



**Report of the Commission on the Decision of the  
Energency (Starlight) Inc.  
Application for Tariff Review 2025**

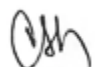
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**Abbreviations**

2015 ELL	2015 Electricity Law of Liberia
APR	Administrative Procedure Regulations
BoC	Board of Commissioners
ETR	Electricity Tariff Regulations
EUTs	End- User Tariffs
LERC	Liberia Electricity Regulatory Commission
MULR	Micro- Utility Licensing Regulations
MYTM	Multi Year Tariff Methodology
OPEX	Operational Costs
RAB	Regulated Asset Base
RR	Revenue Requirement
USD	United States Dollars
WACC	Weighted Average Cost of Capital

**Acronyms**

kWh	Kilowatt-hour
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## Foreword

On June 11, 2025, the Liberia Electricity Regulatory Commission (LERC), in fulfilment of its statutory mandate to set and approve tariffs under the 2015 Electricity Law of Liberia (2015 ELL), made and published a decision on the Tariff Application of Energicity Inc. submitted on March 27, 2025.

The Commission issued this report to satisfy the requirements of Section 13.7(1) (I) 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.

The report discusses the processes and provides justification for the approved tariff that becomes effective on June 16, 2025, and is issued for the benefit of Energicity Inc., the Government of Liberia, consumers, the public and businesses.

The Commission acknowledges the contribution of the technical teams of Energicity and LERC to the success of the tariff review exercise.

With the fulfilment of this milestone, the monitoring of the commercial and technical performance of Energicity, including the acceleration of the extension program, quality of supply and customer service are now our uppermost priorities.



**Hon. Claude J. Katta**  
**CHAIRMAN**  
**BOARD OF COMMISSIONERS**  
**June 11, 2025**

## 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, regulate the electricity supply industry. A fundamental function of the Commission is to set tariffs that allow operators in the industry to stay financially viable while still providing quality, affordable, and accessible service to customers at a prudent cost. This report presents the tariff-setting exercise and outcome for the Energicity Inc. (Starlight) for the tariff period of 2025- 2028.

On June 11, 2025, the Commission rendered its decision on the application for tariff review of Energicity dated March 27, 2025, relating to its licensed operations. This report is issued in accordance with section 53 (1&2) of the Micro-Utility Licensing Regulation (MULR) which, among others, mandates the Commission to approve tariffs of large and medium micro utility licensees based on their business plans and the Principles in the Tariff Regulations (TR).

On November 13, 2024, ENERGICITY submitted its initial tariff application proposal to the Commission. Several technical meetings preceded the application, and, in those meetings, it was highlighted by the Commission that parameters such as inflation, theoretical generation potential, customers consumption and corporate tax should be adjusted. Therefore, the initial submission was withdrawn, and resubmission was done on March 27, 2025.

The technical teams of Energicity and the Commission held a series of engagements to ensure the completeness of the application. Thereafter, the Commission published the abridged version of Energicity's complete application for stakeholders' comments. The first Public Hearing on Energicity's application was held on April 23, 2025, at the Gbarma Town Hall in Gbarma Town, Gbarpolu County. On April 25, 2025, two separate Public Hearings were held in Bopolu City and Henry's Town, Gbarpolu County, respectively. At these hearings, stakeholders' comments on the abridged application were obtained. The Commission took these comments into consideration in arriving at the decision announced on June 11, 2025, which was published in the national gazette and on its website.

The tariff approval process was consistent with the relevant provisions of the 2015 ELL, the ETR, the Multi- Year Tariff Methodology (MYTM) and the MULR. The process for arriving at the end-user tariffs (EUTs) involved the determination of the following:

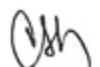
- (i). Energicity's Revenue Requirement;
- (ii). Efficient costs of the utility; and
- (iv). A single tariff structure for all customers.

