PUBLIC UTILITIES REGULATORY COMMISSION

2025 Third Quarter
Natural Gas, Electricity & Water Tariff Decision

An In-depth Look at the Rationale
Underpinning the 2025 Third Quarter
Natural Gas, Electricity and Water Tariffs

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1.0 INTRODUCTION

As part of the Public Utilities Regulatory Commission's strategy to ensure the real value of natural gas, electricity and water tariffs as approved by the Commission and payable by consumers at any particular point in time, the Commission has put in place Guidelines as a governance framework for Quarterly Review of foregoing tariffs. The legal foundation and philosophy of the Guidelines are rooted in a number of statutory provisions as captured in the Public Utilities Regulatory Commission Act 1997, (Act 538). These statutory provisions as captured in the PURC Act are summarized as follows:

1. Protection of Consumer interest - Section 16 (3)(a)
2. Assurance of Investor / Utility interest- Section 16(3)(b); 3(c)
3. Assuring reasonable cost of production of the service - Section 16(3)(c)
4. Assurance of the financial viability of the Public Utility - Section 16(3)(d)
5. Uniformity of prices throughout the country - Section 20(1)
6. Best use of natural resources - Section 20(1)(b)
7. Economic development of the country - Section 20(1)(c)
8. Different rates for different consumer classes - Section 20(2)

Within above legal mandates, the main objective of the Commission's Rate Setting Guidelines for Quarterly Review of Natural Gas, Electricity and Water Tariffs is to reflect the effect of changes in macroeconomic and market-driven factors in the cost of operations of the Natural Gas, Electricity and Water Utility Service Providers (USPs) as well as consumer tariffs, since the effects of these factors are beyond the control of the USPs.

Thus, pursuant to PURC's Rate Setting Guidelines for Quarterly Review of Natural Gas, Electricity and Water Tariffs, the Commission carried out a review of Natural Gas, Electricity and Water Tariffs for the Third Quarter of 2025.

This decision paper highlights the results/ findings in terms of the impact of changes in actual and projected key variables: Hydro-Thermal Generation Mix, Ghana Cedi-US Dollar Exchange Rate, Inflation Rate and Fuel Prices, as well as the Commission's decisions thereof for the Third Quarter of 2025 effective July 01, 2025.

2.0 METHODOLOGY, ANALYSIS AND FINDINGS

2.1 Methodology

The methodology employed in determining the effect of the various variables involves a comparative analysis of actual and projected Hydro-Thermal Generation Mix, Ghana Cedi-US Dollar Exchange Rate, Inflation Rate and Fuel Price, which data were used in determination of tariffs for the Second Quarter 2025 Tariff Adjustments.

Under this framework, projections were made for Exchange Rate based on Actual Inter-Bank Ghana Cedi-US Dollar Selling Exchange Rate data from Bank of Ghana, Actual Inflation Rate from Ghana Statistical Service and Natural Gas Prices/Volumes from various gas suppliers. The methodology also considered Projected Hydro Electrical Energy Generation from both Akosombo and Kpong generating stations submitted by the Volta River Authority to the Electricity Market Oversight Panel (EMOP) and PURC, whilst accounting for actual data in respect of above variables so as to address under and over recovery of the tariffs which may have occurred over the previous quarter as approved by the PURC Board.

2.2 Analysis

For the purposes of determining the outcome of the 2025 Third Quarter Tariffs, the underpinning data with respect to Generation Mix (Hydro-Thermal Mix), Ghana Cedi-US Dollar Exchange Rate, Inflation Rate and Natural Gas Price were analysed in line with the methodological framework noted in Section 2.1 above. The selected data which were analysed are presented in Table-1.

2.2.1 Underpinning Data

The underpinning data of the 2025 Third Quarter Tariff analysis are summarised and presented in Table-1.

Table 1: Summary of Data Used in Analysis of 2025 Third Quarter Electricity Tariffs

Item No.	Item Description	Unit	Q2 2025 Approved Tariffs Effective May 01, 2025	Q3 2025 Parameters/Assumptions Effective July 01, 2025
A	**Generation Mix:**			
A1	Hydro	%	28.80	28.80
A2	Thermal	%	71.20	71.20
B	**Exchange Rate**	GHS/USD ExRate	15.6974	10.3052
C	**Inflation Rate:**			
C1	Projected Annual Average	%	22.49	20.67
C2	Projected Quarterly Average	%	6.09	5.17
D	**Fuel Price:**			
D1	Natural Gas	US$/MMBtu	7.6289	7.7134
D2	Heavy Fuel Oil (HFO)	US$/MTonne	N/A	N/A

Source: PURC Data & Tariff Analysis, 2025

2.3 Findings/Results from Analysis of Data

The findings/results from analysis of data captured in Table-1 are discussed as follows.

