Decision Report
on the Tariff Proposal of the Liberia Electricity Corporation (LEC)
for the Period 2026–2028

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Abbreviations

2015 ELL	2015 Electricity Law of Liberia
APR	Administrative Procedure Regulations
BoC	Board of Commissioners
CIE	Cote d' Ivoire Electric Company
CLSG	Cote d'Ivoire, Liberia, Sierra Leone, Guinea
EIB	European Investment Bank
ETR	Electricity Tariff Regulations
EUTs	End- User Tariffs
EDG	Électricité de Guinée
LEC	Liberia Electricity Corporation
LERC	Liberia Electricity Regulatory Commission
MYTM	Multi Year Tariff Methodology
O&M	Operations & Maintenance
OPEX	Operational Expenditure
PPA	Power Purchase Agreement
RAB	Regulated Asset Base
RR	Revenue Requirement
USD	United States Dollar
WACC	Weighted Average Cost of Capital

Acronyms

GWh	Gigawatt-hour
kWh	kilowatt-hour
MW	Megawatt
MWh	Megawatt-hour

Foreword

On December 12, 2025, the Liberia Electricity Regulatory Commission (LERC), in fulfillment of its statutory mandate to set and approve tariffs under the 2015 Electricity Law of Liberia (2015 ELL), announced a decision on the Tariff Application of the Liberia Electricity Corporation (LEC) submitted on September 30, 2025.

This report is issued to satisfy the requirements of Section 13.7(1)(l) of the 2015 ELL, to provide a complete explanation of the reasoning underlying the Commission decisions. Furthermore, the report is in line with good regulatory practice and LERC's commitment to ensuring transparency in regulatory decision-making.

This report discusses the processes and provides justifications for the approved tariffs that become effective on January 1, 2026, and is issued for the benefit of LEC, the Government of Liberia, consumers, the public, and potential investors.

The Commission would like to acknowledge the cooperation and support of management of LEC, the Ministry of Mines and Energy, local government officials in LEC's operation areas, customers as well as the public during this tariff review exercise.

With the attainment of this milestone, monitoring the commercial and technical performance of LEC, including the areas of availability of supply and quality of service and their Capital Expenditure plan are now our utmost priority.

Claude J. Katta
CHAIRMAN
BOARD OF COMMISSIONERS

Executive Summary

The Liberia Electricity Regulatory Commission (LERC), the Commission, was established by the 2015 Electricity Law of Liberia (2015 ELL) to, amongst other things, set tariffs that allow licensed operators in the industry to stay financially viable while still providing quality, affordable, and accessible service to customers at prudent cost. This report presents the tariff-setting process and outcomes for the LEC tariff period, 2026–2028.

On December 12, 2025, the Commission issued its decision on the tariff application of the Liberia Electricity Corporation (LEC) dated September 30, 2025. This report is published in compliance with sections 13.7(1)(l) and (k) of the 2015 ELL, which require the Commission to provide full justification and reasoning underlying its regulatory decisions.

In line with the requirements of the Electricity Tariff Regulations (ETR), LERC requested LEC to apply for tariff review for the period 2026–2028. LEC submitted its application covering its operational areas in Bomi, Grand Cape Mount, Grand Bassa, Rivercess, Montserrado, and Margibi Counties.

The submission process of LEC application followed an extended timeline. Initial applications on October 21, 2024, and March 10, 2025, were withdrawn due to leadership transitions and the need to align the tariff proposal with LEC's new strategic plan. Upon receiving the final application on September 30, 2025, LERC and LEC technical teams held several working sessions to verify for completeness. The application was formally acknowledged as complete on October 14, 2025. To ensure the completeness of the application, which was acknowledged on October 14, 2025, LERC then published the abridged version of LEC's complete application for public comment and held public hearings across the six counties of LEC's operation. Stakeholder feedback informed the Commission's final decision, which has been published in the national gazette and on the LERC website.

The tariff determination process was consistent with the 2015 ELL, the ETR, and the Multi-Year Tariff Methodology (MYTM). As LEC is a vertically integrated utility, its tariff was regulated on a ring-fenced basis with accounting separation for generation, transmission, and distribution. Determination of the end-user tariffs (EUTs) involved:

- Establishing the Revenue Requirement for each activity area

- Assessing efficient costs for each activity area
- Determining the least-cost production mix from available sources
- Designing the tariff structure for each customer class

This is the Commission's second comprehensive tariff determination for LEC since its establishment, building on the 2021 exercise with improved data availability and institutional capacity. Key elements of the 2026-2028 determination include:

- a fourteen-fold increase in the Regulatory Asset Base (RAB) to reflect US$256.05 million in approved CAPEX programs to modernize infrastructure, expand electricity access, improve financial viability and enhance grid reliability while reducing aggregate technical and commercial losses;

- Customers projected to grow from three hundred and fifty-five thousand, eight hundred and three (355,803) to six hundred and nineteen thousand, six hundred and twenty-two (619,622), a 74.15% increase during the tariff period;

- energy consumption expected to grow from three hundred fifty-two thousand, two hundred sixty-eight (352,268) megawatts-hour to eight hundred eighty-five thousand, seven eighty-nine (885,789) megawatts-hour, a 152.17% projected increase in consumption;

- a merit-order dispatch framework prioritizing low-cost sources like Mt. Coffee Solar, Schieffelin Solar, Mt. Coffee Hydro, and imports from Côte d'Ivoire Energies (CIE) which reduces the overall cost of energy generation, directly lowering electricity tariffs for customers; and

- a reasonable loss reduction trajectory which would see aggregate technical and commercial losses reduced from 41% in 2025 to 28% by 2028.

The End User Tariffs (EUTs) approved by the Commission are shown in the table below:

EUTs approved by the Commission for LEC

TARIFF CATEGORY	END-USER TARIFF
SOCIAL	
Tariff	US$0.1300/kWh
Fixed Charge	N/A*
RESIDENTIAL	
PREPAID	
Fixed Charge	US$2.00/Month
Energy Charge	US$0.2200/kWh
POSTPAID	
Fixed Charge	US$3.79/Month
Energy Charge	US$0.2200/kWh
NON-RESIDENTIAL	
PREPAID	
Fixed Charge	US$8.48/Month
Energy Charge	US$0.2200/kWh
POSTPAID	
Fixed Charge	US$12.0000/Month
Energy Charge	US$0.2200/kWh
MEDIUM VOLTAGE	
Fixed Charge	US$42.40/Month
Energy Charge	US$0.2000/kWh

The Commission has approved standardized electricity connection charges for new customers seeking access to the Liberia Electricity Corporation (LEC) network in Montserrado, Margibi, Grand Cape Mount, Grand Bassa, Bomi, and Rivercess counties. Under this approval, a connection fee of US$70.00 applies to single-phase connections, while medium-voltage (three-phase) connections are subject to a fee of US$340.00. These charges are intended to ensure consistency, transparency, and cost recovery in the provision of new electricity connections across LEC-served areas.

However, customers shall not be required to pay any connection fee in locations where there is clear evidence that grid expansion and the full cost of connection have been financed by development partners,

the Government of Liberia, or another third party. In such cases, the Commission recognizes that the cost of connection has already been covered and therefore exempts affected customers from additional charges.

1. Introduction

This report presents the processes, methodologies, and evidentiary basis used by the Liberia Electricity Regulatory Commission (LERC) to approve the multi-year tariffs for the Liberia Electricity Corporation (LEC) announced on December 12, 2025, covering the regulatory period 2026–2028. It represents the Commission's second comprehensive tariff determination for LEC since its establishment under the 2015 Electricity Law of Liberia (ELL), and the third time in the nation's history that electricity tariffs have been determined through an independent, evidence-based, and fully transparent regulatory process.

The approved tariffs apply to all LEC customers—residential, commercial, and industrial—across its operating areas including Bomi, Grand Cape Mount, Grand Bassa, Rivercess, Montserrado and Margibi Counties. Building on the foundational 2021 tariff exercise—the country's first scientific, cost-reflective tariff determination—this second determination reflects three years of operational experience, improved data availability, and strengthened institutional capacity within both LERC and LEC.