The EUT generated from these exercises is shown in the table below:

**Table 1.1 End-User Tariffs**

<b>Customers'Class</b>	<b>Connection Fee</b>	<b>Fixed Charge (Monthly)</b>	<b>Energy Chaeye</b>
Commercial	\$12.00	\$1.50	\$ 0.45kWh
All other	\$12.00	\$1.00	\$ 0.45kWh

**Source: BoC**





## 1.0 Introduction

The Liberia Electricity Regulatory Commission (LERC) is established by the 2015 Electricity Law of Liberia (2015 ELL) to, amongst other things, regulate the electricity supply industry. A vital function of the Commission is to set tariffs that allow operators in the industry to stay financially viable while still providing quality, affordable and accessible services to customers at prudent cost. This report presents the tariff-setting exercise and outcome for the Energicity (Starpower) Inc for the tariff period of 2025-2028.

ENERGICITY is a Composite Large Micro-utility licensed in 2024 by the Liberia Electricity Regulatory Commission (LERC), to generate electricity using solar photovoltaic and diesel gensets to distribute power within 10 towns in Gbarpolu County, namely; Borpolu, Totoquolle, Henry Town, Farwanta, Gbarma, Zuo, Yagaryah, Takpoima, Smith Camp and Weasua.

On November 13, 2024, ENERGICITY submitted its initial tariff application proposal to the Commission. Several technical meetings preceded the application, and in those meetings, it was highlighted by the Commission that parameters such as inflation, theoretical generation potential, customers consumption and corporate tax should be adjusted. Therefore, the initial submission was withdrawn, and resubmission was done on March 27, 2025.

On June 11, 2025, the Commission rendered its decision on the application for tariff review of Energicity Inc., for the tariff period beginning June 16, 2025, and ending on June 15, 2028. This report is issued in accordance with section 53 (1&2) of the Micro-Utility Licensing Regulation (MULR) which, among others, mandates the Commission to approve tariffs of large and medium micro utility licensees based on their business plans and the principles in the Tariff Regulations (TR) and that the tariff structure of large and medium micro utilities shall also be approved by the Commission.

The tariff approval process was consistent with the relevant provisions of the 2015 ELL, the ETR, the MYTR and the MULR.

The process for arriving at the end-user tariffs involved the determination of the following:

- (i). Revenue Requirement for the efficient operations of Energicity Inc.
- (ii). Customers' Demand/Consumption in kWh
- (iii). Single Tariff structure for all customers

The report is structured into two essential parts. The first session presents all the important data/information contained in Energicity tariff application; while the second segment signifies the Commission's efficient cost analysis that resulted into the approved tariff.

## **2.0 Background**

The Liberia Electricity Regulatory Commission (LERC) was established by the 2015 Electricity Law of Liberia (2015 ELL) to regulate the electricity supply industry. A key component of the Commission regulatory oversight is to determine cost-reflective electricity prices for operators in the industry.

Under section 8.1(1) of the 2015 ELL, the specific objectives of the Commission with regards to setting or approval of tariffs are:

- (i). must enable an efficient licensee to recover the full cost of its licensed activities, including a reasonable margin or return;
- (ii). must provide for or prescribe incentives for continued improvement of the technical and economic efficiency with which services are to be provided;
- (iii). must give end users proper information regarding the costs that their use imposes on the licensee's business; and
- (iv). must avoid undue discrimination
- (v). may permit the subsidization of tariff to certain classes of customers

Further, according to section 8.1(2) and 8.1(3) of 2015 ELL, a licensee shall not charge any other tariff than that determined by the Commission unless the Commission approves a deviation from the approved tariffs in prescribed circumstances.

In addition to the requirements of the 2015 ELL, the Commission's tariff determinations are further made in accordance with the ETR and MYTM issued by the Commission.

## **2.1 Regulated Entity**

Section 5.1 and 5.3 of the 2015 ELL require that no person without a license or registration issued by LERC shall engage into any regulated activity in Liberia and that all applications for license or any other authorization shall be approved by LERC. In compliance with these provisions of the 2015 ELL, Energicity Inc., a privately-owned entity was authorised by the Commission to generate electricity using solar photovoltaic and diesel gensets to distribute power within 10 towns in Gbarpolu County. The company was licensed by the Commission as a Large Micro Utility Distribution Licensee on July 17, 2024, with license duration of 25 years.