2.3.1 Hydro - Thermal Electrical Energy Generation Mix

The data presented in Table-1 with respect to Hydro-Thermal generation indicates the following:

a) The hydro generation mix of 28.80% representing hydro generation as a percentage of total electrical energy generated from both hydro and thermal sources remains unchanged from Second Quarter 2025 hydro projection.

b) The projected thermal generation mix of 71.20% also remains the same as the projection used the Second Quarter of 2025.

2.3.2 Ghana Cedi-US Dollar Exchange Rate

With regards to the Projected Ghana Cedi-US Dollar Exchange Rate indicated in Table-1:

a) The Commission applied a projected Weighted Average Ghana Cedi-US Dollar Exchange Rate of GHS10.3052/US$1.0000 for Third Quarter 2025.

b) The projected exchange rate for the Third Quarter 2025 represents a 34.35% appreciation of the Ghana Cedi against the US Dollar over the Second Quarter 2025 Projected Tariff Exchange Rate of GHS15.6974/US$1.0000.

2.3.3 Inflation Rate

An Actual Ghana Average Annual Inflation Rate of 20.67% as indicated in Table-1, was employed in the Third Quarter 2025 tariff review.

a) This translates into a Quarterly Average Inflation Rate of 5.17% as compared with the Second Quarter 2025 quarterly average inflation rate of 5.62% derived from an annual average inflation of 22.49%. This resulted in a quarterly inflation variance of 0.45%.

b) The quarterly inflation rate variance of 0.45% was used to adjust all local costs to maintain the real value for the cost of supply affected by inflation for the Third Quarter of 2025.

2.3.4 Price of Fuel - Natural Gas

Natural gas served as the primary fuel for determination of Fuel Recovery Charge, a key component of the individual power plant tariffs and thus, the Composite Bulk Generation Charge (CBGC) for the Third Quarter 2025 Tariff Adjustment.

a) The Commission approved a Weighted Average Cost of Gas (WACOG) of US$7.7134/MMBtu, representing a 1.11% increase over the Second Quarter 2025 WACOG of US$7.6289/MMBtu.

b) This change in WACOG is attributed to a change in price of N-Gas from previous quarter and inclusion of under-recoveries from actual gas supply volumes for the Second Quarter of 2025.

3.0 SUMMARY OF ELECTRICITY TARIFF RESULTS

A summary of electricity tariff results based on the various assumptions and projections noted in Section 2 are presented in Table-2.

Table 2: Summary of Electricity Tariff Results for 2025 Third Quarter

Item No	Item Description	Unit	Q2 2025 Approved Tariffs Effective May 01, 2024	Q3 2025 Parameters/Assumptions Effective July 01, 2025
A	**Generation Tariffs:**			
A1	VRA Bulk Generation Charge (BGC)	GHp/kWh	68.3507	45.0892
A2	Composite Bulk Generation Charge (VRA&IPP)	GHp/kWh	140.2410	102.1226
B	**Transmission Tariffs::**			
B1	Transmission Service Charge Attributable to Network Business (TSC-1)	GHp/kWh	8.5158	10.3720
B2	Transmission Service Charge Attributable to Losses (TSC-2)	GHp/kWh	5.9957	4.3660
C	**Distribution Tariffs:**			
C1	Distribution Service Charge Attriburable to Network Business (DSC-1)	GHp/kWh	19.1132	17.8900
C2	Distribution Service Charge Attributable to Losses (DSC-2)	GHp/kWh	39.7192	29.3409

Source: PURC Data & Tariff Analysis, 2025

3.1 Bulk Generation Charge

The projected VRA Bulk Generation Charge for Third Quarter 2025 decreased from GHp68.3507/kWh to GHp45.0892/kWh while the Composite Bulk Generation Charge (VRA&IPP) also decreased from GHp140.2410/kWh to GHp102.1226/kWh representing a 34.03% and 27.18% reduction respectively for Third Quarter, 2025. The decrement in VRA and Composite Bulk Generation Charge is as a result of changes in the WACOG and Ghana Cedi-US Dollar Exchange Rate. A breakdown of the components of the Composite Bulk Generation Charge for Third Quarter 2025 is presented in Table-3.

