Summary of PURC Approved Distribution Revenue Requirement for 2026-2030

| Utility/Cost Type | Measure | 2026 | 2027 | 2028 | 2029 | 2030 | Average (2026-2030) |
|---|---|---|---|---|---|---|---|
| **GWL:** | | | | | | | |
| Administrative & General Expenses | MGHS | 259.77 | 280.55 | 302.99 | 327.23 | 353.41 | 304.79 |
| Operation & Maintenance Expenses | MGHS | 351.80 | 379.94 | 410.34 | 443.16 | 478.62 | 412.77 |
| Human Resource Expenses | MGHS | 540.51 | 635.91 | 748.15 | 880.20 | 1,035.55 | 768.07 |
| Electricity Expenses | MGHS | 764.66 | 764.66 | 764.66 | 764.66 | 764.66 | 764.66 |
| Chemical Expenses | MGHS | 249.09 | 249.09 | 249.09 | 249.09 | 249.09 | 249.09 |
| **Sub-Total** | MGHS | **2,165.83** | **2,310.16** | **2,475.23** | **2,664.35** | **2,881.33** | **2,499.38** |
| **Cost on Working Capital Allowance** | MGHS | **1.28** | **1.37** | **1.47** | **1.58** | **1.71** | **1.48** |
| **Capital Expenditure IRO GWL's Critical Investments** | MGHS | **141.97** | **141.97** | **141.97** | **141.97** | **141.97** | **141.97** |
| **Capital Recovery IRO Existing Assets:** | | | | | | | |
| Depreciation | MGHS | 210.93 | 210.93 | 210.93 | 210.93 | 210.93 | 210.93 |
| Return on Regulated Asset Base | MGHS | 110.10 | 110.10 | 110.10 | 110.10 | 110.10 | 110.10 |
| **Sub-Total** | MGHS | **321.03** | **321.03** | **321.03** | **321.03** | **321.03** | **321.03** |
| **Total GWL Revenue Requirement** | MGHS | **2,630.11** | **2,774.52** | **2,939.70** | **3,128.93** | **3,346.04** | **2,963.86** |
| **Befesa:** | | | | | | | |
| Capacity Cost | MGHS | 204.69 | 204.69 | 204.69 | 204.69 | 204.69 | 204.69 |
| Variable Cost | MGHS | 25.61 | 25.61 | 25.61 | 25.61 | 25.61 | 25.61 |
| **Total Befesa Revenue Requirement** | MGHS | **230.30** | **230.30** | **230.30** | **230.30** | **230.30** | **230.30** |
| **Total GWL+Befesa Revenue Requirement** | MGHS | **2,860.41** | **3,004.82** | **3,170.00** | **3,359.22** | **3,576.34** | **3,194.16** |

Source: PURC's Tariff Analyses, 2026-2030

**Table 10-2** Summary of GWL Proposed and PURC Approved Costs

| Utility/Cost Type | Existing Costs (MGHS) | Proposed Costs (MGHS) | Approved Costs (MGHS) |
|---|---|---|---|
| **Ghana Water Limited:** | | | |
| Administrative & General Expenses | 264.94 | 2,269.72 | 304.79 |
| Operation & Maintenance Expenses | 358.81 | 1,616.62 | 412.77 |
| Human Resource Expenses | 419.81 | 689.51 | 768.07 |
| Chemical Expenses | 114.61 | 957.96 | 249.09 |
| Electricity Expenses | 696.03 | 588.85 | 764.66 |
| **Sub-Total** | **1,854.20** | **6,122.66** | **2,499.38** |
| **Interest on Working Capital** | **1.28** | - | **1.48** |
| **Capital Expenditure** | **288.05** | **1,266.82** | **141.97** |
| **Capital Recovery Cost (CRC):** | | | |
| Depreciation | 204.93 | 239.23 | 210.93 |
| Return on Regulated Asset Base | 104.96 | 893.39 | 110.10 |
| **Sub-Total** | **309.89** | **1,132.62** | **321.03** |
| **Total GWL Revenue Requirement** | **2,453.42** | **8,522.10** | **2,963.86** |
| | | | |
| **BEFESA:** | | | |
| Capacity Cost | 267.61 | 319.16 | **204.69** |
| Variable Cost | 33.14 | 39.39 | **25.61** |
| **Total Befesa Production Revenue Requirement** | **300.75** | **358.55** | **230.30** |
| **Total GWL+Befesa Revenue Requirement** | **2,754.17** | **8,880.66** | **3,194.16** |