## **2.2 The Tariff Determination Process**

In the exercise of its regulatory function, the Commission requested a tariff application from Energicity by forwarding the mini-grid tariff tool and provided enough details regarding the data and information required by the Commission. This enabled LERC to undertake its analysis to ensure that the approved tariffs meet the requirements of the Law as well as the ETR and the MYTM.

On November 13, 2024, ENERGICITY submitted its initial tariff application to the Commission. Several technical meetings preceded the application, and in those meetings, it was highlighted by the Commission that parameters such as inflation, theoretical generation potential, customers consumption and corporate tax should be adjusted. Therefore, the initial submission was withdrawn, and resubmission was done on March 27, 2025. Afterward, the Commission notified Energicity of complete application on April 10, 2025, and proceeded with the tariff review in accordance with the ETR and the 2015 ELL. The Commission also published the abridged version of Energicity's application for stakeholders' comments.

Following the completeness of Energicity's application, the Commission carried out three public hearings on the application proposal. The first hearing was held on April 23, 2025, in Gbarma Town and the additional hearings were done on April 24, 2025, in Bopolu City and Henry's Town respectively.

### **2.2.1 Public Hearing**

The Commission held the first public hearing on Energicity's tariff application on April 23, 2025, at the Gbarma Town Hall in Gbarma Town, Gbarpolu County with the total of 84 individuals in attendance. On April 25, 2025, two separate Public Hearings were held in Bopolu City and Henry Town Gbarpolu County, respectively. At the Bopolu City Public Hearing, 141 individuals were in attendance while 85 persons attended the Henry's Town Public Hearing. During these hearings, twenty-four written submissions were received from stakeholders including representatives from the civil society organizations, businesses and the public.

These hearings were held in accordance with the procedures defined in the 2015 ELL, the ETR, and the Commission's Administrative Procedure Regulation (APR). Stakeholders were invited in writing while the public was informed about the hearing via radio, flyers, mobile publicity and social media.

At the hearings, Kumba Kasse-Gborie- Energicity's Operations Manager presented and was assisted by Richard Arthur, Energicity's Construction Manager in responding to questions and concerns raised by participants. The Commission also took due notice of the comments and concerns raised by the participants.

### **2.2.2 Effectiveness and Duration of Tariffs**

The 2015 ELL stipulates in section 8.2 (6) that the regulator shall review tariff methodologies no less than every five years and approve tariffs for a period of no less than two years. In furtherance of the provision of the 2015 ELL, Section 3.4 of the MYTM sets the duration of tariff approved by the Commission for 3 years. The effective date of the approved tariff shall be the reference point for its duration, and it shall be the date it is approved by the Board of Commissioners of LERC.

## 3.0 Tariff Determination Analysis: 2025-2028

### 3.1 General Principles

Section 3.3 of the 2015 ELL mandates the Commission to, among other functions, regulate tariffs. Regulating tariffs involves the determination of revenue requirements and approving the tariffs for operators in the electricity supply industry. Further, since Energicity is a Composite Micro Utility Licensee, its tariff shall be regulated as one composite unit where the power supply cost and other operational costs are passed through to End User Tariffs (EUTs). The Commission's tariff setting methodology for a licensee is based on the principle of efficient revenue requirement (RR). Since Energicity does not have a historical data, the cost is benchmarked against similar utilities in the region.

### 3.2 Efficient Costs

In accordance with the ETR and the MYTM, LERC provided for the full recovery of all operational costs that are necessary and are prudently incurred by Energicity. In determining the revenue requirement, all operating costs were reviewed and analysed against prudence and efficiency in accordance with Section 8.2 (4) of the 2015 ELL.

### 3.3 Regulated Asset Base (RAB)

The RAB represents assets that are used and usable for the provision and supply of the electricity services in the 10 towns in Gbarpolu County. The process is that the value of all assets necessary for the provision of regulated services are included after deducting depreciation on the allowable assets. As for Energicity we allowed the total RAB excluding the grant funded assets.

*Part 1: Presents the Essential Data/Information Contained in Energicity Tariff Application.*

### 3.4 Energicity Capital Structure

The table 3.1 below represents Energicity's capital structure. It shows the percentage of the three different financing combinations and the amount each contributes to the capital structure. The debt has a repayment tenure of eight years with a nine percent interest rate.

