



## LIBERIA ELECTRICITY REGULATORY COMMISSION



**Statement by Dr. Lawrence D. Sekajipo, CPA, CFE, DBA, JSM.  
Chairman, Board of Commissioners  
Wednesday 19<sup>th</sup> June 2024**

- Atty. Kla-Edward Toomey, II, Commissioner
- Hon. Amara M. Kamara, Commissioner
- Managing Director Augustus V. Goanue
- The Senior Management and staff of LERC
- Distinguished ladies and gentlemen of the Fourth Estate
- Our listening audience and consumers of electricity

On behalf of the Board of Commissioners, I extend my deepest thanks and appreciation to His Excellency, President Joseph Nyumah Boakai, for the opportunity to serve our country and people of Liberia. We also thank the President for his support of the work at the Commission, the Government of Liberia through the Ministry of Mines and Energy for the continuous support to the Commission. This has enhanced our regulatory work over the past months.

The 2015 Electricity Law of Liberia provides the legal basis for the establishment of LERC as the National Regulator in the exercise of its duties and authorities. To date, the Commission has developed 15 regulatory instruments that include regulations, codes, handbooks, guidelines, and methodology.

In December 2023, the LERC licensed LIBENERGY, Inc. a Joint Venture company contracted by the Liberia Electricity Corporation (LEC) to distribute electricity being supplied to south-eastern Liberia power from Cote d'Ivoire. As part of their licensing requirements, LIBENERGY INC, is required to comply with the terms and conditions of its license. As a follow-up to these terms and conditions, an inspection was required. In April and May 2024, the Technical Regulations Directorate conducted a month-long inspection of electricity distribution services being provided by LIBENERGY in parts of Nimba (Tappita), Grand Gedeh, River Gee and Maryland counties. The inspection was done with the following objectives:

- to identify obvious structural problems and hazards such as leaning power poles, damaged equipment enclosures, and vandalism.
- to work with licensed service provider in the development of a compliance Plan to cure problems identified during the inspection
- ensure that appropriate follow-up and corrective action is taken regarding problems identified during the inspection.
- to ensure it maintains its distribution network in accordance with acceptable utility practice and performance standards to ensure reliability and quality of electricity service, on both a short-term and long-term basis.

The following are key issues identified during the inspection:

- Huge vegetation under existing 33kV medium voltage lines
- Lack of protection of transformers and provision of safe means of isolation for maintenance and operations
- Damaged lightning arresters, and bypassed fuses

- Lack of light poles, spare parts and materials for construction of low voltage distribution network
- Lack of auto reclosers on the 33kV medium voltage lines
- Energy accounting is not prioritized and executed with transparency.
- Damaged transformers and amongst others.

The Commission provided copies of the inspection report to LIBENERGY to at once address these concerns. In addition, the Commission held a meeting on 13 June 2024 with the senior management team of LIBENERGY Liberia, at the headquarters of the Commission. Following the meeting, the Board of Commissioners issued the following directives:

- LIBENERGY to present to the Commission a comprehensive “smart plan” within 10 working days on how it will address technical issues and recommendations contained in the technical inspection report conducted by the Commission.
- LERC has denied LIBENERGY’s request for an extension of the end-user tariff application and directed it to submit to the Commission all requested documentation for the commencement of the tariff application process by the end of 31 July 2024.
- LIBENERGY immediately begins the metering of customers within its service areas. Failure to meter customers is a violation of the Customer Service and Quality of Supply Regulations, which mandates that a customer cannot be unmetered for more than six months.
- LIBENERGY restores power to the Deanna Kay Isaacson School of Midwifery in Zwedru City, Grand Gedeh.

### **The Liberia Electricity Corporation (LEC) tariff schedule**

In keeping with the 2015 Electricity Law of Liberia, the BoC in May 2021 approved the Electricity Tariff Regulations and the Multi Year Tariff Methodology. The Electricity Tariff Regulations and the Multi Year Tariff Methodology provide the framework for approving all tariffs through elaborate principles, methodology, process and other terms of supply of electricity within the electricity sector.

In December 2021, the BoC approved new rates and charges for five categories of customers within the LEC network and the new rates and charges came into effect on 1 January 2022. This was the first time in the history of the electricity sector of Liberia for the cost of electricity to be decided through a process that considered all the parameters in the generation, transmission and distribution of electricity.

The five categories of customers announced were Social Customers, Prepaid Residential customers, Postpaid Residential customers, Prepaid Non-residential Customers, Postpaid Commercial customers and Medium Voltage customers.

These are the current tariffs:

- Social Customers - US\$0.15 per Kilowatt-hour (no fixed charge)
- Prepaid Residential Customers tariff is set at US\$0.24 per Kilowatt-hour with a monthly fixed charge of \$2.48.

- Postpaid Residential Customers tariff is set at US\$0.24 per Kilowatt-hour and monthly fixed charge of \$4.47.
- Prepaid Non-residential Customers tariff is set at US\$0.22 per Kilowatt-hour and monthly fixed charge of US\$10.00.
- Postpaid Commercial Customers tariff is set at US\$0.22 per Kilowatt-hour and monthly fixed charge of US\$12.00.
- Medium Voltage Customers tariff is set at US\$0.19 per Kilowatt-hour and monthly fixed charge of US\$50.00.

These tariffs and charges, duly approved by the Commission, have been paid by customers in the various categories since January 1, 2022. The Commission would like to re-emphasize that the fixed charges are intended to cover portions of LEC's fixed cost of operations and facilitate expansion of the network to unserved and underserved communities in LEC's operational areas.

Fixed charges collected thus far by LEC have been used by LEC to extend electricity to 13 gap communities in Monrovia and reinforce the low voltage and medium voltage networks, including the installation of transformers, poles and streetlights. This has significantly contributed to the provision of electricity to gap communities, which are usually outside of areas covered by donor funded electrification projects.

The Commission's tariff regulation and multi-year tariff methodology require that tariffs approved by the Commission remain valid for three years. That means, the approved tariffs currently paid by customers will expire on December 31, 2024.

In adherence to the regulations, the Commission will embark on a tariff review for LEC in the coming months to be able to set up and approve new price level for electricity for customers connected to the LEC grid.

That exercise will review all the cost drivers, assess the efficiency of those costs and incorporate emerging economic parameters in determining the tariff. Therefore, the goal of the pending review, which is the same as the earlier review, is to ensure that the prices paid by the various customer categories reflect the just and prudent costs incurred by the Liberia Electricity Corporation in the provision of electricity to its customers.

Also, the Commission has begun the tariff determination process for Jungle Energy Power, Incorporated (JEP) for its distribution areas in Nimba and Bong Counties. The goal of this process, like that of the LEC process, is to ensure that the prices charged by JEP Inc. to customers connected to its distribution network in Nimba and Bong counties are cost reflective and ensure continuous improvements of the network to ensure stable supply of electricity. JEP Inc. is following the Commission in providing information we have requested. The Commission will provide updates to the public when that process is complete, and a new tariff is decided and approved by the Commission.

**Thank you!!**

**Now we take your questions.**