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

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1. Introduction

The Public Utilities Regulatory Commission of Ghana (PURC) wishes to inform consumers of electricity and water that it has carried out its quarterly review of the existing tariffs. The new tariffs are effective October 01, 2024. This review, undertaken within the PURC Quarterly Tariff Review Framework, is to account for changes in key uncontrollable factors, specifically the US Dollar/Ghana Cedi exchange rate, domestic inflation rate, cost of natural gas and electricity generation mix, among others. By incorporating changes in the values of these indicators in the quarterly tariff reviews, the Commission ensures that the real value of the tariffs are maintained, to provide for the financial viability and ability of utility service providers to deliver on their mandate. **This is necessary to keep the light on and the water flowing.**

Following the quarterly tariff review, the Commission wishes to inform the public that there will be a **3.02%** increment in electricity tariffs and a **1.86%** increment in water tariffs for the Third Quarter of 2024 for all categories of customers. The Commission's decision is based on changes in some key parameters, such as inflation rate, exchange rate, and the Weighted Average Cost of Gas (WACOG) over the projected Third Quarter. The Commission also considered several other underlying factors, including the current economic conditions and general living standards of Ghanaians, and the competitiveness and sustainability of industries.

2. Factors/Indicators Considered for Review in Tariffs for the Third Quarter, 2024

The key factors considered in the review of the Third Quarter 2024 tariffs are presented in Table 1.

Table 1: Factors Considered for Third Quarter 2024 Tariff Review

Item Description	Unit	Q2 2024 Parameters/Assumptions July 01, 2024	Q3 2024 Parameters/Assumptions Effective October 01, 2024
Generation Mix:			
Hydro	%	34.81	34.81
Thermal	%	65.19	65.19
Exchange Rate:			
Exchange Rate	GHS/USD ExRate	14.6584	15.3855
Inflation:			
Projected Annual Average	%	24.38	22.27
Projected Quarterly Average	%	6.09	5.57
Fuel Price :			
Natural Gas (WACOG)	US\$/MMBtu	8.0422	7.8368

From Table 1, the Hydro-Thermal generation mix considered for the projected period remained unchanged with hydro sources contributing 34.81% to generation, while thermal sources contributed 65.19% to the generation mix. There was however a 4.96% depreciation of the Ghana Cedi against the US Dollar between the second and third tariff quarters. Projected inflation rate for the period declined marginally from 24.38% to 22.27%. Similarly, the Weighted Average Cost of Gas (WACOG) declined from US\$/MMBtu 8.0422 to US\$/MMBtu 7.8368 for the third quarter.

The overall changes in these factors under consideration amounted to a total under-recovery of GHS 173.98 million, which translates to a **3.02%** increase in electricity tariffs. In the case of water, a revenue gap of GHS 12.01 million was recorded which translates to a **1.86%** increase in water tariffs.