**Table 3.1 Energicity's Capital Structure**

Financing	Amount	Cost (%)
Equity	855,639.37	27
Subsidy	1,250,795.80	40
Debt	1,050,334.89	33
<b>Total capital cost</b>	<b>3,156,770.06</b>	<b>100</b>

Source: Energicity Application

### 3.5 ENERGICITY Operations Sites

The table 3.2 below shows Energicity's 10 operations sites. It also depicts the customers' numbers apportioned within the three different customers Categories.

**Table 3.2 Energicity Operations Areas**

Customer Group	Totoquolle	Gbarma	Zuo	Yagaryha	Takporma	Bopolu	Henry Town	Smith Town	Weasua	Farwenta
Residential	120	163	120	120	124.8	1,624	182	144	192	141
Commercial	8	21	8	6	7	336	21	20	24	11
Public	4	6	5	4	5	66	7	6	7	5
<b>Total</b>	<b>132</b>	<b>191</b>	<b>133</b>	<b>130</b>	<b>136</b>	<b>2,026</b>	<b>210</b>	<b>170</b>	<b>223</b>	<b>157</b>

Source: Energicity Application

### 3.6 Revenue Requirement Determination

Revenue requirement (RR) refers to the total revenue that must be realized through annual revenue collections from end-user tariffs to cover the costs associated with the operations of the utility and earn a fair return on investment.

In approving the tariffs, the Commission first determined the annual revenue requirement for Energicity for its activities 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

$T_t$  = 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

$D_t$  = Taxes for current period

The Total Annual Revenue Requirement for Energicity was calculated based on the considerations below:

- Projected revenue from energy sale
- Efficient Opex derived by the Commission.
- Depreciation on all none subsidized assets used in the provision of services.
- Debt repayment
- Equity Repayment

Table 3.3 shows the summary of the RR submitted by Energicity for the tariff period. The Energicity application for a RR is set out in table 3.3 below and consist of the projected energy revenue, Opex, depreciation, debt repayment and equity repayment.

**Table 3.3 Energency Revenue Requirement Submission**

Indicator	2025	2026	2027	2028	2029
<b>Revenue</b>	<b>468,347</b>	<b>562,773</b>	<b>568,563</b>	<b>587,252</b>	<b>621,205</b>
Opex	219,280	308,663	314,453	333,143	367,095
Depreciation	39,926	45,335	50,915	57,181	64,219
Equity Repayment	(7,772)	6,521	17,074	27,798	38,715
Debt Repayment	228,973	216,763	204,553	192,343	180,132
<b>Profit</b>	<b>(12,061)</b>	<b>(14,509)</b>	<b>(18,433)</b>	<b>(23,212)</b>	<b>(28,956)</b>

Source: Energency's Application

### 3.7 Total Operating Expenses (OPEX)

Energency submitted its operating costs structured into two components, namely; fixed operating costs and variable operating costs. Both costs are summed up to determine the total operating costs submitted for the tariff period. The fixed operating costs consist of administrative staff cost, facilities & occupancy expense, truck cost, legal fees, license fees, management fees, software license expense and miscellaneous. The variable cost component has the following: diesel cost, transaction costs, distributor fees, direct labour and transportation, data & misc. as shown in the tables below.

**Table 3.4 Fixed Operating Cost**

Fixed Operating Expenses	2025	2026	2027	2028	2029
Admin staff	82,375	85,571	88,891	92,340	95,923
Facilities & occupancy Expense	5,000	5,194	5,396	5,605	5,822
Truck	15,000	15,582	16,187	16,815	17,467
Legal	10,000	10,388	10,791	11,210	11,645
License costs	750	779	809	841	873
Management Fees	10,000	10,388	10,791	11,210	11,645
Software License	9,963	10,349	10,751	11,168	11,601
Miscellaneous	10,000	10,388	10,791	11,210	11,645
<b>Total</b>	<b>143,088</b>	<b>148,640</b>	<b>154,407</b>	<b>160,398</b>	<b>166,621</b>

