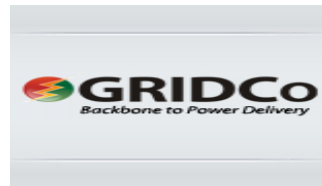


# JOINT PRESS RELEASE

BY THE POWER UTILITIES, VRA, GRIDCo AND ECG ON  
THE RECENT TARIFF ADJUSTMENT



## JOINT PRESS RELEASE

Following the increase in utility tariffs a couple of weeks ago, the Association of Ghana Industries (AGI) and other labour related groups agitated for reduction with the explanation that they are over subsidizing other classes of customers.

The Vice President in consultation with Public Utilities Regulatory Commission (PURC), Energy Commission (EC), AGI, TUC and the utility companies instituted a technical committee to address the concerns raised for a possible review of the tariffs. The three utility companies proposed a 10.2% reduction in the End User Tariff (EUT) to be shared among the various customer groups.

The proposed reduction was due to the current stability in the exchange rates, reduction in inflation and the expected flow of natural gas from the West Africa Gas project. This meant a reduction in the cost of generation and associated reduction in transmission and distribution costs.

The 10.2% reduction was shared among customer groups as follows:

- Special Load Tariff (SLT) High Voltage - 27.2%
- Special Load Tariff (SLT) Medium Voltage - 19.6%
- Nonresidential - 7.4%

- Residential - 1%

Residential consumers in addition to the above still enjoy the GHS70million Government of Ghana subsidy which covers customers with consumption between 0-150 units.

The three utilities reiterate that the subsidy is subject to the following:

- 1) The implementation of the automatic adjustment formula in rate setting. This means that reviews will be done periodically – typically quarterly- and the main parameters (e.g. hydro/thermal mix, inflation, exchange rate, fuel price etc) will be reviewed and tariff adjusted accordingly;
- 2) Government of Ghana will provide support for VRA's procurement of crude oil if it becomes necessary;
- 3) Government of Ghana will honour its commitment to provide financial support to GRIDCo for network improvement projects;
- 4) Government of Ghana will support ECG's proposal to the Attorney General's Department to set up Utility Courts for dealing with offenses associated with electricity thefts and non-payment of bills;
- 5) Government of Ghana will expedite action to review the street Lighting levy which is now GHS0.0001 per unit;
- 6) Government of Ghana will honour its commitment regarding the installation of pre-payment meters in all agencies.

**The VRA, GRIDCo and ECG hope that these arrangements provide relief to its customers. The utilities further encourage customers to adopt energy efficient practices. END**

**Issued by: VRA/GRIDCO/ECG**

**Date/Place: 17<sup>TH</sup> August/Accra**

**ORIGINAL SIGNED BY: MR. KWEKU AWOTWI, CHIEF EXECUTIVE, VRA**

**Thank you.**