The report serves four interrelated objectives:

i. discharge LERC's statutory obligation in the 2015 ELL to approve cost-reflective tariffs;

ii. enhance transparency and stakeholder confidence by documenting all material assumptions, calculations and policy decisions;

iii. establish a robust analytical record for future regulatory cycles, judicial review, and academic research; and

iv. demonstrate measurable progress toward the Commission's long-term goal of achieving universal access and financial viability of the Liberian power sector.

Since the inaugural 2021 tariff report, LEC's operations have evolved considerably. Aggregate energy demand has grown substantially, supported by increased energy imports via the Cote D'Ivoire, Liberia, Sierra Leone and Guinea (CLSG) regional transmission Network. Growth in demand is mainly driven by substantial demand growth in Montserrado County and the extension of LEC's services to five counties: Bomi, Grand Cape Mount, Grand Bassa, Margibi, and Rivercess in pursuing universal access.

The 2026–2028 tariffs reflect a significantly improved data environment compared to 2021. They ensure that LEC recovers the full cost of its licensed activities, including a reasonable margin or return, and incorporate incentives to promote continued improvements in technical and economic efficiency in the utility's operations.

By publishing this tariff report, the Commission reaffirms its commitment to rule-based regulation, stakeholder inclusion, and the ongoing development of Liberia's electricity sector.

The report comprises Four (4) Sections as follows:

Section 1: Background – this section provides an overview of the legal and mandatory requirements of the electricity tariff processes followed by the Commission in the determination of the 2026-2028 electricity tariffs.

Section 2: Tariff Determination Analysis – this section contains an analysis of the application for tariffs including the methodology and assumptions used in determining the tariffs.

Section 3: Financial Considerations – this section discusses the financial considerations in arriving at the final aggregate revenue requirement for the tariffs; and

Section 4: Final Tariff Schedules – this section discusses the principal objectives underlying the tariffs as well as the structure and end-user rates approved by the BoC for gazetting.

2. Legal Basis for Tariff Regulation

The Commission was established under the 2015 Electricity Law of Liberia (2015 ELL) to regulate the electricity supply industry, with a core mandate to determine cost-reflective electricity prices for operators in the industry.

2.1 Specific Legal Provisions

Section 3.3 of the 2015 Electricity Law (ELL) mandates the Commission, among its other functions, to regulate tariffs. Tariff regulation involves determining the revenue requirements of operators in the electricity sector and approving the corresponding tariffs. Furthermore, Section 3.1 of the Multi-Year Tariff Methodology (MYTM) provides that, because LEC is a vertically integrated utility, its tariff must be regulated based on ring-fenced activities with full accounting separation. This means that generation and transmission costs are calculated separately and then allocated to distribution before being reflected in the final End-User Tariffs (EUTs).

Section 8.1(1) of the 2015 ELL specifies that approved tariffs must:

i. enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return;

ii. provide for or prescribe incentives for continued improvement of the technical and economic efficiency with which services are to be provided;

iii. give end-users proper information regarding the costs imposed by their consumption on the licensee's business;

iv. avoid undue discrimination; and

v. permit subsidization of tariffs for certain customer classes where justified;

Furthermore, sections 8.1(2) and 8.1(3) of the 2015 ELL prohibit a licensee from charging any tariff other than the Commission-approved rates, except in prescribed circumstances with explicit regulatory consent.

2.2 Regulatory Philosophy

The philosophy of the Commission relating to electricity tariffs, as set forth in the 2015 ELL and the ETR, is to ensure that:

I. an efficient service provider can recover the full cost of its authorized activities, including a reasonable margin or return;

II. incentives are provided for continued improvements in technical and economic efficiency;

III. end users or customers are given proper information regarding the costs that their use of the services imposes on the service providers' business;

IV. undue discrimination by service providers is avoided and to promote preservation of consumption and efficiency;

V. subsidies may be permitted on tariffs to certain classes of customers;

VI. assessment of the Capital Expenditure Plan (CAPEX) against the demand and supply balance, and established Asset Base to adequately cover:

   a) justified costs of operations;
   b) maintenance, replacement and construction of facilities and networks;
   c) a reasonable return on investment that incorporates key risks such as sectoral and country risks.

VII. impartiality and objectivity;

VIII. stimulating efficiency of electricity activities in the electricity supply industry;

IX. promoting principles for transparent regulation and non-discriminatory third-party access to

transmission and distribution networks;

X. establishing mechanisms for electricity operational efficiency and promoting an increased use of renewable electricity resources;

XI. developing stable conditions for an increased investment and sustainable growth of electricity industry;

XII. creating stable and equal conditions for all investors;

XIII. adopting shallow charging principle for connections to transmission and distribution networks; and

XIV. encouraging investment in rural and remote areas that are unserved or underserved.

2.3 Effectiveness and Duration of Approved Tariffs

In accordance with section 3.4 of the MYTM, the duration of tariffs approved by the Commission shall be for three years. The effective date for a tariff shall be the reference point for its duration, and it shall be the date set by the Commission.

The effective date of the approved tariffs is January 1, 2026, through December 31, 2028.

2.4 LEC Tariff Application Submission Timeline

The process leading to this multi-year tariff determination began on September 13, 2024, when the Commission formally requested the Liberia Electricity Corporation (LEC) to submit its tariff application in accordance with the 2015 Electricity Law of Liberia (ELL) and the Electricity Tariff Regulations (ETR). LEC submitted its initial application on October 21, 2024, proposing tariffs for customers in its licensed service areas for the period 2025–2027.

However, on December 16, 2024, LEC withdrew the submission and requested an extension, citing the appointment (in late November 2024) of an interim management team that was unfamiliar with the submission. The Commission granted a two-month extension, setting a new deadline of February 15, 2025, for LEC's reapplication. With the prevailing tariffs set to expire on December 31, 2024, the Commission approved the existing rates as provisional tariffs until the new tariffs presented in this document take effect.

Amid continued leadership transition and associated operational challenges, LEC was unable to meet the February deadline. The Commission granted LEC an extension and maintained close engagement with them beyond the February deadline. Consequently, LEC submitted a new tariff application on March 10,

2025, and between that date and May 09, 2025, the Commission worked closely with LEC to gather all the information needed to begin the tariff review process.

However, on July 4, 2025, LEC's newly appointed management team—requested permission to withdraw the March submission and to resubmit the tariff application by September 30, 2025. LEC informed the Commission that additional time was needed to align their financial projections with their newly developed strategic plan, incorporate planned capital investment and quantify the expected impact of new interventions in their proposal. This request was granted by the Commission.

LEC submitted its final tariff application on September 30, 2025. This submission, covering the regulatory period 2026–2028, formed the basis for the Commission's comprehensive review. Table 1 below shows a summary of the timeline.

Table: 1 Summary of Timeline

No.	Action	Date
1	LERC requests LEC's application	September 13, 2024
2	LEC submitted its application	October 21, 2024
3	LEC withdrew application	December 16, 2024
4	LEC's second submission	March 10, 2025
5	LEC's second withdrawal	July 4, 2025
6	LEC final submission	September 30, 2025

The extended timeline—characterized by multiple information requests, technical working sessions, data verification, and iterative refinements—ensured the completeness and reliability of the data records. On October 14, 2025, the Commission acknowledged the completeness of LEC's application and proceeded with the tariff review in accordance with the 2015 ELL and the ETR. The Schedule for the review of LEC's application is presented in Appendix 1.