Source: Energency Application

**Table 3.5 Variable Operating Cost**

Name of account	Yearly cost increase per unit (%)	Unit Measurement	Y1	Y2	Y3	Y4	Y5	@Y1	Y1	Y2	Y3	Y4	Y5
Diesel	0.05	l	21,339	62,158	63,327	63,327	73,400	1.2	25,607	78,320	83,781	87,970	107,062
Transaction costs	0	kWh	794,840	898,319	1,014,714	1,094,264	1,179,275	-	-	-	-	-	-
Distributor fees	0	\$	284,613	792,908	632,556	730,705	821,645	0.05	14,231	41,184	34,130	40,955	47,839
Direct Labour	0.02	staff	6	7	7	7	7	2,609	15,655	18,973	19,709	20,474	21,268
Transportation, data & misc.	0.02	unit	10	10	10	10	10	2,070	20,700	21,503	22,337	23,204	24,104

Source: Energency Application

**Table 3.6 Total Operating Cost**

Financial year	2025	2026	2027	2028	2029
TOTAL Operational Costs	219,280	308,619	314,364	333,001	366,895

Source: Energicity Application

### 3.8 Regulatory Asset Base (RAB)

The value of the RAB submitted by the utility is shown in table 3.7 below at US\$ 3.2million. This amount represents equity contribution, debt and grant funded assets that are used or usable in the provision of regulated electricity services.

**Table 3.7 Regulated Asset Base (US\$)**

Activity Area	Equity Contribution	Debt	Grant Funded
Distribution	855,639	1,050,335	1,250,796

Source: Energicity Application

### Proposed Customer Demand/Consumption

Table 3.8 below shows Energicity's proposed customer demand/consumption in kWh. Its illustrations the demand/consumption pattern of the three different customer groups during the tariff period.

**Table 3.8 Customer Demand/Consumption - (in kWh)**

Customer group	2025	2026	2027	2028
Residential	362,915.69	404,243.58	456,621.13	492,418.87
Commercial	415,122.76	467,125.91	527,651.08	569,017.36
Public	16,801.50	26,949.57	30,441.41	32,827.92
<b>Total Demand</b>	<b>794,839.95</b>	<b>898,319.07</b>	<b>1,014,713.62</b>	<b>1,094,264.16</b>

Source: Energicity Application

### Proposed Customer Numbers

The utility proposed customer numbers are shown in table 3.9 below. Energicity proposes that there would be massive customers enrolment in the first year and followed by minimum connections in the following years.

**Table 3.9 Proposed Customer Numbers**

Customer Class	Year 1	Year 2	Year 3	Year 4	Year 5
Residential	2,931	3,019	3,107	3,195	3,283
Commercial	462	476	490	504	517
Public	115	115	115	115	115
<b>Total</b>	<b>3,508</b>	<b>3,610</b>	<b>3,712</b>	<b>3,813</b>	<b>3,915</b>

Source: Energicity Application

***Part II Represents the Commission's Efficient Cost Analysis That Resulted into the Approved Tariff.***

#### **4.0 Efficient Cost**

In accordance with the ETR and the MYTM, LERC should provide for the full recovery of all operational costs that are necessary and are prudently incurred by Energicity. In determining the revenue requirement, all operating costs were reviewed and analysed against prudence and efficiency in accordance with Section 8.2 (4) of the 2015 ELL.

#### **4.1 Efficient Opex Analysis**

In undertaking the efficient Opex analysis, the Commission reviewed each item in the build-up of the Opex and benchmarked these costs with similar utilities within the Region to get the optimal cost of operating the utility.

#### **4.2 Truck**

After reviewing the allocated costs of US\$.15,000.00 per year in Energicity's tariff application to purchase several trucks during the tariff regime, the Commission omitted the costs for the third truck and approved the others.

#### **4.3 Diesel**

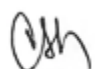
The utility submitted figures for the purchasing of diesel in the tariff application and placed it in the variable Opex with five percent increment to the allocated amount. Firstly, the Commission relocated the diesel expense to the fixed Opex and approved US\$21,339.00, US\$.55,000.00 and US\$.60,000.00 as diesel costs during the tariff period.

#### **4.4 Legal**

Energicity submitted a contract for legal services in the tariff application. In the approval process, the Commission approved the US\$10,000.00 for each year as stated in the contract but omitted the inflationary increments.