Table 3: Summary of Third Quarter 2025 Average Electrical Energy Generation by Power Plant and Tariffs

Item Description	Q2 2025 Quarterly Tariff Review Effective May 01, 2025		Q3 2025 Quarterly Tariff Review Effective July 01, 2025	
	Projected Electrical Energy (GWh)	Approved Tariff (GHp/kWh)	Projected Electrical Energy (GWh)	Approved Tariff (GHp/kWh)
VRA Plants				
VRA-Hydro:				
Akosombo	1,329	31.7213	1,329	20.8247
Kpong	161	65.0311	161	42.6924
Sub-Total VRA Hydro	**1,490**		**1,490**	
VRA-Thermal:				
TAPCo	294	162.0022	294	106.3530
AMERI	221	161.1701	221	105.8068
TT1PP	14	169.3341	14	111.1664
KTPP	28	167.3838	28	109.8860
Sub-Total VRA Thermal	**557**		**557**	
VRA-Renewable:				
Solar (Navrongo)	1	196.0883	1	128.7302
Solar (Lawra/Kaleo)	3	141.2765	3	92.7468
Sub-Total VRA Renewable	**4**		**4**	
Total VRA Electrical Energy/ VRA Composite Bulk Generation Tariff	**2,051**		**2,051**	
IPPs:				
Sunon Asogli Phase I	246	198.2001	269	130.1167
Sunon Asogli Phase II	479	190.7734	525	125.2411
Karpowership	864	190.8791	966	125.3105
AKSA	16	176.0762	723	115.5925
CENIT	213	185.2822	241	121.6362
Cenpower	613	208.2648	712	136.7241
Early Power	83	212.4645	312	139.4811
Amandi (Twin City)	342	187.3837	438	123.0158
Bui Power	249	160.7413	249	105.5252
BPA Solar Farm	6	160.7413	6	105.5252
BXC Solar	7	316.1015	7	207.5179
Meienergy Solar	6	284.4838	6	186.7611
Safisana Plant	0.1	274.7043	0.1	180.3410
Sub-Total IPPs	**3,123**		**4,454**	
Total Electrical Energy/ VRA+IPPs Composite Bulk Generation Charge	**5,174**	**140.2410**	**6,504**	**102.1226**
Composite Bulk Generation Fixed Charge		**63.9751**		**44.1559**
Composite Bulk Generation Energy Charge		**76.2659**		**57.9667**
Exchange Rate		**15.6974**		**10.3052**
Weighted Average Cost of Gas		**7.6289**		**7.7134**

Source: PURC Data & Tariff Analysis, 2025

3.2 Transmission Service Charge

The Transmission Service Charge attributable to the network business (TSC-1) increased significantly from GHp8.5158/kWh to GHp10.3720/kWh representing a 21.80% rise while that of losses (TSC-2) decreased from GHp5.9957/kWh to GHp4.3660/kWh representing a 27.18% change. The change in TSC-1 is as a result of downward movement in Ghana Cedi-US Dollar Exchange Rate and incorporation of cost of alternative fuel (DFO, LCO and HFO) while the reduction in TSC-2 is due to decrease in the Composite Bulk Generation Charge.

3.3 Distribution Service Charge

With respect to Distribution Service Charge (DSC) for the Third Quarter of 2025, the tariff attributable to the network business (DSC-1) declined from GHp19.1132/kWh to GHp17.8900/kWh representing a 6.40% decrease while losses (DSC-2) also reduced from GHp39.7194/kWh to GHp29.3409/kWh representing a 26.13% decrease. The change in DSC-1 is as a result of appreciation in Ghana Cedi-US Dollar Exchange Rate while the change in DSC-2 is as a result of change in the Bulk Supply Tariff.

3.4 Impact of Changes in Composite Bulk Generation Charge, Transmission Service Charge and Distribution Service Charge on Projected Revenue Requirement

The changes in the aforementioned four key variables and its impact on the Composite Bulk Generation Charge, Transmission Service Charge-1 and Distribution Service Charge-1 on Revenue Requirement hence End User Tariffs are indicated in Table-4.