Source: PURC's Tariff Analyses, 2026-2030

Similar to the methodology employed in analysing various costs which were considered and approved by the Commission for regulated utilities along the Electricity Supply Industry Value Chain, the Commission in establishing the prudency and efficiency of the various operating costs of GWL, including administrative and general expenses, operation and maintenance expenses as well as human resource expenses, undertook a prudence and efficiency test taking into consideration PURC's Rate Setting Guidelines. GWL ARR results in an average water tariff of GHp14.7202/$m^3$. Details of above approved costs are presented in the following sections.

### 10.1.1 Administrative and General Expenses

GWL proposed an annual average administrative expense of GHS2,269.72Million to cover the 2026-2030 Tariff Control Period. However, the Commission approved an annual average of GHS 304.79Million which was considered to be prudent and efficient. The approved administrative and general expenses for the 2026-2030 Tariff Control Period represents a 15.04% increase over the existing approved costs for 2025. The variance between the proposed and approved cost was as a result of use of an operating expense efficiency benchmark and approved capital expenditure as per PURC's Rate setting Guidelines.

### 10.1.2 Operation and Maintenance Expenses

With regards to operation and maintenance expenses, the Commission approved an annual average amount of GHS412.77Million as operation and maintenance expenses for GWL as against GHS1,616.62Million proposed by the Company for the 2026-2030 Tariff Control Period. This approval was based on the application of operating expense efficiency benchmark and approved capital expenditure as per PURC's Rate setting Guidelines.

### 10.1.3 Human Resource Expenses

In respect of GWL's human resource expenses, the Commission approved an annual average of GHS768.07Million to cover the Company's staff expenses for the 2026-2030 Tariff Control Period. The approval by the Commission was in line with PURC's Rate Setting Guidelines.

### 10.1.4 Electricity Expenses

Per the Commission's analysis of historical electricity consumption data of GWL, it has been established that the cost of electricity in GWL's operations constitutes approximately 25.8% of the total cost of operations of GWL. Thus, the Commission in determining electricity cost for GWL for the 2026-2030 Tariff Control Period, took into account, the approved electricity tariffs effective January 01, 2026. This resulted in an approval of an annual amount of GHS764.66Million as GWL's total electricity cost.

### 10.1.5 Water Treatment Chemical Expenses

The Commission carried out an extensive engagement with GWL on effect of continuing illegal mining activities on the operations of the company in catchment areas where these activities were being carried out. The objective of the Commission's engagement with the Company was to establish the quantity, price and costs of water treatment chemicals required to bring the level of water to quality required for consumption by consumers over the 2026-2030 Tariff Control Period.

There were also further engagements not only to validate but also establish the veracity of the position of GWL as stated above since the quantity of water treatment chemicals, level of price as well as total costs in procuring the required amount of chemicals to a very large extent all have an impact on the tariff to be approved by the Commission. Taking all of the above into consideration, the Commission came to the conclusion that an amount of GHS249.09Million was not only prudent and sufficient to meet the financial needs of the company for the 2026-2030 Tariff Control Period but also ensure that GWL water treatment chemicals are available in required quantities and quality throughout the year to ensure continuous operations.

### 10.1.6 Cost of Working Capital Allowance

In terms of cost of working capital allowance, the Commission approved an annual average of GHS1.48Million for the Company for the 2026-2030 Tariff Control Period in line with the Rate Setting Guidelines for Water Production, Transmission, Distribution and Supply. The approved cost of working capital allowance was based on PURC benchmark cash conversion cycle and the WACC for GWL.

### 10.1.7 Capital Expenditure

In accordance with the PURC's Rate Setting Guidelines for Investment Approval and Verification, and following the outcome of the investment hearing, the Commission approved an annual average capital expenditure of GHS 141.97 million. The approved capital expenditure is intended to support GWL's short-term critical investments during the 2026-2030 Tariff Control Period. Similar to the approach taken in the power sector, this figure was determined by considering the costs associated with both the loan facility and the interest on these short-term critical investments. These costs were levelised in accordance with GWL's depreciation policy.