3. Tariff Determination Methodology

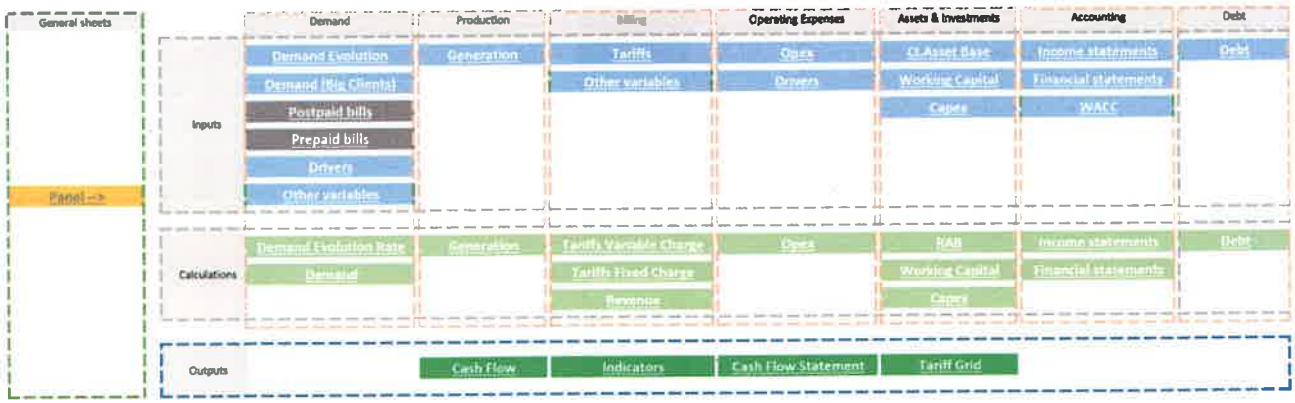
The 2015 Electricity Law of Liberia (ELL), Multi-Year Tariff Methodology, and the Electricity Tariff Regulations define the methodological constraints within which electricity tariffs are determined. The current approach to the determination of electricity tariffs is a cost-reflective long-run marginal cost method that seeks to recover the revenue requirement of the utility by projecting demand, costs, and investments. Required revenues are then calculated (e.g., via NPV equality between costs and collected revenues) and mark-ups are then applied to achieve equilibrium. Since prices must be cost-reflective, costs are then allocated to customer categories based on responsibility factors (e.g., peak demand contribution), with adjustments for technical losses and commercial losses. These costs are then adjusted for inflation in each year of the new tariff regime.

This approach is contained in an excel-based Cost Reflective Economic and Financial Model developed for the Commission as part of the Millenium Challenge Compact's support from the US Government to Liberia. This model was shared with LEC in 2024 when the Commission triggered LEC's tariff application.

For the current exercise, the model uses the billing database of LEC for the years 2023 and 2024. From the combination of inputs and functional relations in the model, the economic projections (demand, revenues, operating & maintenance costs and investments) are determined for the tariff period 2026-2028.

Below is an image of the model's navigation sheet, which outlines the input parameters, calculation modules, and output variables.

Figure 1: Model's Navigation Sheet



3.1 Public Hearings

According to Section 13.7(1)(h) of the 2015 ELL, the Commission is required to hold public hearings in respect to the setting of tariffs. As part of the tariff review process for the LEC, the Commission undertook a series of public hearings to ensure transparency, inclusiveness, and broad stakeholder participation. These engagements formed a critical component of the Commission's consultative framework and were designed to gather public views on LEC's tariff application while complying with regulatory requirements.

Between October and November 2025, the Commission conducted six public hearings across Montserrado, Bomi, Grand Cape Mount, Margibi, Rivercess, and Grand Bassa Counties. The hearings provided a platform for stakeholders to interact directly with LEC on the proposed tariff adjustments.

Public hearings were held on the following dates and at the corresponding locations in table 2.

Table 2: Public Hearings Schedule

Date	Location	County
October 24, 2025	Nyella Multi-purpose House	Tubmanburg, Bomi County
October 25, 2025	Robertsport Youth Center, Momo Taweh Sports Stadium Compound, Gbasalor Community	Grand Cape Mount County
October 30, 2025	Compound Number One Administrative Building, Compound One	Grand Bassa County
October 31, 2025	Ellen Johnson Sirleaf Town Hall	Yarpah Town, Rivercess County
November 5, 2025	Kakata Administrative Building	Kakata City, Margibi County
November 13, 2025	Monrovia City Hall	Montserrado County

The hearings were conducted in accordance with the procedures set forth in the Commission's Administrative Procedure Regulation (APR). Stakeholders received written invitations, while the public was informed via radio announcements and newspaper publications. An abridged version of LEC's tariff proposal was published in selected newspapers and on the Commission's website to facilitate informed participation.

A combined total of 1,057 individuals that included stakeholders attended and participated in these

sessions. Participants included local government officials, policymakers, civil society organizations, students, youth groups, LEC customers, and other interest groups. There were 103 written submissions received from stakeholders, including local government officials, engineering firms, businesses, civil society organizations, customers of LEC and members of the public.

During the hearings, LEC presented its tariff proposal to the public. The Commission took due notice of the comments and concerns raised by participants across the six counties. The table below presents the most frequent issues arising from these hearings. These issues are mainly centered around power reliability, tariff reduction, grid expansion, improvement in customer service, and the safety of LEC's installations.

Table 3: Summary of Comments from the Public Hearings

No	County	Summary of Comments
1	Rivercess	Power theft prevention/punishment; rate discrepancies (small vs large businesses); meter theft/transferability; tariff reductions (to $0.11/kWh); meter dormancy; safety (wires/trees); connection/wiring fees; affordability; local jobs; installation delays
2	Montserrado	Power reliability, tariff reductions; power theft/losses; rural expansion; metering/billing errors; energy efficiency; connection delays; street lighting; affordability concerns; rationale for Fixed Charge
3	Margibi	Infrastructure expansion; safety (poles); Meter delays/theft; power theft; transformer overloads/replacements; wiring costs/qualified electricians; connection fees; tariff reductions.
4	Grand Cape Mount	Meter installation/replacement delays; power theft reporting; street lighting; safety (hanging wires); affordability; connections; meter ownership.
5	Bomi	Tariff reductions; power theft; metering issues (faulty/stolen); rural expansion; connection fees/delays; safety; local jobs; understaffing.
6	Grand Bassa	Tariff reductions; power theft; metering/wiring costs; connection fees; safety (wires/trees); local jobs; vending options; registration errors.

Part Two: Tariff Determination Analysis

4. LEC's Asset Register

As of 31 December 2025, LEC's fixed assets in service are carried on the regulatory asset register at a gross book value of **US$350.06 million**. These assets have been financed from three principal sources:

Table 4: LEC's Asset by Sources of Finance in US$'000

	LEC Financing	Liberia GOL Financing	Grants Financing
Amount	14,891	14,180	321,893

Source: LEC's Tariff Application

5. Regulatory Asset Base (RAB)

The Regulatory Asset Base (RAB) represents assets that are used and usable for the provision and supply of the regulated electricity services in the Liberia Electricity Supply Industry. It includes the initial asset base at the beginning of the regulatory period, and the investments made during the regulatory period. All assets necessary for the provision of regulated services are included after deducting depreciation on the allowable assets.

A "fair and reasonable" rate of return—representing the minimum return allowed by the Commission—is applied only to the portion of the asset base financed by LEC using an after-tax real Weighted Average Cost of Capital (WACC) calculated in the model. The after-tax real WACC calculated by LEC is 6 percent while the Commission's value is 7.7 percent Hence, the Commission's approved return is higher than what it would have been using LEC's proposed Real after-tax WACC of 6%.

In calculating rate of return, assets funded through grants or customer contributions were excluded because LEC did not bear their cost and therefore cannot earn a return on them.

For each regulated activity, the RAB for the current period (RAB_t) is calculated using the formula below:

$$RAB_t = RAB_{t-1} + CAPEX_t + \Delta WC_t - D_t$$

Where:

RAB_{t-1} = Closing balance of the Regulated Asset Base at $(t-1)$

$CAPEX_t$ = Capital Expenditure for current period

D_t = Depreciation for the current period

ΔWC_t = Change in Working Capital

The (RAB) evolves during the tariff period as shown in Table 5.

Table 5: Evolution of RAB US$'000

Regulatory asset base	2025	2026	2027	2028
Initial RAB	14,891	14,891	94,756	158,401
CAPEX	0	88,450	83,025	82,508
Working capital variation	0	1,091	-1,408	-2,099
Depreciation & Amortization	0	9,677	17,973	26,216
Final RAB	**14,891**	**94,756**	**158,401**	**212,593**

Source: LERC Tariff Model

The fourteen-fold increase in the RAB reflects the placement into service of the approved US$256.05 million 2026–2028 CAPEX programs—the first major investment cycle that is predominantly debt- and tariff-financed rather than donor-funded. Depreciation ramps up sharply because the new CAPEX investment submitted by LEC are not grant-funded; hence, they carry a full depreciation charge (unlike 92 percent of the legacy RAB). The sharp rise in depreciation from 2026 onward is therefore both expected and appropriate.