Table 4: Summary of Effect of Key Variables on Projected Revenue Requirement for Third Quarter 2025

Type of Effect	Impact of Effect	Monetary Value (MGHS)	Impact on End User Tariffs
Generation Mix Effect	No-Recovery	-	0.00%
GHS - USD Exchange Rate Effect	Over-Recovery	(2,367.76)	-34.79%
Natural Gas Effect	Under-Recovery	324.36	4.77%
Inflation Rate Effect	No-Recovery	-	0.00%
Outstanding Revenue	Under-Recovery	488.42	7.17%
Provision for Liquid Fuel	Under-Recovery	1,627.69	1.38%
Provision for Reserve Margin	Under-Recovery	94.11	23.91%
Total Monetary Effect	**Under-Recovery**	**166.82**	**2.45%**

Source: PURC Data Analysis, 2025

3.4.1 Generation Mix Effect

With regards to Generation Mix effect, holding Ghana Cedi-US Dollar Exchange, Inflation Rate and Natural Gas Price constant, Revenue Gap Analysis indicates no change in revenue requirement as a result of no change in projected hydro electrical energy allocation for 2025 Second Quarter.

3.4.2 Exchange Rate Effect

With respect to Ghana Cedi-US Dollar Exchange effect, revenue gap analyses indicate a **GHS2,367.76 million** reduction in revenue requirement resulting from a 34.35% appreciation in value of the projected Ghana Cedi against the US Dollar while holding Generation Mix, Inflation Rate and Natural Gas Price constant at 2025 Second Quarter values.

3.4.3 Inflation Rate Effect

Natural Gas Price effect was analysed from the perspective of upward movement in the projected WACOG from USD7.6289/MMBtu to USD7.7134/MMBtu holding Ghana Cedi-US Dollar Exchange Rate, Inflation Rate and Generation Mix effect constant, Revenue Gap Analysis indicates a **GHS324.36 million** increase in revenue requirement.

3.4.4 Natural Gas Price Effect

Natural Gas Price effect was analysed from the perspective of downward movement in the projected WACOG from USD7.8368/MMBtu to USD7.6289/MMBtu holding Ghana Cedi-US Dollar Exchange Rate, Inflation Rate and Generation Mix effect constant. Revenue Gap Analysis indicates a GHS84.65 million reduction in revenue requirement.

3.5 Combined Effect of Generation Mix, Ghana Cedi-US Dollar Exchange, Inflation Rate and Natural Gas Price on Electricity Tariffs Payable by Consumers

Overall, the 2025 Third Quarter Tariff analysis indicates that the Ghana Cedi-US Dollar Exchange Rate, Inflation Rate, Natural Gas Price and Hydro-Thermal Generation Mix all had impacts on end user tariffs. A combination of these four variables only collectively resulted in a revenue surplus in the Third Quarter of 2025.

However, the Commission has decided to pass on 50% of the outstanding revenue from 2024, amounting to GHS488.42 Million, as well as make provisions for liquid fuel (DFO, LCO and HFO) and reserve margin which were previously not factored into the tariffs.

Consequently, the combined effect of above on existing electricity tariffs results in a 2.45% increase across board for all categories of consumers for the Third Quarter of 2025.

4.0 SUMMARY OF WATER TARIFF RESULTS

Similar to Electricity, the Commission undertook a quarterly review of water tariffs by taking into consideration the Ghana Cedi-US Dollar Exchange, Inflation Rate and Cost of Electricity as key variables impacting on revenue requirement hence water tariffs payable by consumers for Third Quarter of 2025.

The combined impact of the Ghana Cedi- US Dollar Exchange Rate, Inflation Rate, and Electricity Tariff effects resulted in a no change in existing revenue requirement for the Water Utility. The Commission thus approved a no adjustment in water tariffs for all water consumers.

5.0 ELECTRICITY AND WATER TARIFF ADJUSTMENT FOR THIRD QUARTER, 2025

In light of results from analysis of data discussed in previous sections for electricity and water, the Commission made the following decisions.

1. The Commission approved 2.45% adjustments in electricity tariffs across the various customer categories.
2. The reserved capacity of power generation which has previously not been included in the determination of tariffs that has led to the accumulation of debts in the power sector has been added.
3. Provision has also been made for purchase of alternative fuels such as DFO, HFO and LCO which was previously not included in the tariffs. Natural Gas through the WACOG has been the only input fuel in the determination of the cost of power generation by the Commission. Hence, for Third Quarter of 2025, 27% of the cost of alternative fuels to be procured have been included in the electricity tariff. This provision aims to reduce the revenue shortfalls in the electricity sector.
4. The Commission approved a no increase in water tariffs for GWL's consumer categories.

