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2024 SECOND QUARTER TARIFF REVIEW DECISION FOR ELECTRICITY, NATURAL GAS AND WATER

For Immediate Release

31-05-2024

1. Background

The Public Utilities Regulatory Commission wishes to inform consumers of Electricity and Water that, there has been a review of the existing tariffs, to take effect from July 01, 2024, to September 30, 2024. These reviews have been undertaken in line with the Commission's Quarterly Tariff Review Mechanism, which tracks and incorporates movements in key uncontrollable factors, namely the exchange rate between the US\$ and the Ghana Cedi, domestic inflation rate, the electricity generation mix, and the cost of fuel, mainly natural gas. These reviews are undertaken to maintain the real value of the tariffs, thereby keeping the utility service providers financially viable to enable them deliver on their services to consumers.

The Commission, in undertaking this review also considered the competitiveness of industries and the general living conditions of the Ghanaian. Having considered all the underlying factors, the Commission wishes to announce that, there will be 3.45% increase in electricity tariffs for lifeline consumers (0-30kWh); 5.84% increase for all other residential consumers who are not part of the lifeline category bracket (31 kWh and above) as well as the non-residential category. The industrial category will experience an increase in electricity tariffs of 4.92%. Water Tariffs will experience an increase of 5.16% for all customer classes for the period under review.

2. Revenue Requirement for the Electricity Supply Industry (ESI)

Total revenue requirement for the first quarter of 2024, amounted to **GHS5.67 billion**. In the second quarter, the revenue requirement is projected to be **GHS6.81 billion**. **This will result in an increase of GHS1.14B over the first quarter revenue requirement.** The Commission, however, decided to recover **GHS5.90 billion** of the **GHS6.81 billion** required for the second quarter. This decision was taken by the Commission taking into consideration the revenue collection performance of the sector, since **continuous increase in tariffs have not yielded the corresponding increase in revenue collection** by the utilities to cover sector expenditure. In addition, the Commission considered the negative effect of passing on the entire revenue required in one tranche on customers. Thus, the difference of **GHS906.21 million**, will be recovered in subsequent quarters.

3. Revenue Requirement for the Urban Water Supply Industry (UWSI)

Total revenue requirement for the water sector for the first quarter of 2024, amounted to **GHS635.86 million**. Revenue requirement for the second quarter of 2024 amounted to **GHS670.18 million**. An additional **GhS34.33 million** needs to be recovered in the second quarter of 2024. The water tariff has been adjusted upwards by **5.16%**.

4. Factors Considered for Adjustment in Tariffs for the Second Quarter of 2024

Table-1 Factors considered for Q2 Tariff Review.

Item Description	Unit	Q1 2024 Parameters/Assumptions April 01, 2024	Q2 2024 Parameters/Assumptions Effective July 01, 2024
Generation Mix:			
Hydro	%	34.81	34.81
Thermal	%	65.19	65.19
Exchange Rate:			
New Exchange Rate (Projection)	GHS/USD	12.1349	14.6584
Inflation:			
Projected Annual Average	%	28.27	24.38
Projected Quarterly Average	%	7.07	6.09
Fuel Price:			
Natural Gas (WACOG)	US\$/MMBtu	7.64	8.0422

Table 1 above indicates that, there was no change in the generation mix between hydro and thermal generation. The Ghana Cedi however depreciated against the US\$ by **20.80%** between the first and second quarters of the year, moving from **GHS12.1349** in the first quarter to **GHS14.6584** in the second quarter. Inflation eased marginally from 28.27% in the first quarter to 24.38% in the second quarter. On the other hand, the weighted average cost of gas (WACOG) increased by **5.23%** moving up from **US\$7.6426/MMBtu** to **US\$8.0422 /MMBtu**.

5. Electricity Tariff Results

Results from the analyses of above factors and their impact on electricity tariffs to be paid by consumers for the period under review is presented in Table-2.

Table-2 Summary of Approved Electricity Rates Payable by Consumers for Second Quarter 2024

Tariff Category: EUT		Effective July 01, 2024
Residential		
0-30 (Lifeline, Exclusive)	- (GHp/kWh)	65.6664
Service Charge: Lifeline	- (GHp/month)	213.0000
31-300	- (GHp/kWh)	148.7753
301+	- (GHp/kWh)	196.5822
Service Charge:	- (GHp/month)	1073.0900
Non-Residential		
0-300	- (GHp/kWh)	134.3206
300+	- (GHp/kWh)	166.9283
Service Charge	- (GHp/month)	1242.8245
SLT-LV		
Energy Charge	- (GHp/kWh)	200.4630
Service Charge	- (GHp/Month)	50000.0000
SLT-MV1/HV		
Energy Charge	- (GHp/kWh)	160.0146
SLT-MV2		
Energy Charge	- (GHp/kWh)	104.4000
Service Charge	- (GHp/Month)	50000.0000
SLT-HV MINES		
Energy Charge	- (GHp/kWh)	419.5120
Service Charge	- (GHp/Month)	50000.0000

6. Water Tariff Results

Results from the analyses of above factors and their impact on water tariffs to be paid by consumers for the period under review is presented in Table-3.

Table-3 Summary of Approved Water Rates Payable by Consumers for Second Quarter 2024

Tariff Category: EUT		Effective July 01, 2024
(a) Residential:	0-5m ³ (Exclusive) - GHp/1000 Litres	498.4819
	Above 5 m ³ - GHp/1000 Litres	881.9206
	Service Charge - GHp/Month	1000.00
(b) Non-Residential	- GHp/1000 Litres	1492.0379
	Service Charge - GHp/Month	2000.00
(c) Commercial	- GHp/1000 Litres	2669.3466
	Service Charge - GHp/Month	2000.00
(d) Industrial	- GIIP/1000 Litres	2669.3466
	Service Charge - GHp/Month	25000.00
(e) Public Institutions/Government Departments	- GHp/1000 Litres	1281.2863
	Service Charge - GHp/Month	2000.00
(f) Public Stand Pipes	- GHp/1000 Litres	597.1923
	Service Charge - GHp/Month	2000.00
(g) Bottled Water and Drinks	- GHp/1000 Litres	2669.3466
	Service Charge - GHp/Month	25000.00
(h) Sachet Water Producers	- GIIP/1000 Litres	2349.0250
	Service Charge - GHp/Month	10000.00
(i) Bulk Supply	- GHp/1000 Litres	846.3858
	Service Charge - GHp/Month	5000.00
(j) Ports and Harbours	- GHp/1000 Litres	3491.5053
	Service Charge - GHp/Month	50000.00

6. Conclusion

The Commission is grateful to all stakeholders for their support as it continues to implement these Quarterly Tariff Reviews to address the ever-changing needs of the Utility Service Providers to enable them undertake their efficient operations, while holding them to strict adherence to the Commission's regulatory standards and benchmarks. This is done through the continuous monitoring of the operations of the Utility Service Providers to ensure value for money and quality of service delivery.

The Commission's decision will be published in the gazette in due course and will be available on the Commission's website: www.purc.com.gh. For further clarification, please call Dr. Eric Obutey; Director, Research and Corporate Affairs of the PURC on 0242264081.



Dr. Ishmael Ackah
Executive Secretary
Public Utilities Regulatory Commission