



PUBLIC UTILITIES REGULATORY COMMISSION

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PRESS RELEASE ON 2013 MAJOR TARIFF REVIEW PROCESS

The Public Utilities Regulatory Commission in accordance with the Public Utilities Regulatory Commission (PURC) Act 1997(Act 538) is an Independent Regulatory Body set up to Regulate Water, Electricity and Natural Gas in the Country.

Subject to the Provisions of the PURC Act, "The Commission shall not be subject to the direction or control of any person or authority in the performance of its functions"

The Commission is also mandated to:

- **Provide guidelines on rates chargeable for the provision of utility services**
- **Examine and approve rates chargeable for the provision of utility services**
- **Protect the interest of consumers and utility service providers**

From the foregoing it is apparent that the Commission is the legally mandated body which has the responsibility to review tariffs for electricity, water and natural gas in the country.

The Commissions' attention has been drawn to various arguments and submissions in the public sphere about issues regarding tariff adjustments for electricity generation, distribution, transmission and water utility service providers who are regulated by the PURC.

Indeed the Commission has received proposals from these Utility Service Providers for a possible adjustment in the current tariffs being paid by consumers of these services.

As producers of water and electricity these companies have the right to present proposals for an adjustment in tariffs however there are processes that the Commission has to follow before it reaches any major decision on the request for a tariff adjustment.

As a first step, the Commission is going to interrogate proposals from the Utility Service Providers, after which the Service Providers would be requested to publish key highlights of their proposals in the media for the public/consumers to comment and contribute their views on the request for a tariff adjustment.

This publication is going to include:

- Chronological account of revenue that were accrued to them from the 2010-2011 tariff adjustment and how it was utilized for the benefit of the consumer
- Key challenges and strategies to address them in order to improve quality of service
- Reasons for new tariffs requests, intended revenue to be generated in the short to medium term, percentage increase being requested for.
- How they are going to address public / consumers concerns in respect to efficiency improvements and quality of service issues during the nationwide public engagements on Quality of Service.

There is also going to be a stakeholder consultation process where the Service Providers with the Commission as an intermediary would be given the opportunity to present their case to key stakeholders who have an interest in the industry, and those who represent various interest groups in the country.

Comments and inputs received by the public / consumers and these key stakeholders would be one of the key ingredients for a final decision by the Commission.

The Commission wishes to indicate that apart from the fact these processes are mandatory; it is also a way of deepening transparency, equity and fairness in the Regulatory Process.

Protecting the interest of the consumer and service provider is key, however whilst ensuring the financial viability of the utility service provider, the consumer must also be treated fairly and equitably.

The Commission wishes to appeal to all concerned to allow it to go through an Independent Regulatory Process with an outcome that would be fair and equitable to all concerned having in mind the economic development of the country.



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