### 10.1.8 Depreciation

The Commission approved an annual average depreciation of GHS210.93Million as against GWL's proposed amount of GHS239.23Million for the 2026-2030 Tariff Control Period. The Commission's approved amount represents 88.17% of the amount proposed by the Company and was based on the use of net revalued regulated asset base. The variance is as a result of revision of the regulated asset base value which excluded assets acquired through grants and also following data validation after submission of the Company's tariff proposal.

### 10.1.9 Return on Revalued Net Fixed Assets

With regards to return on revalued net fixed assets, the Commission approved an annual average return of GHS 110.10Million on revalued net fixed assets based on WACC and the regulated asset base guided by PURC's Rate Setting Guidelines for Water Production, Transmission, Distribution and Supply as against GHS 893.39Million proposed by GWL with the variance due to differences in WACC and the regulated asset base.

### 10.1.10 Befesa Desalination Plant Costs

GWL, by a Water Purchase Agreement is to procure on daily basis 60,000 $m^3$ of water from Befesa's Desalination Plant located at Teshie-Nungua. To enable GWL pay for the full cost of its water purchases from Befesa, the Commission approved an annual average amount of GHS 230.30Million for the 2026-2030 tariff control period, which is to cover the full annual Capacity Payment and Variable Operation and Maintenance Expenses of the Befesa Desalination Plant.

## 10.2 Projected Water Production and Sales Volume

The Commission, in its analysis approved an annual projected water production volume of 364.95$Mm^3$. This volume is an average of the aggregated production volumes from GWL's 90 production systems and Befesa Desalination Plant over the 2026-2030 Tariff Control Period. In terms of water sales volume to be sold to consumers over the Tariff Control Period, the Commission approved projected annual water sales volume of 216.99$Mm^3$, adjusting for Benchmarked Non-Revenue Water Loss established for GWL.

## 10.3 Non-Revenue Water

In terms of Non-Revenue Water performance, a 43.00% loss level was approved for GWL over the 2026-2030 tariff control period. A non-revenue water loss trajectory ranging from 45% in 2026 to 41% in 2030 was approved taking into consideration of approved capital expenditure for GWL in the form of District and Smart Meters, Distribution Network Expansion Projects among other loss reduction initiatives.

## 10.4 Non-collectible Revenue (NCR)

The Commission maintained the 2% provision for non-collectible revenue for GWL.

## 11.0 CONCLUSION

We have in this decision paper, examined, analysed and presented results from analyses of tariff proposals submitted by Utility Service Providers for consideration by the Commission as well as approval of rates to be charged for the 2026-2030 Tariff Control Period. The tariff proposals were submitted by Volta River Authority (VRA), Ghana National Gas Limited Company (GNGLC), Ghana Grid Company (GRIDCo), Electricity Company of Ghana (ECG), Northern Electricity Distribution Company (NEDCo), Enclave Power Company (EPC) and Ghana Water Limited (GWL).

Details in terms of both volume and price of Natural Gas by supply source as the primary fuel for generation of electrical energy for the 2026-2030 Tariff Control Period, which were presented to the Commission by GNPC, GNGLC, VRA and ECG resulted in the approval of Weighted Average Cost of Gas of USD 7.8749/MMBtu.

In respect of power purchases, the Commission approved an annual average Composite Bulk Generation Tariff of GHp 125.7350/kWh for the 2026-2030 Tariff Control Period based on projected annual average electrical energy volume of 20,696 GWh to be supplied to the regulated electricity market by both VRA and selected Independent Power Producers (IPPs) under bilateral contract agreements with ECG for the 2026-2030 Tariff Control Period.

The tariff decision paper also indicated Transmission Service Charge-1 of GHp9.9453/kWh, Transmission Service Charge-2 of GHp5.1481/kWh, Distribution Service Charge-1 of GHp30.9042/kWh and Distribution Service Charge-2 of GHp36.1286/kWh approved by the Commission for the 2026-2030 Tariff Control Period for GRIDCo and the three DisCos namely ECG, NEDCo and EPC.