#### **4.5 Miscellaneous**

The Commission approved 2.5% of the annual Opex instead of the proposed 5% submitted by Energicity. The approved figures are US\$ 5,482.00, US\$ 7,715.00 and US\$ 7,859.00 respectively.





#### **4.6 Regulatory Levy**

The Commission included Regulatory Levy in the computation of the Opex, which is calculated as three percent of the annual revenue submitted in the tariff application.

All other costs in the fixed Opex category such as, administrative staff, facilities & occupancy expense, license costs, management fees and software license were approved as they were submitted by Energicity.

The Commission also reviewed the variable costs submitted by Energicity and made the following approvals.

#### **4.7 Distribution Fees**

The Commission reviewed the distribution fees which is a percentage of the historical revenue and approved 2.5% for the tariff period.

#### **4.8 Direct Labour**

Energicity submitted US\$.2,609.00 annually for direct labour cost per person in the tariff application. The Commission reviewed the figures submitted and approved US\$.2,200.00 annually per labourer during the tariff period.

#### **4.9 Transportation, Data & Miscellaneous**

Energicity allocated US\$.2,070.00 for each of the 10 employees for transportation, data & misc. The Commission reviewed the amount and approved US\$.1,800.00 each for the tariff regime.

Table 3.10 below shows the efficient Opex as determined by the Commission.

**Table 3.10 LERC's Efficient Opex Calculation**

<b>Name of Accounts</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>	<b>2028</b>	<b>2029</b>
Admin staff	82,375	84,434	86,545	88,709	90,927
Facilities & occupancy Expense	5,000	5,125	5,253	5,384	5,519
Truck	15,000	15,375	-	9,875	16,153
Legal	10,000	10,000	10,000	10,000	10,000
License costs	750	769	788	808	828
Management Fees	8,000	8,200	8,405	8,615	8,831
Software License	9,963	10,212	10,467	10,729	10,997
Miscellaneous	5,482	7,715	7,859	8,325	9,172
Diesel	21,339	55,000	60,000	65,000	70,000
Regulatory Levy	13,780	15,665	15,424	16,250	16,615
<b>Sub Total</b>	<b>171,689</b>	<b>212,496</b>	<b>204,741</b>	<b>223,696</b>	<b>239,042</b>
Distributor fees	7,115	20,596	17,071	20,489	23,938
Direct Labour	13,200	15,739	16,085	16,439	16,801
Transportation, data & misc.	18,000	18,450	18,911	19,384	19,869
<b>Sub Total</b>	<b>38,315</b>	<b>54,785</b>	<b>52,068</b>	<b>56,312</b>	<b>60,607</b>
<b>Grand Total</b>	<b>210,005</b>	<b>267,280</b>	<b>256,809</b>	<b>280,008</b>	<b>299,649</b>

Source: LERC Analysis

#### 4.10 Efficient Revenue Requirement (RR)

The RR is the total amount of revenue that a utility must collect from customers to cover all its cost of operations (Opex, taxes, and depreciation) and a return on investment. To arrive at the efficient RR, the Commission firstly computed the efficient Opex. we also computed the Return on Capital by imposing 10 percent of the RAB excluding grant funded assets during the tariff period. This justifies the Commission's straight-line depreciation method. This process can be adjusted over time as the utility deploys additional assets on the network. Table 3.11 below is the summary of the RR approved by the Commission.

**Table 3.11 Summary of Revenue Requirement (RR) approved by LERC**

Indicator	2025	2026	2027	2028	2029
Opex	210,005	267,280	256,809	280,008	299,649
Depreciation	39,926	45,335	50,915	57,181	64,219
Return on Invest	189,406	189,406	189,406	189,406	189,406
<b>Total Revenue Requirement</b>	<b>439,337</b>	<b>502,021</b>	<b>497,130</b>	<b>526,595</b>	<b>553,274</b>

Source: LERC Analysis

## 5.0 Financing Considerations

The financing considerations are intended to provide for the financing aspects of the operations of the utility in respect of infrastructure development and capital expenditure and return on investment.

