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2025 FIRST & SECOND QUARTER TARIFF REVIEW DECISION FOR ELECTRICITY AND WATER

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Background

The Public Utilities Regulatory Commission (PURC) has concluded the regulatory process for the quarterly adjustment of electricity and water tariffs for the first and second quarters of 2025. The regulatory process is in line with the Commission's Quarterly Tariff Review Mechanism outlined in its Rate Setting Guidelines for Quarterly Adjustment of Natural Gas, Electricity and Water Tariffs.

The Quarterly Tariff Adjustment tracks and incorporates changes in four (4) key variables namely, the Cedi/Dollar exchange rate, inflation, electricity generation mix, and cost of fuel (mainly natural gas) in electricity tariffs. The Quarterly Tariff Review Mechanism is essentially meant to avoid over- and under-recovery of revenues. Under-recovery has negative implications for the ability of the companies to supply electricity and water to consumers and it has potential to cause outages of both electricity and water supply. Over-recovery unnecessarily overburden consumers of electricity and water. This process, therefore, enables the Commission to maintain the real value of the tariffs over adjustment period.

For the second quarter of 2025, a Weighted Average Exchange Rate of GHS15.6974 to the USD was used for computation of the tariffs. This implied an under recovery of Ghs0.1700 from the last quarter review in 2024. The Commission used an average three-month projected inflation rate of 22.49% for the second quarter of 2025.

The applicable Weighted Average Cost of Gas (WACoG) for the second quarter of 2025 is USD 7.6289/MMBtu. This figure dropped from USD 7.8368/MMBtu, which was applied in the third quarter of 2024. The projected hydro-thermal generation mix for the quarter under review is 28.80% for Hydro and 71.20% for Thermal (See Table 1).

A key variable that contributed significantly to the 2025 quarterly tariff adjustment was an inevitable attempt to pay half (50%) of an outstanding revenue of Ghs976Million carried over from the previous three quarters of 2024. The remaining 50% will be spread over the subsequent quarters of the year.

The combined effect of the cedi/dollar exchange rate, inflation and the payment of 50% of outstanding revenues from the previous quarters in 2024, is that the utility companies are bleeding from serious under-recovery. For the time value of money, utility companies just like other businesses, will need periodic reviews of their prices (tariffs) in order to remain operational.

The Commission, in their decision today at 6pm reviewed upward the average end-user tariff for electricity by 14.75% (See Table 2) and also 4.02% (See table 3) upward for water supply across board for all category of consumers.

A total payment of the outstanding revenues from the previous quarters would have resulted in much higher increase in both electricity and water tariffs. The Commission, being mindful of the current economic difficulties for Ghanaians decided to recoup only half of the outstanding debts. This has always been the careful balancing act the Commission has had to do to minimize the impact of tariff increases on livelihoods while ensuring that the utilities are well-capitalised to keep the lights on.

Table 1: Summary of Applicable Indicators

Item Description	Unit	Q3 2024 Assumptions October 01, 2024	Q2 2025 assumptions May 03, 2025
Generation Mix:			
Hydro	%	34.81	28.80
Thermal	%	65.19	71.20
Exchange Rate:	GHS/USD	15.3855	15.6974
Inflation:			
Projected Annual Average	%	22.27	22.49
Projected Quarterly average	%	5.5675	5.6225
Fuel Price:			
Natural Gas (WACoG)	US\$/MMBtu	7.8368	7.6289

Table 2: Summary of Approved Electricity Rates Payable by Consumers Effective May 03, 2025

Customer Category	Measure	Existing Tariff	New Tariff			
		Effective May 03, 2025				
Residential Customer Group:						
Lifeline Customers:						
0 - 30 kWh (Exclusive)	GHp/kWh	67.6495	77.6274			
Service Charge	GHp/Month	213.0000	213.0000			
All Other Residential Customers:						
0-300 kWh	GHp/kWh	153.2683	175.8743			
301+ kWh	GHp/kWh	202.5190	232.3892			
Service Charge	GHp/Month	1073.0886	1073.0886			
Non-Residential Customers:						
0-300 kWh	GHp/kWh	138.3771	158.7868			
301+ kWh	GHp/kWh	171.9695	197.3338			
Service Charge	GHp/Month	1242.8245	1242.8245			
Special Load Tariff (SLT) Customers:						
Low Voltage – LV						
Energy Charge per kWh	GHp/kWh	206.5170	236.9769			
Service Charge	GHp/Month	50000.00	50000.00			
Medium Voltage - MV						
Energy Charge per kWh	GHp/kWh	164.8471	189.1609			
Service Charge	GHp/Month	50000.00	50000.00			
Medium Voltage - MV-2						
Energy Charge per kWh	GHp/kWh	107.5529	123.4162			
Service Charge	GHp/Month	50000.00	50000.00			
High Voltage - HV						
Energy Charge per kWh	GHp/kWh	164.8471	189.1609			
Service Charge	GHp/Month	50000.00	50000.00			
High Voltage - HV Mines						
Energy Charge per kWh	GHp/kWh	432.1817	495.9255			
Service Charge	GHp/Month	50000.00	50000.00			

Table 3: Summary of Approved Water Rates Payable by Consumers Effective May 03, 2025

Customer Class	Measure	Existing Tariff	New Tariff Effective May 03, 2025
Residential			
0-5M ³	GHp/m ³	507.7675	528.1760
5M ³ +	GHp/m ³	898.3489	934.4558
Service Charge	GHp/Month	1,000.00	1,000.0000
Non-Residential	GHp/m ³	1,519.8314	1,580.9172
Service Charge	GHp/Month	2,000.00	2,000.0000
Commercial			
Service Charge	GHp/Month	2,000.00	2,000.0000
Industrial			
Service Charge	GHp/Month	25,000.00	25,000.0000
Public Institutions/Gov't Departments	GHp/m ³	1,305.1539	1357.611332
Service Charge	GHp/Month	2,000.00	2,000.00
Public Stand Pipes	GHp/m ³	608.3167	632.7664
Service Charge	GHp/Month	2,000.00	2,000.0000
Bottled Water and Drinks	GHp/m ³	2,719.0707	2,828.3569
Service Charge	GHp/Month	25,000.00	25,000.0000
Sachet Water Producers	GHp/m ³	2,392.7822	2,488.9541
Service Charge	GHp/Month	10,000.00	10,000.0000
Bulk Supply	GHp/m ³	862.1521	896.8042
Service Charge	GHp/Month	5,000.00	5,000.0000
Ports and Harbours	GHp/m ³	3,556.5444	3,699.4909
Service Charge	GHp/Month	50,000.00	50,000.0000

The Commission will continue to implement the Quarterly Tariff Review in accordance with its Rate Setting Guidelines for Quarterly Review of Natural Gas, Electricity and Water Tariffs. And in doing so, the

Commission will continue to balance the interest of both consumers and utility service providers. The PURC is grateful to all stakeholders for their patience and understanding.

The Commission's decision will be published in the gazette in due course and will be available on the Commission's website: www.purc.com.gh. For further clarification, please contact Dr. Eric Obutey; Director, Research and Corporate Affairs of the PURC on 0242264081.



Dr. Shafic Suleman
Executive Secretary
Public Utilities Regulatory Commission