

GHANA JOURNALISTS ASSOCIATION



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Public Utilities Regulatory Commission,
No. 53 Liberation Road,
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Ridge, Accra.



January 31, 2018

SUBMISSIONS ON ELECTRICITY AND WATER TARIFFS FOR 2018

The Ghana Journalists Association (GJA) acknowledges receipt of your letter dated January 8, 2018, requesting the GJA to make submissions for consideration on the review of electricity and water tariffs for 2018 currently being undertaken by the Public Utilities Regulatory Commission (PURC). The GJA wishes to express profound gratitude to the PURC for the request and submits as follows:

1. It is important for service providers of electricity and water to be adequately resourced to enable them to discharge effective and efficient services to consumers. In that regard, the PURC must consider the proposals made by the two service providers per the tariff adjustment formula set out by regulation to make a determination that would be reasonable and adequate to ensure their survival and development.
2. In the application of the tariff adjustment formula, the PURC must ensure a fine balance between the impact of variables such as the exchange rate and crude oil prices on the world market on the overall operational costs of the service providers, and how same impact on the economic conditions of consumers, in order to make a determination that would be mutually satisfactory to both service providers and consumers. In that regard, the Commission must ensure that the determination of new electricity and water tariffs will cushion the service providers from the negative impact of exchange rates and crude oil prices, while at the same time protecting consumers from exorbitant tariffs.
3. The PURC must consider the current economic imperatives in the country, chiefly among them the low income earnings of overwhelming majority of consumers and high unemployment rate, in the determination of new electricity and water tariffs. It is evidently clear that majority of Ghanaians do not have the financial wherewithal to pay electricity and water tariffs beyond a certain threshold.
4. The PURC must consider the effect of electricity and water tariff adjustments on business generally. Many businesses, including micro, small and medium scale enterprises, as well as petty traders, rely

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heavily on electricity and water for their operations. Therefore, tariff adjustment on the two utilities will surely have a direct impact on businesses and the national economy as a whole.

5. The PURC must consider efficient and quality delivery of service by the two service providers in determining new tariffs. There are many instances of irregular supply of water and electricity in many communities across the country. There are many communities that sleep in darkness or lack water supply on a regular basis. In respect of water, there is a lot of waste in the system. There is also widespread illegal connections of both electricity and water that the service providers have not been able to deal with effectively. These challenges tend to increase cost of production. But that must not be passed on to consumers.

It is the firm conviction of the GJA that the submissions made herein will greatly inform the determination of new electricity and water tariffs by the PURC.

Thank you.

Yours faithfully



Kofi Yeboah
(General Secretary)