6. Efficient Costs

In accordance with the Electricity Tariff Regulations (ETR) and the Multi-Year Tariff Methodology (MYTM), the Commission allows full recovery of all operational costs that are both necessary and prudently incurred by the utility. When determining the Revenue Requirement, the Commission verified that:

- Costs related to the production or procurement of electricity were incurred using the least-cost approach; and
- Generation, transmission and distribution costs correspond to assets that are used or usable in the provision of electricity services.

All operating costs were thoroughly reviewed and assessed for prudency and efficiency. All financial figures approved by the Commission are adjusted for inflation. The Board subsequently approved the efficient, inflation-adjusted operational costs for inclusion in the determination of the End-User Tariffs (EUTs)

7. Revenue Requirement Determination

Revenue requirement (RR) refers to the total revenue that must be realized through annual revenue collections from EUTs to cover the costs associated with the operations of the utility. In approving the tariffs, the Commission first determined the annual revenue requirement for LEC for each of its business activities (generation, transmission and distribution) based on the formula below:

$$RR_t = OPEX_t + T_t + D_t + (WACC_t \times RAB_t)$$

Where:

RR_t = Revenue Requirement for current period

$OPEX_t$ = Operating Expenses for current period

D_t = Depreciation for current period

$WACC_t$ = Weighted Average Cost of Capital (rate of return) for current period

RAB_t = Regulated Asset Base for current period

T_t = Taxes for current period

The costs of technical and commercial losses are recovered through the tariff by adjusting volumes sent out to reflect the projected losses.

Table 6 below summarizes the RR submitted by LEC for the tariff period 2026–2028. The submitted RR comprises operational costs by activity area, depreciation on all assets (regardless of funding source), and an allowed return only on the portion of the RAB financed by LEC. The increase in the RR year-on-year is on account of projected increases in generation and consumption along with decreases in aggregate technical and commercial losses.

Table 6: Revenue Requirement Submitted by LEC in US$'000

Revenue Categories	2026	2027	2028
Total Revenue Requirement	**154,792**	**200,818**	**229,749**
Generation			
Operational Expenses (OPEX)	119,143	164,380	192,276
Taxes	0	0	0
Depreciation	3,163	3,172	3,181
Weighted Average Cost of Capital (WACC)	0.060	0.060	0.060
Regulated Asset Base	31,271	36,635	41,583
Total Generation Revenue Requirement	124,182	169,750	197,952
Transmission			
Operational Expenses (OPEX)	7,230	7,317	7,471
Taxes	0	0	0
Depreciation	1,645	1,634	1,644
Weighted Average Cost of Capital (WACC)	0.060	0.060	0.060
Regulated Asset Base	6,254	7,327	8,317
Total Transmission Revenue Requirement	9,250	9,391	9,613
Distribution			
Operational Expenses (OPEX)	16,889	17,091	17,450
Taxes	0	0	0
Depreciation	3,596	3,560	3,569
Weighted Average Cost of Capital (WACC)	0.060	0.060	0.060
Regulated Asset Base	14,593	17,096	19,405
Total Distribution Revenue Requirement	21,360	21,677	22,184

Source: LEC's Tariff Application Document

Table 7 shows the summary of the RR approved by the Commission for the tariff period (2026- 2028). These are the final costs passed on to customers in the EUTs.

Table 7: Summary of Revenue Requirement (RR) approved by LERC in US$'000

Revenue Categories	2026	2027	2028
Total Revenue Requirement	**103,375**	**148,243**	**192,009**
NPV of Revenue Requirement	**95,976**	**127,780**	**153,659**
Generation			
Generation Revenue Requirement	**65,596**	**95,867**	**126,069**
Operating expenses (O&M)	64,586	93,506	122,664
Depreciation & Amortization	989	1,651	2,322
Income TAX	0	0	0
WACC 0.077	0.077	0.077	
Initial Regulated Asset Base	278	9,206	14,048
Profit (WACC*RAB)	21	710	1,083
NPV Required Revenue	60,901	82,634	100,888
Transmission			
Transmission Revenue Requirment	**9,562**	**13,687**	**17,747**
Operating expenses (O&M)	7,230	7,317	7,471
Depreciation & Amortization	2,332	4,752	7,181
Income TAX	0	0	0
WACC	0.077	0.077	0.077
Initial Regulated Asset Base	0	20,990	40,149
Profit (WACC*RAB)	0	1,618	3,095
NPV Required Revenue	8,878	11,798	14,202
Distribution			
Distribution Revenue requirement	**28,217**	**38,688**	**48,194**
Operating expenses (O&M)	20,735	22,111	23,409
Depreciation & Amortization	6,355	11,569	16,713
Income TAX	0	0	0
WACC	0.077	0.077	0.077
Initial Regulated Asset Base	14,613	64,956	104,700
Profit (WACC*RAB)	1,127	5,008	8,072
NPV Required Revenue	26,197	33,348	38,568

Source: Calculated by LERC

There is a reason the RR approved by the Commission is lower than what LEC proposed. The customer database submitted by LEC does not treat Medium Voltage (MV) customers as a separate class. LEC instead classified MV consumptions in the customers database either in the Residential or Non-Residential class but reported a distinct MV class as part of their submission for the new tariff period. Since the customer database already accounts for MV consumption in Residential and Non-Residential classes, forecasting the consumption values for these categories while allowing a separate entry for MV consumption without first deducting the MV consumption in these classes would lead to double counting of the MV consumption. For this reason, the commission removed from the MV consumption submitted by LEC the sum of all the identified MV customers from both the Residential and Non-Residential classes.

8. Total Revenue (Sales)

The LEC's submission contained the revenue projections by metering categories as shown in Table 8. It is important to note that the sales revenue considers total system losses resulting from the transmission and distribution activities.

Table 8: LEC's Revenue Submission in US$'000

Revenue Sources	2026	2027	2028
Total Revenue	**151,743**	**199,895**	**232,005**
Energy Revenue	133,120	179,615	210,030
Fixed Charge	8,025	9,579	11,132
Connection Fees	10,598	10,702	10,842

Source : LEC's Tariff Application Document

The Commission reviewed LEC's costs on an item-by-item basis to ensure that costs allowed are reflective of the utility's operations and that only prudently incurred costs are passed on to EUTs. The Commission approved sales revenue seen in Table 9 below are lower than what LEC proposed for the same reason the utility's RR diverges from that of the Commission—i.e., revenues are calculated from effective generation, picking the cheapest source first, the second cheapest source second, and so on until demand matches supply. At that equilibrium, no further energy is permitted into the computation of the sale revenue, the full revenue requirement, and hence, the tariffs.

Table 9: Revenue calculated by the Commission in US$'000

Energy Revenue (Sale)	2026	2027	2028
Revenue	**116,088**	**154,295**	**185,002**
Connection Charge	7,180	7,553	7,677
Commission on prepaid sales	3,270	4,396	5,317
Fixed Charge	5,004	8,307	11,636
Variable Charge	107,174	142,832	171,006

Source: LERC Tariff Calculation

The total revenue is derived by summing the tariff revenue components—Fixed and Variable charges—adding Connection Charge to that sum and deducting Commission on Prepaid Sales from the total:

$$Total\ \ Revenue_t = (Fixed\ Charge_t + Energy\ Revenue_t + Connection\ Fees_t) - Commission\ on\ Prepaid\ Sales_t$$

where the subscript t represents current time.

The Commission ensured that:

a) Growth projections in electricity consumption are consistent with the base year customer database LEC submitted for 2025 and the new customer projections for both donor-financed and LEC-financed projects for period of the new tariff regime.

b) Total revenue is the sum of three broad classes, less commission on prepaid sales. These three broad classes are:

   i. Energy revenue (variable charge)—revenue that depends on the rate of kilowatt-hour consumption by each customer.

   ii. Fixed Charge— a fixed amount paid by customers to protect LEC's revenue against demand reduction and to recover part of the fixed cost of the network assets.

iii. Connection Charge—a one-time payment made by new customers to recover portion of the cost of connection.