The approved Composite Bulk Generation Charge, Transmission Service Charge-1 and Distribution Service Charge-1 resulted in an annual average total revenue requirement of GHS35.07 Billion (inclusive of 2% collection loss) for the electricity sector. This resulted in approval by the Commission of a 9.86% average increase in rates payable by electricity consumers over the 2026-2030 Tariff Control Period.

With regards to water, the Commission approved an annual average total revenue requirement of GHS 3.26 Billion (inclusive of 2% collection loss) to cover Water Production, Transmission, Distribution and Supply for the 2026-2030 Tariff Control Period. This revenue requirement resulted in approval of a 15.92% average increase across board in water tariffs payable by water consumers for the 2026-2030 Tariff Control Period.

## Appendix-1 - Key Assumptions

Summary of Key Assumptions Used in Determination of Natural Gas, Electricity and Water Tariffs

| Item | Measure | Value |
|---|---|---|
| Fuel Price: | | |
| Natural Gas (WACOG) | US$/MMBtu | 7.8749 |
| | | |
| Macro-Economic Variable: | | |
| Exchange Rate | GHS/US$ | 12.0067 |
| Inflation Rate | % | 8.0 |
| | | |
| Generation Mix: | | |
| Hydro | % | 20.90 |
| Thermal | % | 79.10 |
| | | |
| Hydro Allocation (Regulated Electricity Market): | | |
| Akosombo GS | GWh | 4,261 |
| Kpong GS | GWh | 723 |
| Total | GWh | 4,984 |
| | | |
| System Losses: | | |
| Average Transmission System Losses | % | 4.1 |
| Average Distribution System Losses | % | 21.5 |
| Collection Loss Ratio | % | 2.0 |
| Non-Revenue Water | % | 43.0 |

## Appendix-2 - Stakeholder Consultative Meetings and Public Hearings

### I. Stakeholder Consultative Meetings - September 08-25, 2025

| Stakeholder Category | Institutions | Date |
|---|---|---|
| **Civil Society Organizations/Think Tanks** | Africa Center for Energy Policy<br>CONIWAS<br>Institute for Energy Security<br>Consumer Protection Agency<br>IMANI Africa<br>KITE<br>COSECA<br>PIAC<br>ISODEC<br>WaterAid | Sept. 8, 2025 |
| **Media** | GBC<br>TV3<br>Joy TV/joy NEWS<br>Channel 1 TV<br>Metro TV<br>Adom TV/FM<br>Peace FM<br>Radio Gold<br>United Television (UTV)<br>Ghana News Agency (GNA)<br>Ghanaian Times<br>Ghana Web<br>Onua<br>Asempa<br>Daily Graphic<br>Ahontor FM<br>Energynewsafrica<br>Original TV<br>Atinka TV<br>Accra FM<br>Radio XYZ | Sept. 9, 2025 |
| **Communicators** | Government Communicators<br>Pro-Forum Members, Progressive Intellectuals<br>NDC Communications | Sept. 9, 2025 |
| **Industry/Business Associations** | Association of Ghana Industries<br>Ghana National Chamber of Commerce and Industry<br>Chamber of Mines<br>Chamber of Telcos<br>Ghana Employers Association<br>Ghana Union of Traders and Associations | Sept. 12, 2025 |
| **Organised Labour** | Ghana Private Road Transport Union<br>University Teachers' Association of Ghana<br>Ghana Federation of Labour<br>CLOSSAG<br>Union of Informational Workers Association (UNIWA) of TUC | Sept. 12, 2025 |
| **Political Actors** | 24-Hour Economy Secretariat | Sept. 12, 2025 |
| **Government** | National Security & Bureau of National Investigation<br>Ministry of Finance<br>Bank of Ghana<br>Ministry of Works, Housing and Water Resources | Sept. 15, 2025<br>Sept. 19, 2025<br>Sept. 19, 2025<br>Sept. 25, 2025 |

## II. Public Hearings - September 17- October 30, 2025

| Region | Date |
|---|---|
| Greater Accra | 17th September, 2025 |
| Eastern | 24th September, 2025 |
| Volta/Oti | 30th September, 2025 |
| Western/Western North | 7th October, 2025 |
| Central Region | 9th October, 2025 |
| Ashanti | 14th October, 2025 |
| Bono/Ahafo/Bono East | 16th October, 2025 |
| Northern/Savanna | 22nd October, 2025 |
| Upper East/North East | 27th October, 2025 |
| Upper West | 30th October, 2025 |