The Commission will continue to implement its Quarterly Tariff Review per its Rate Setting Guidelines for Quarterly Review of Natural Gas, Electricity and Water Tariffs, monitor the operations of the Utility Service Providers to ensure value for money and quality of service delivery. Also, Utility Service Providers are encouraged to double their efforts in revenue collection in order to address the financial difficulties that Natural Gas, Electricity and Water Utility Service Providers are experiencing

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APPENDIX 1:
APPROVED ELECTRICITY TARIFFS EFFECTIVE JULY 01, 2025

CUSTOMER CLASS	APPROVED TARIFF (GHp/kWh)
Residential	
0-30 (Exclusive)	79.5308
0-300	180.1867
300+	238.0873
Service Charge for Lifeliners	213.0000
Service Charge for Other Residential Consumers	1073.0886
Non-Residential	
0-300	162.6801
301+	202.1723
Service Charge	1242.8245
SLT-LV	
Energy Charge (GHp/kWh)	242.7874
Service Charge (GHp/month)	50000.00
SLT-MV	
Energy Charge (GHp/kWh)	193.7990
Service Charge (GHp/month)	50000.00
SLT-MV-2	
Energy Charge (GHp/kWh)	126.4423
Service Charge (GHp/month)	50000.00
SLT-HV	
Energy Charge (GHp/kWh)	193.7990
Service Charge (GHp/month)	50000.00
SLT-HV Mines	
Energy Charge (GHp/kWh)	508.0854
Service Charge (GHp/month)	50000.00

APPENDIX 2:
APPROVED WATER TARIFFS EFFECTIVE JULY 01, 2025

	TARIFF CATEGORY		APPROVED TARIFF
(a)	**Residential**		
	0-5m^3 (Exclusive)	- GHp/1000 Litres	507.7675
	Above 5 m^3	- GHp/1000 Litres	898.3489
	Service Charge	- GHp/Month	1000
(b)	**Non-Residential**	- GHp/1000 Litres	1,519.8314
	Service Charge	- GHp/Month	2000
(c)	**Commercial**	- GHp/1000 Litres	2,719.0707
	Service Charge	- GHp/Month	2000
(d)	**Industrial**	- GHp/1000 Litres	2,719.0707
	Service Charge	- GHp/Month	25000
(e)	**Public Institutions/Government Departments**	- GHp/1000 Litres	1,305.1539
	Service Charge	- GHp/Month	2000
(f)	**Public Stand Pipes**	- GHp/1000 Litres	608.3167
	Service Charge	- GHp/Month	2000
(g)	**Bottled Water and Drinks**	- GHp/1000 Litres	2,719.0707
	Service Charge	- GHp/Month	25000
(h)	**Sachet Water Producers**	- GHp/1000 Litres	2,392.7822
	Service Charge	- GHp/Month	10000
(i)	**Bulk Supply**	- GHp/1000 Litres	862.1521
	Service Charge	- GHp/Month	5000
(j)	**Ports and Harbours**	- GHp/1000 Litres	3,556.5444
	Service Charge	- GHp/Month	50000

APPENDIX 3:
APPROVED NET METERING TARIFFS EFFECTIVE JULY 01, 2025

TARIFF CATEGORY	MEASURE	IMPORT TARIFF (CAPACITY CHARGE)	EXPORT TARIFF (ENERGY CHARGE)	RETAIL TARIFF
Residential				
0-30 (Lifeline, Exclusive)	GHp/kWh	40.5897	27.0598	67.6495
31-300	GHp/kWh	91.9610	61.3073	153.2683
300+	GHp/kWh	121.5114	81.0076	202.5190
Service Charge:				
Lifeline	GHp/Month	213.0000	213.0000	213.0000
Other Residential Consumers	GHp/Month	1073.0886	1073.0886	1073.0886
Non-Residential				
0-300	GHp/kWh	83.0262	55.3508	138.3771
300+	GHp/kWh	103.1817	68.7878	171.9695
Service Charge	GHp/Month	1242.8245	1242.8245	1242.8245
SLT-LV				
Energy Charge	GHp/kWh	123.9102	82.6068	206.5170
Service Charge	GHp/Month	50000	50000	50000
SLT-MV/HV				
Energy Charge	GHp/kWh	98.9083	65.9388	164.8471
Service Charge	GHp/Month	50000	50000	50000
SLT-HV MINES				
Energy Charge	GHp/kWh	259.3090	172.8727	432.1817
Service Charge	GHp/Month	50000	50000	50000

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