9. Approved Loss Trajectory

The international T&D standard for efficient power systems is taken as 10% and below[1]. At 41 percent aggregate technical and commercial losses, LEC currently records one of the highest in sub-Saharan Africa. Commercial loss of 26 percent for 2025 shows that progress has been made from prior year but still reflects widespread theft, unbilled consumption, and estimated billing consumption. The trajectory submitted by LEC shows an impressive reduction target of 13 percentage points over three years, with the bulk of the improvement (10 percentage points) coming from commercial losses.

The utility intends to implement what it terms a "large-scale Mass Metering and Normalization (NORMMET)" and AGILE metering programs nationwide to reduce losses and improve service delivery for its customers. A little over $43 million of its CAPEX plan is dedicated to its NORMMET program while nearly $60 million is dedicated to the AGILE metering program. Together, these two loss reduction programs cost over $103 million, or 41 percent of the total CAPEX plan of $253 million. LEC has also committed through its CAPEX plan to strengthen revenue protection units, invest in human, logistical, and digital resources at its disposal.

Though a 28 percent aggregate loss level by 2028 remains high by global standards, it is realistic for Liberia given the starting point, state of the network, and the evidence present in LEC's own historical records of reducing losses. For this reason, the Commission permitted the loss targets as submitted by the utility. The loss reduction directly supports tariff affordability: every percentage-point reduction in total losses lowers the required EUTs by approximately 1.8 percent, ceteris paribus. Achieving the approved trajectory is therefore critical to preventing sharp spikes in tariffs as new generation and transmission assets enter the rate base in 2027–2028.

[1] https://www.catf.us/resource/unearthing-reality-zombie-energy-systems-africas-energy-transition/

Table 10: LEC's Approved Loss Trajectory

Loss Components	2025	2026	2027	2028
Technical Losses	15%	14%	13%	12%
Commercial losses	26%	21%	17%	16%
Total Losses	**41%**	**35%**	**30%**	**28%**

Source: LEC's Tariff Application Document

10. Demand-Supply Analysis: Generation (Supply)

LEC's tariff application provided a month-on-month power demand forecast covering the entire period 2026-2028. The utility calculated annual consumption by estimating a load factor and peak demand and that aggregate energy consumption for each month will be guided by the dynamics of these two factors. The utility also provided maximum generation by the various sources available to it in the incoming tariff period. The power generation sources include the existing power plants and sources of imports in merit order of dispatch:

1. Mt. Coffee Solar [20MW]
2. Schieffelin Solar [23.75MWp]
3. Mt. Coffee Hydro Power Plant [88MW]
4. Cote d'Ivoire Energies (CIE) [Import]
5. Électricité de Guinée (EDG) [Import]
6. Bushrod Thermal Plant [38 MW]
7. Independent Power Plant (IPP) [Import]

No new power generation other than the sources above are expected to come online during the new tariff period.

Table 11 below shows the maximum generation LEC submitted to the Commission as part of its formal tariff application document.

Table 11 Maximum Generation by sources in MWh Submitted by LEC

Energy Sources	2025	2026	2027	2028
Total	**635,016**	**972,686**	**1,185,331**	**1,325,281**
Mt. Coffee Solar	0	37,623	37,623	37,623
Schieffelin Solar	0	0	23,592	35,397
MCHPP	289,872	348,264	348,264	348,516
CIE	219,000	219,000	219,000	219,600
EDG	0	292,018	342,975	373,320
IPP	0	14,271	183,853	240,368
BTP	126,144	61,510	30,024	70,457

Source: LEC's Tariff Application Document

Mt. Coffee Solar is expected to begin energy dispatch in 2026, while Schieffelin Solar is expected to do same in 2027. The Commission employed a merit order dispatch framework that takes the cheapest source first, the second cheapest source, second, and so on until demand is met. When equilibrium is achieved, the framework discontinues the allowance of additional energy into the cost metrics. The energy dispatched at the point where demand equals supply—the Effective Generation—is given below in table 12.

Table 12: Effective Generation in MWh by Generation Sources Approved by the Commission

Energy Sources	2025	2026	2027	2028
Total	**635,016**	**746,557**	**946,004**	**1,104,170**
Mt. Coffee Solar	0	37,623	37,623	37,623
Schieffelin Solar	0	0	23,592	35,397
MCHPP	289,872	348,264	348,264	348,516
CIE	219,000	219,000	219,000	219,600
EDG	0	141,670	317,524	373,320
IPP	0	0	0	19256.79022
BTP	126,144	0	0	70,457

Sources: LERC's Calculations

Table 12 illustrates the Commission's merit-order dispatch framework in action. Sources are ranked from lowest to highest cost, and generation is dispatched in ascending order of cost until projected demand is fully met. Dispatch of higher-cost units ceases once supply equals' demand. Because the Commissioned-approved consumption is lower than that proposed by LEC for the same reason its RR is lower than LEC's, effective generation is also lower.

This least-cost dispatch approach results in effective generation that is lower than the generation proposed by LEC over the 2026–2028 tariff period. Hence, the least-cost sources (Mt. Coffee Solar, Schieffelin Solar, MCHPP and CIE) collectively supply most of the required energy, reducing the need for higher-cost generation from BTP and IPP(Thermal). By systematically prioritizing the lowest-cost available generation, the Commission substantially reduces the overall cost of energy procurement reflected in the approved RR—directly lowering electricity tariffs for customers.

11. Consumption (Demand): Customer Database

LEC intends to increase new connection by about 18.4 percent on average over the tariff period. The growth in connections reflects both the expansion of the grid as seen in the CAPEX and increase in energy supply. At the end of 2025, LEC will have served 355,803 metered customers, representing a 12.7 percent increase

in connectivity over 2024. This growth is expected to accelerate in 2026 and hover around the average of 20 percent over the tariff period. This reflects the utility's focus on rapidly expanding electrification in Monrovia and the surrounding counties since the end of the civil war. The approved demand forecast for the 2026–2028 tariff period anticipates strong customer growth driven by ongoing grid extension, densification projects, and the aggressive prepaid metering rollout.

The projected 18.4 percent average annual growth in customer numbers remains ambitious. The Commission's merit-order review confirms this growth is realistic, as projected sales align precisely with optimal, low-cost output.

For policy purposes, the Commission categorizes customers into: (i) social tariff category; (ii) residential; (iii) Non-residential; and (iv) medium voltage. The projected profile of the customer categories over the tariff period submitted by LEC is shown in Table 13 below.

Table 13: Number of Customers Per Category of Consumers Submitted by LEC

Customers Categories	2024	2025	2026	2027	2028
Prepaid	**315,071**	**355,217**	**442,902**	**532,473**	**619,154**
Social	44,015	38,291	61,677	87,454	113,744
Residential	262,978	308,409	369,876	430,022	486,765
Non-Residential	8,078	8,517	11,349	14,997	18,645
Postpaid	**620**	**586**	**552**	**511**	**468**
Residential	157	149	125	101	78
Non-Residential	460	428	408	389	370
Medium Voltage	3	9	19	21	21
Total Customers	**315,691**	**355,803**	**443,454**	**532,984**	**619,622**

Source: LEC's Tariff Application Document

11.1 Projected Consumption Growth

LEC projects that consumption would increase by 154.7 percent from 2025 to 2028, with a 61.4 percent jump early on in 2026. The growth in consumption is on account of grid expansion, increase in energy supply and growth in demand. Table 14 below decomposes the growth in consumption of the customer categories.

Table 14 Projected Consumption by Customer Category Submitted by LEC

Projected Consumption (kWh)	2024	2025	2026	2027	2028
Prepaid	**219,287,702**	**258,903,231**	**407,351,867**	**538,807,539**	**642,854,739**
Social	6,144,916	2,238,272	1,796,172	2,375,374	2,833,922
Residential	152,836,471	183,514,180	284,672,740	376,568,729	449,296,995
Non-Residential	60,306,315	73,150,779	120,882,955	159,863,436	190,723,822
Postpaid	**77,072,556**	**115,445,408**	**196,976,030**	**260,394,750**	**310,627,301**
Residential	236,932	281,687	105,423	40,328	13,494
Non-Residential	46,276,404	53,510,450	84,958,682	112,354,854	134,044,080
Medium Voltage	15,536,598	36,802,706	65,599,234	86,752,669	103,499,593
LEC	15,022,622	24,850,565	46,312,692	61,246,899	73,070,133
Total Consumption	**296,360,258**	**374,348,639**	**604,327,897**	**799,202,289**	**953,482,040**

Source: LEC's Tariff Application Document

LEC's billed consumption figure is higher than what the Commission calculates precisely because of the reason outlined earlier for why the various RRs and effective generation vary. Table 15 below presents the Commission's approved consumption figures per customer class over the new tariff period.