## Appendix-3 - Approved Electricity and Water Rates

i. Electricity Rates Effective January 01, 2026

| Tariff Category | Measure | New Tariff Effective January 01, 2026 |
|---|---|---|
| **First Schedule** | | |
| BGC VRA | GHp/kWh | 74.4763 |
| Composite BGC (VRA and IPPs) | GHp/kWh | 125.7350 |
| | | |
| **Second Schedule** | | |
| TSC 1 | GHp/kWh | 9.9453 |
| TSC 2 | GHp/kWh | 5.1481 |
| | | |
| **Third Schedule** | | |
| DSC 1 | GHp/kWh | 30.9042 |
| DSC 2 | GHp/kWh | 36.1286 |
| DWC | GHp/kWh | 67.0328 |
| | | |
| **Fourth Schedule** | | |
| **Residential Customers:** | | |
| **Lifeline Customers:** | | |
| 0-30 kWh (Exclusive) | GHp/kWh | 88.3713 |
| Service Charge | GHp/Month | 213.0000 |
| | | |
| **All Other Residential Customers:** | | |
| 0-300 kWh | GHp/kWh | 200.2159 |
| 301+ kWh | GHp/kWh | 264.5527 |
| Service Charge | GHp/kWh | 1073.0886 |
| | | |
| **Non-Residential Customers:** | | |
| 0-300 kWh | GHp/kWh | 180.7634 |
| 301+ kWh | GHp/kWh | 224.6455 |
| Service Charge | GHp/Month | 1242.8245 |
| | | |
| **Special Load Tariff (SLT) Customers:** | | |
| **Low Voltage - LV** | | |
| Energy Charge | GHp/kWh | 269.7753 |
| Service Charge | GHp/Month | 50000.0000 |
| | | |
| **Medium Voltage - MV** | | |
| Energy Charge | GHp/kWh | 215.3414 |
| Service Charge | GHp/Month | 50000.0000 |
| | | |
| **High Voltage - MV-2** | | |
| Energy Charge | GHp/kWh | 134.2804 |
| Service Charge | GHp/Month | 50000.0000 |
| | | |
| **High Voltage - HV** | | |
| Energy Charge | GHp/kWh | 215.3414 |
| Service Charge | GHp/Month | 50000.0000 |

***NB. Average EUT for the 2026–2030 tariff control period: GHp 224.9057/kWh.***

## ii. Water Rates Effective January 01, 2026

| New Customer Class | Measure | New Tariff Effective January 01, 2026 |
|---|---|---|
| Residential | | |
| 0-5$m^3$ | GHp/$m^3$ | 612.2522 |
| 5$m^3$+ | GHp/$m^3$ | 1,083.2045 |
| Service Charge | GHp/Month | 1,000.0000 |
| | | |
| Non-Residential | GHp/$m^3$ | 1,832.5711 |
| Service Charge | GHp/Month | 2,000.0000 |
| | | |
| Sachet Water Producers | GHp/$m^3$ | 2,885.1512 |
| Service Charge | GHp/Month | 10,000.0000 |
| | | |
| Commercial | GHp/$m^3$ | 3,278.5809 |
| Service Charge | GHp/Month | 2,000.0000 |
| | | |
| Industrial | GHp/$m^3$ | 3,278.5809 |
| Service Charge | GHp/Month | 25,000.0000 |
| | | |
| Public Institutions/Government Departments | GHp/$m^3$ | 1,573.7189 |
| Service Charge | GHp/Month | 2,000.0000 |
| | | |
| Public Stand Pipes | GHp/$m^3$ | 733.4916 |
| Service Charge | GHp/Month | 2,000.0000 |
| | | |
| Bottled Water and Drinks | GHp/m3 | 3,278.5809 |
| Service Charge | GHp/Month | 25,000.0000 |
| | | |
| Ports and Harbours | GHp/$m^3$ | 4,288.3839 |
| Service Charge | GHp/Month | 50,000.0000 |
| | | |
| Bulk Supply | GHp/$m^3$ | 1,039.5594 |
| Service Charge | GHp/Month | 5,000.0000 |

***NB. Average wtaer EUT for the 2026–2030 tariff control period: GHS 15.0146 per cubic meter.***