



PUBLIC UTILITIES REGULATORY COMMISSION

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PRESS RELEASE ON THE 1ST QUARTER 2015 TARIFF ADJUSTMENT

Following a Review of Electricity and Water Tariffs for the First Quarter 2015 which is from January – March 2015 the Public Utilities Regulatory Commission wishes to announce for the information of consumers of Electricity and Water that the existing tariffs remains the same.

The Commission using the Automatic Adjustment Formula arrived at this decision considering the movements in the variables that underpin the Formula. It is clear that two of the Variables (Crude Oil Price and the Exchange Rate) are pointing in a positive direction of a reduction and a stability respectively. However the price of Natural Gas from the West African Gas Pipeline has increased whilst the Generation Mix is tilting towards a dependence on Thermal Generation due to the challenges being faced with the hydrology of the Akosombo, Kpong, and Bui Hydro Electric Dams.

It should also be noted that the Commission in arriving at a Tariff decision always looks at a smoothening impact of the Variables of the Automatic Adjustment Formula and does not consider spikes that are associated with the movements of these Variables.

The demand forecast (Averaging 12%) as it stands is making the VRA and other Independent Power Producers procure more fuels to generate electricity to meet the growing demand and especially at this time of the year when consumers are using a lot of cooling agents and equipments to battle the change in weather conditions.

The Automatic Adjustment Formula (AAF) is a Tariff Mechanism that seeks to track and incorporate movements in key determining factors to reflect the cost of electricity and water every quarter.

The following factors are considered in computing the Automatic Adjustment Formula :

- Ghana Cedi US\$ Exchange Rate
- Inflation
- Fuel Mix (Crude Oil, Natural Gas, and Distillate fuel)
- Generation Mix (hydro and Thermal)
- Power Purchase Cost
- Demand Forecast
- Chemical Cost (Water)
- Electricity Cost (A Major Cost Component in Water Production is Electricity)

During this period of a shortfall in Electricity Supply the Commission is continually monitoring the situation to ensure that the impact of the current situation on consumers is minimized.

Amidst the challenges being faced by consumers in the provision of Electricity and Water the Commission wishes to emphasize and reiterate its commitment to ensuring the delivery of the highest standard of Utility Services to all consumers and the Public at large.

Whilst appealing to Consumers to conserve Electricity and water during this yuletide season, the Commission is admonishing the Utility Service Providers to create flexible, simple and accessible avenues for Consumers to complain and also receive information concerning their service.

The Commission wishes all Consumers of Water and Electricity a Merry Christmas and Prosperous New Year

The PURC is mandated to protect the interest of the consumer and ensure the financial viability of the Utility Service Provider.



Dr Emmanuel Annan
Chairman