Table 15: Projected Consumption By Customer Category

Projected Consumption (kWh)		2025	2026	2027	2028
Prepaid	**260,673,418**		**410,555,384**	**542,246,599**	**646,582,211**
Social Tariff	4,008,459		4,999,690	5,814,434	6,561,394
Residential Prepaid	183,514,180		284,672,740	376,568,729	449,296,995
Non-Residential Prepaid	73,150,779		120,882,955	159,863,436	190,723,822
Postpaid	**90,594,843**		**114,530,633**	**163,755,145**	**202,404,462**
Residential Postpaid	281,687		105,423	40,328	13,494
Non-Residential Postpaid	53,510,450		84,958,682	112,354,854	134,044,080
Medium Voltage		36802705.83	29,466,528	51,359,963	68,346,887
Total Consumption	**351,268,261**		**525,086,017**	**706,001,744**	**848,986,673**

Appendix 1: Tariff Review Schedule

1	LEC Submits Application	September 30. 2025
2	Acknowledgement of complete application	October 14, 2025
3	Publication of Notice of Pendency	October 14,2025
4	Publication of Abridged Application	October 14, 2025
5	Public Hearing (Bomi, Tubmanburg)	October 24, 2025
6	Public Hearing (Cape Mount, Robertsport)	October 25, 2025
7	Public Hearing (Grand Bassa, Compound 1)	October 30, 2025
8	Public Hearing (Rivercess, Yarkpah's Town)	October 31, 2025
9	Public Hearing (Margibi, Kakata)	November 5, 2025
10	Public Hearing (Montserrado, Paynesville Town Hall)	November 19, 2025
11	Announcement of BoC's decision on LEC's Proposal	December 12, 2025
12	Publication of Decision in Official Gazette and in Newspapers	December 12, 2025
13	Tariffs Effective Date	January 1, 2026

Source: LERC Tariff Review Team

Appendix 2: Institutions at the Public Hearing

Rivercess County

No	Name	Institution
1	Joseph Swaray	Community of Hope Agriculture Two Project
2	Sampson Dayoan	Black C. Community Yarpah Town
3	Moses Weah	Tompo Town Chief
4	Shark Weah	Pastor SDA Church
5	Robert P. Younda	Elder Yarpah Town
6	Friday Gbardyu	Secretary Youth Council- Rivercess
7	Andrew Dennis	Ministry of Health- Rivercess
8	Jerome G. Reeves	Ministry of Education
9	Uriah D. Kollors	Farmers Union of Rivercess
10	Cllr. D. Onesimus Barwon	Residential Judge- Rivercess County
11	Cllr. Abraham B. Nyninwey	Public Defender
12	Spark Sebanjay	Youth Leader- Rivercess County
13	Zacheal Jimmy	Town Chief
14	Alex Conway	Town Chief, Yarpah Town
15	Sunygar Glaydor	Pastor Free Pentecostal Church

Margibi County

No	Name	Institution
1	James S. Arku	New Kakata Community Chairman
2	Felix T. Sie, Jr	Ministry of Internal Affairs
3	Dorris M. Joe	Ministry of Posts and Telecommunication
4	Peter K. Tukon, Jr.	Chairman, Telecom Community
5	Yaman Dukellah	Chairlady, Bassa Community
6	Abel Flomoteh	MARUSU Representative
7	James F. Yarkpawolo	Chaiman, Green Hill Community
8	Konogboh Varney	Chairman, Holder Farm
9	Samuel B. Telee	Chairman, Gborfillah Community
10	Mrs. Comfort L. Thomas	Chairlady, New Kakata Community
11	Ms. Grace Gono	Chairlady, 14 Road Community
12	Stanley GF Stubblefield	Ministry of State for Presidential Affairs
13	Kelly D. Farna, Jr	Booker Washington Institute
14	George B. Dolo	Madima Community Leader
15	Etta Boyah	Greenland Community Representative
16	Abraham D. Hena	Sugar Hill Community
17	Isaac G. J. Giayway	Waikor Farm, Margibi County
18	Arthur Sulonteh Johnson	Madina 1 Community Leader
19	Reta Carter	Chairlady, Bensonville Community
20	John N. Flomo	Holder Farm Community
21	Ernest J. Jackson	New Vai Town Community
22	Leo Kollie	Borlorla Road Community
23	Precious M. Woart	Representing Kissi Community

Bomi County

No	Name	Institution
1	Princess S. Fayiah	Chairlady-Tubmanburg Community
2	Mohammed Massalay	Chairman, Nyeila Community
3	Tarley Cole	Chairman, Vai Town # 3
4	Madam F. Carter	Charlady, Kude-Klay Town
5	John K. Ndorwar	VT-2 Community
6	Abraham M. Darblah	Leader, Harmon Hill Community
7	James F. Konah	Weakama Community-Leader
8	Velee Boomore	T- Hill Community- Tubmanburg
9	Joe S. Kollie	Joseph Town Community
10	Nathaniel A. Luke	Ministry of Internal Affairs
11	Emmanuel B. Carter	Vai Town, Youth Chair
12	Daniel H. Wilson	Ministry of Gender and Social Protection
13	Patrick A. Nurse	Tubmanburg Youth Chair
14	Konah Gray	Harmon Hill Community Chairman
15	Amos M Karmo	Ministry of Internal Affairs
16	Joyah Kamara	Ministry of Internal Affairs
17	Davidson Morgan	Ministry of Health
18	Sumo M. Jallah	Governor Council- Kakata
19	P. Mohammed Sheriff	Liberia Broadcasting System-Bomi
20	Alfred S. Kamara	Joseph Town Community
21	George M. Tokpah	Gbalasuah Town Representative

Grand Bassa County

No	Name	Institution
1	Jerry Vonziah	Boique Town Chief
2	Junior Dennis	Palmbay Junction, Representative
3	Saturdaymar Vonziah	Boique Town Youth Leader
4	Eddie Johnson	Compound #1 School System
5	Timothy Nathan	Johnny Town Chief
6	Shadrach B Konoe	Lloydville Town Representative
7	Sampson N. Cooper Jr.	Jacob Kroe Town Chief

Montserrado County

No	Name	Institution
1	Willian Montgomery	House of Representative
2	J Kennedy Kolubah	INCHR
3	Samuel C. Quahyou	Grand Bassa University Student Union Chairman
4	Hawa P. Fahnbulleh	Accounting Student Association- SMPU
5	Marcus W. Kpan Sr	Logan Town Representative
6	Aloycious N. Dalieh	City Hall Community Leader
7	Isaac S. Whuling	Paynesville/ WASCAL
8	Peter Y. Marshall	Monrovia Consolidated School System
9	Aaron N Morris	Liberia Marketing Association
10	Nelson B. Wahblo	University of Liberia
11	Patience M. Jones	FrontPage Africa
12	Varflay Kamara	ELBC
13	Prince Saah	The News Newspaper
14	Henry Sambola	Liberia Electricity Corporation
15	Jerry Singbah	Wein-Town Chairman
16	Abraham Payne	Chairman-Soinewein Community
17	Varney L Conneh	TRANSCO CLSG
18	Johnson F. Gbarnyamarh	Truth FM
19	Fomba M. Kanneh	Chairman- Matadi Estate Community
20	Agea B. Cooper	Chairman- Wein town Community
21	Chancy B. Garway	Chancy Photo Production
22	Steven V.Potter, Sr	Rural and Renewable Energy Agency
23	Abraham Alex Newland	Monrovia City Corporation
24	Nelson Kolley	Spoon Network
25	Denyu C. Zangar	UL-Electrical Department
26	Emmanuel Thomas	DTV Online
27	H. Tony Wilson	Perry Street Community
28	Mark Collins	Bassa Community
29	Monyon K Flomo	Ministry of Mines and Energy
30	Boimah J Passewe	Federation of Liberian Youth
31	Fedell N Thomas Jr	CENPID
32	Amos K. Veselle	Chairman- LBS Community
33	George T Powoe	SPARK TV
34	Prince S. Bundo	University of Liberia Student Union
35	Vicardiocus She	Evidence TV
36	Tennyson Tamba	LIBMECO
37	Fatumata B Ngombiw	Rosetta Steps Education
38	T. Bannie Browne	Consumer Action Network
39	Johnnie Gbayflor	Integrity Watch

