



PUBLIC UTILITIES REGULATORY COMMISSION

OFFICE LOCATION:
53 LIBERATION ROAD
AFRICA LIBERATION CIRCLE
ACCRA, GHANA

POSTAL ADDRESS:
P.O. BOX CT 3095
CANTONMENTS, ACCRA
TEL: (233-302) 244180-4 / 240046
(233-302) 218300
FAX: (233-302) 244188
E-MAIL: info@purcghana.com
www.purc.com.gh

PUBLIC UTILITIES REGULATORY COMMISSION **PRESS RELEASE ON THE 2ND QUARTER 2015 TARIFF ADJUSTMENT**

After a careful consideration of all the factors that underpin the Automatic Adjustment Formula (AAF) and the current Electricity Supply situation, the Public Utilities Regulatory Commission has reviewed Electricity and Water Tariffs for the 2nd Quarter 2015 starting from the 1st of April 2015.

In calculating the Tariffs for the second quarter Automatic Adjustment Formula, the Commission arrived at an actual increase of **31.73%** cumulative for electricity and **21.30%** for water. However, the Commission using the Decision Variable decided to pass on a minimal Tariff increase of **2.63%** for Electricity and **1.06%** for Water.

This action by the Commission has been necessitated by the current electricity situation where consumers are spending extra income on the acquisition of other alternative sources of electricity. This increase is meant to preserve the current load share situation by assisting the Electricity Distribution Companies to maintain its network under the current circumstances to avoid an immediate collapse of the distribution network.

It should also be recalled that the GWCL was denied a 4.54% Water Tariff increase as a form of a penalty during the fourth quarter of 2014, due to the non-compliance with Regulatory Directive, but fortunately they have fulfilled the benchmark. Therefore, the Commission has released for implementation effective April 1, 2015 the gazetted water tariff for the fourth quarter of 2014.

The Commission in arriving at a Tariff decision always considers the smoothening impact of the variables of the Automatic Adjustment Formula (AAF) and does not consider spikes that are associated with the movements of Water and Electricity Tariffs.

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 (Water)

The Commission under the Public Utilities Regulatory Act 1997 (Act 538) has the mandate to examine and approve rates chargeable for the provision of Utility Services whilst at the same time protecting the interest of Consumers and ensuring the financial viability of Utility Service Providers.



Ing. Stephen Akuoko
Ag. Chairman