40	Sumo G. Seward	Chairman LBS Community
41	Pendarous Allison	Human Right Commission
42	Lily Olive Saab	LEAP Network

Grand Cape Mount County

No	Name	Institution
1	Thomas F. Fabai	Robertsports Community Council
2	Mark Rogers	Sinje Community Representative
3	Lucia Willie	Gross Field Community Leader
4	Jamel Dadzie	Robertsports Youth Leader
5	Massa Kamara	Robersports Youth Chairlady
6	Sieh Kamara	Robertsports Women Chairlady
7	Theresa Johnson	Chairlady, Fanti Town, Woman
8	Princess Smallwood	Spokesperson, Robertsports Women

Source: LERC's Calculation

12. Total Operating Expenses (OPEX)

LEC's total OPEX includes all the costs it incurs in its various activity areas. It consists of:

(i) direct operational expenses comprising salaries and other employee benefits, operation (including PPA price and wheeling charges) and maintenance costs, and general administrative expenses (including interest on working capital);

(ii) depreciation on both operating assets and CAPEX financed by LEC; and

(iii) Permissible pass-through charges like the Regulatory Levy covering the LERC administrative costs.

The inflation-unadjusted OPEX submission of LEC is broken down by activity area and presented in Table 16 below.

Table 16: LEC OPEX in US$'000

OPEX	2025	2026	2027	2028
Generation	76,215	118,885	163,970	191,594
Transmission	7,081	7,081	7,081	7,081
Distribution & Retail	16,541	16,541	16,541	16,541
TOTAL OPEX	**99,838**	**142,508**	**187,592**	**215,217**

Source: LEC's Tariff Application

In approving LEC's operation cost, the Commission first determined the cost of the optimal generation mix that ensures the projected system demand is served, including losses, without any load shedding. The cost of that optimal generation mix is allowed in the determination of the tariffs. All other OPEX cost items were determined by the Commission to be reasonable. The Commission's approved OPEX differs from that of LEC only in the cost of generation.

Table 17 below shows the breakdown of the OPEX approved by the Commission.

Table 17: OPEX Approved by the Commission

OPEX	2025	2026	2027	2028
Generation	49,927	64,586	93,506	122,664
Transmission	7,081	7,230	7,317	7,471
Distribution	16,541	20,735	22,111	23,409
Total OPEX	**73,549**	**92,551**	**122,934**	**153,543**

Source: LERC's Calculation

13. Capital Expenditure (CAPEX)

LEC submitted a comprehensive Capital Expenditure (CAPEX) Plan for 2026–2028 as part of its tariff application, requesting approval for US$256.05 million in investments to modernize infrastructure, expand access, and enhance grid reliability. The plan is structured around five strategic thrusts:

1. **Grid Access Expansion**: Extending networks to unserved areas, targeting 30,000 new households and over 390,000 formalized connections.
2. **Loss Reduction and Customer Satisfaction**: Large-scale metering (NORMMET program) to cut commercial losses and improve service.
3. **Economic Growth**: High-capacity connections for 60 MVA industrial loads in key zones.
4. **Grid Reliability**: Upgrading substations and lines to integrate 95 MW+ new generation (e.g., Mt. Coffee and Schieffelin solar).
5. **Institutional Strengthening**: Investments in human capital, logistics, and digital systems.

Key projects and timelines are summarized below:

Table 18: CAPEX Timeline, Locations and Costs

Program Component	Project Name	Primary Location(s)	Implementation Period	Estimated Cost ($)
Expand Grid Access	Electrification of "Gap" Communities	Montserrado & Margibi Counties	Q1 2026 – Q4 2028	10,803,490
Expand Grid Access	Grid Extension to Bensonville City	Bensonville, Montserrado County	Q1 2026 – Q2 2026	912,137
Expand Grid Access	Grid Extension to Salala City	Salala, Bong County	Q1 2026 – Q4 2026	1,368,664
Loss Reduction & Customer Satisfaction	Normalization & Mass Metering (NORMMET)	Nationwide	Q1 2026 – Q4 2028	43,053,997
Loss Reduction & Customer Satisfaction	Normal Grid Construction	Nationwide	Q1 2026 – Q4 2028	59,807,009
Large Customer Connection	Connection of Large Power & Industrial Users (Demand-Driven)	Nationwide	Q1 2026 – Q4 2028	9,239,460
Large Customer Connection	Grid Connection – Freeport Industrial Park	Freeport, Montserrado County	Q2 2026 – Q2 2027	2,045,243
Substation & Transmission Upgrades	Distribution & Transmission Upgrades	Monrovia Grid & Corridors	Q1 2026 – Q3 2028	84,376,924
Substation & Transmission Upgrades	Construction of New Substations	Monrovia Industrial Park, Fendell, Po River	Q1 2027 – Q4 2028	21,988,476
Substation & Transmission Upgrades	Grid Connection of Scatec 23MWp Solar Plant	Scheffelin, Margibi County	Q2 2026 – Q4 2026	5,250,000
Substation & Transmission Upgrades	Rehabilitation and Densification of Distribution Network	Urban, Suburban, and Rural Areas	Q1 2026 – Q4 2027	14,775,000
Institutional Strengthening	Capacity Building	LEC Facilities	Q1 2026 – Q2 2026	1,900,000
Institutional Strengthening	Logistics & Resources	LEC Operations	Q2 2027 – Q2 2028	305,000
Institutional Strengthening	Software & Digital Systems	LEC Operations	Q2 2026 – Q2 2028	225,900
Total				256,051,300

The Commission finds the CAPEX plan prudent and necessary, given the baseline network deficiencies (2,901 km total length, 41 percent aggregate technical and commercial losses in 2025) and supply constraints (126 MW installed vs. 82.5 MW available). It supports customer growth from 312,622 metered connections (33% access) in 2024.

14. Long-term Debts

The LEC reported two long-term debts from the European Investment Bank (EIB) and the African Development Bank (AfDB) as can be seen in Table 3.0 below. The principal and interest payments on these debts are shown below.

Table 19: LEC's Debt

Exogenous Debt	**2025**	**2026**	**2027**	**2028**
European Investment Bank (EIB Loan)	**0**	**0**	**0**	**0**
Additions	0	0	0	0
Capital service	3,345	3,405	3,166	3,254
Interest service	566	450	373	383
Total EIB Payment	**3,912**	**3,855**	**3,539**	**3,637**
African Development Bank (CLSG-RE & LEEAP AfDB Loan)	**0**	**0**	**0**	**0**
Additions	8,643	20,772	212	200
Capital service	147	74	2,211	3,372
Interest service	215	248	459	686
Total AFDB Payment	**9,005**	**21,094**	**2,882**	**4,259**
Grand Total Payment	**12,917**	**24,949**	**6,421**	**7,895**

Source: LEC's Tariff Application

15. Cash Flow & Liquidity

This section should include the financial ratios resulting from the Commissions decisions. Table 20 shows the cash flow position of LEC over the tariff period. There is negative cash flow for the three years of the tariff period driven by the huge capital expenditures planned of US$256 million, without which cash flow would be positive. The CAPEX investments will produce assets that would increase the asset base of LEC and increase revenue generation.

Table 20: Cash Flow Position of LEC in US$'000

Cash Flow	2025	2026	2027	2028
Revenue		117,902	155,647	185,983
Subsidies		0	0	0
Operating expenses (O&M)		98,948	130,199	163,162
EBITDA		18,954	25,448	22,821
Accounting Depreciations & Amortizations		888	947	1,004
Earnings before interest and taxes (EBIT)		18,066	24,501	21,817
EBIT x (1-t)		18,066	24,501	21,817
Accounting Depreciations & Amortizations		888	947	1,004
Capital Expenditures		88,450	83,025	82,508
Working capital variation		1,091	-1,408	-2,099
Free Cash Flow		-70,587	-56,170	-57,587
Initial Regulatory Asset Base	14,891			
Final Regulatory Asset Base				212,593
Free Cash Flow + Regulatory Asset Base	-14,891	-70,587	-56,170	155,006
Free Cash Flow + Regulatory Asset Base [Present Value]	-14,891	-66,984	-50,580	132,455

Source: LERC Tariff Model

Part Three: Final Electricity Tariffs

16. Tariff Objectives

In approving tariffs, the Commission has been guided by the following objectives:

(i) simplicity, easily understood by customers;

(ii) recognized socio-economic disparities and vulnerabilities;

(iii) suitability for business operations; and

(iv) transparency, create incentives for customers to pay their bills.

16.1 Tariff Structure

The LEC, in its submission, proposed a tariff structure as shown in Table 5.1 below.

Table 21: LEC Proposed Tariff Structure

Customer Category[2]	Current Charges		LEC Proposed Charges		% Change in Variable Charge
	Fixed Charge (US$/Month)	Variable Charge (US$/kWh)	Fixed Charge (US$/Month)	Variable Charge (US$/kWh)	
Social Tariff	0	0.15	0.00	0.13	-13.3%
Residential Prepaid	2.48	0.24	2.48	0.24	0.0%
Residential Postpaid	4.47	0.24	4.47	0.24	0.0%
Non-Residential Prepaid	10.00	0.22	10.00	0.24	9.1%
Non-Residential Postpaid	12.00	0.22	12.00	0.24	9.1%
Medium Voltage	50.00	0.19	50.00	0.20	5.3%
Connection Charge (US $)	**Current Charges**		**LEC Proposed Charges**		**% Change**
Single Phase Meter	22.00		82.00		272.7%
Three Phase Meter	350.00		401.00		14.6%

[2] Variable rate means the charge for energy; Residential prepaid or post-paid means a non-commercial customer; Fixed Charge means the charge for capacity or for recovery of fixed assets cost; Commercial means non-residential customer; and Medium Voltage means a customer who is supplied at 22kV or 33kV

16.2 Types of Rate Design

The Commission reviewed the proposed tariff rate structure submitted by LEC and made the following decisions regarding the tariff rate structure as contained in the gazette:

i. **Fixed Charges**: The Commission approved monthly fixed charges to be paid by all categories of customers except Social Tariff customers to recover portion of LEC's network costs. The fixed charges approved by the Commission are as stated below:
   a. Residential Prepaid customers shall pay US$2.00 monthly;
   b. Residential Postpaid customers shall pay US$3.79 monthly;
   c. Non-residential Prepaid customers shall pay US$8.48 monthly;
   d. Non-residential Postpaid customers shall pay US$10.17 monthly; and
   e. Medium Voltage Customers shall pay US$42.40 monthly.

ii. **Variable Charges**: The Commission also approved variable charges for each customer category, which shall be the rate payable for each kilowatts-hour of energy consumed by customers: They are:
   a. A Social Tariff of US$0.1300/kWh for customers consuming up to 25kWh of energy each month. This represents a 13.3% reduction from the current price of Fifteen (15) US cents per Kilowatt-hour.
   b. **Prepaid Residential customers** are set at twenty-two (22) US cents per Kilowatt-hour. This tariff represents an 8.3% reduction from the current price of twenty-four (24) US cents per Kilowatt-hour.
   c. **Postpaid Residential customers** are set at US 22 cents per Kilowatt-hour. This tariff represents an 8.3% percent reduction from the current price of 24 US cents per Kilowatt-hour.
   d. **Prepaid Non-residential customers** are set at US 22 cents per Kilowatt-hour and represent no change in the current tariff.
   e. **Postpaid Commercial customers** are set at US 22 cents per Kilowatt-hour and represent no change in the current tariff.
   f. **Medium Voltage customers**: is set at US 20 cents per Kilowatt-hour. This tariff category consists of customers who are supplied at the 22kV and 33kV voltage levels. The new tariff represents a 5.3% increment from the current price of 19 US cents per Kilowatt-hour.

iii. **Connection Fees**: The Commission has approved the below fees payable by new customers

seeking connection to LEC's network to recover a portion of the connection costs.

a. **Single Phase Connection**: is set as US$70 per connection to recover a portion of the cost of connection. The new single phase connection charge represents 218% increment from the current rate of US$22 per connection. Customers shall not pay connection fee in locations where there is evidence that expansion of the grid including the full cost of connection are grant-financed by donors, the Government of Liberia, or a third party.

b. **Three Phase Connection**: is set at US$340 per connection to recover a portion of the cost of connection. Customers shall not pay connection fee in locations where there is evidence that expansion of the grid including the full cost of connection are grant-financed by donors, the Government of Liberia, or a third party. The new three-phase connection fee is 0.5% reduction from the current fee of US$350 per connection.

iv. **Regulatory Levy**: In approving LEC's annual revenue requirement, the Commission included 3.5% of the annual revenue requirement as a pass through to the End-User-Tariffs as a regulatory levy to cover a portion of the Commission's budget in accordance with Section 13.4 of the 2015 Electricity Law of Liberia. Payments shall be made to the Commission in accordance with the procedure prescribed in the Electricity Licensing Regulations.

16.3 Tariff Approval and Publication

The Commission approved and published the below rates and charges payable by customers within the LEC's network effective January 1, 2026. The tariffs may be adjusted by the Commission in accordance with the minor tariff review principles of the Commission's MYTM.

Table 22: LEC's End-User Tariffs Approved by LERC

TARIFF CATEGORY	END-USER TARIFF
SOCIAL	
Tariff	US$0.1300/kWh
Fixed Charge	N/A*
RESIDENTIAL	
PREPAID	
Fixed Charge	US$2.00/Month
Energy Charge	US$0.2200/kWh
POSTPAID	
Fixed Charge	US$3.79/Month
Energy Charge	US$0.2200/kWh
NON-RESIDENTIAL	
PREPAID	US$8.48/Month
Fixed Charge	US$0.2200/kWh
Energy Charge	
POSTPAID	US$12.0000/Month
Fixed Charge	US$0.2200/kWh
Energy Charge	
MEDIUM VOLTAGE	
Fixed Charge	US$42.40/Month
Energy Charge	US$0.2000/kWh

Source: LERC's BoC Tariff Decision

A comparative analysis of the tariff proposed by LEC versus the tariff approved by the Commission is shown in the table below:

Table 23: LEC's Proposed Tariff Versus LERC Approved Tariff

Customer Category	Current Charges		Approved Charges		% Change Fixed Charge	% Change in Variable Charge
	Fixed Charge (US$/Month)	Variable Charge (US$/kWh)	Fixed Charge (US$/Month)	Variable Charge (US$/kWh)		
Social Tariff	0	0.15	0.00	0.13	0	-13.3%
Residential Prepaid	2.48	0.24	2.00	0.22	-19.4%	-8.3%
Residential Postpaid	4.47	0.24	3.79	0.22	-15.2%	-8.3%
Non-Residential Prepaid	10.00	0.22	8.48	0.22	-15.2%	0.0%
Non-Residential Postpaid	12.00	0.22	10.17	0.22	-15.3%	0.0%
Medium Voltage	50.00	0.19	42.40	0.20	-15.2%	5.3%
Connection Charge (US $)	**Current Charges**		**Proposed Charges**		**% Change**	
Single Phase Meter	22.00		70.00		218.2%	
Three Phase Meter	350.00		340.00		-2.9%	

17. Conclusions

In conclusion, the Commission has fulfilled its mandate in a transparent and inclusive manner, in full compliance with the legal provisions of the 2015 Electricity Law of Liberia (ELL) and associated regulations governing electricity tariffs in Liberia. Throughout the process, the Commission engaged all key stakeholders, particularly the LEC, through several technical discussions—and the public via public hearings as required by law.

The gazetted tariffs shall be in effect from January 1, 2026, to December 31, 2028. Periodic adjustments and reviews may occur as necessitated by socio-economic conditions or upon request from the LEC in the event of material changes in their operations that could have a significant financial impact.