### 5.1 Return on RAB

To arrive at Energicity's return on its Regulated Asset Base (RAB), the real Weighted Average Cost of Capital (WACC) was multiplied by the RAB. The real WACC was computed by consideration of the ratio of the nominal WACC and the economy-wide inflation rate.

$$\text{Real Weighted Average Cost of Capital}_t = \frac{\text{nominal WACC}_t}{\text{inflation}_t}$$

### 5.2 Corporate Income Tax

Pursuant to section 201 of the Liberia Revenue Code Amended 2020, Energicity shall pay Corporate Income Tax. However, all utilities under the Commission's regulations have not submitted any information about corporate income tax in their application.

### 5.3 Inflation

The utility submitted an inflation (US dollar's inflation) of 3.9 percent over the period of the tariff regime. Given that prices are denominated solely in US dollars, the Commission used the 5-Year Forward Inflation Expectation Rate (T5YIFR) series from the Federal Reserve--2.2 percent--rather than the 3.9 percent from the utility, as the baseline value for the tariff period. The T5YIFR series is a measure of expected inflation (on average) over the five-year period that begins five years from the time the series was last updated (May 12, 2025, for the most recent update). The series adequately captures forward inflation dynamics and is updated every three days. The forecast value of 2.2 percent is in line with the recent deceleration dynamics observed in consumer prices for the US. These dynamics can be verified by looking at other forecast measures from the Fed, and Personal Consumption Price Index figure for the month of March.

## 6.0 Final Electricity Tariffs

### 6.1 Tariff Objectives

In approving the 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.

**Table 5.1 Proposed Tariffs Structure**

Utility's Name	Connection Fee (for all customer groups)	Proposed Tariff (for all customer groups)
Energicity (Starlight)	\$. 12.00	\$ 0.57 per kWh

**Source: Energicity's Application**

For the Commission to ensure an effective and sustainable tariff regime, we had to structure the tariff. In that regard, several issues were identified towards achieving the objectives adduced above. The issues and the decision of the Commission are discussed below.

#### 6.2.1 Types of Rate Design

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

**Connection Fee:** The Commission approved a connection fee

**Fixed Charges:** The Commission approved fixed charges to be applied to all customers.

**Energy Charge:** The Commission approved a flat energy charge across all customers' groups.

The final price of electricity customers will face is therefore a two-part tariff structure comprising a fixed monthly charge (US\$/month) and a uniform energy charge (US¢/kWh). The tariff is computed by dividing the utility's revenue requirement in a year by its energy consumption in that year.

Table 5.2 below breaks down the final tariff into two parts—the energy charge and the fixed charge. The Commission has also approved the connection fee as seen below.

**Table 5.2 Final End-user's Tariff**

<b>Customers'Class</b>	<b>Connection Fee</b>	<b>Fixed Charge (Monthly)</b>	<b>Energy Chaeye</b>
Commercial	\$12.00	\$1.50	\$ 0.45kWh
All other	\$12.00	\$1.00	\$ 0.45kWh

**Source: The BoC**

### **6.3 Tariff Gazette**

The Commission approved the below rates and charges payable by customers within Energicity network effective June 11, 2025, with the following notes:

The tariffs may be adjusted by the Commission in accordance with the minor tariff review principles of the Commission's MYTM.

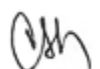
### **7.0 Conclusions**

The Commission has carried out its mandate in a transparent and in alignment with the laid down legal provision contained in the 2015 ELL and the associated regulations in respect of electricity tariffs in Liberia. In doing so, the Commission took time to engage all key stakeholders of Energicity, through several technical discussions, public consultation, and through public hearing engagement as required by law.

The gazetted tariffs shall be in effect covering the period June 16, 2025 – June 15, 2028. However, the Regulations provide for periodic adjustments and reviews as may be determined by socio-economic conditions, or by a request from Energicity in the event of material changes in their progressions which would have significant financial impact on their operations.

## Appendix 1: Tariff Review Schedule

Tariffs Review Schedule	
Activity	Delivery Date
Acknowledgement of complete application	April 10, 2025
Publication of Notice of Pendency	April 12, 2025
Publication of Abridged Application	April 12, 2025
Public Hearing on Enercity's Application	April 23 & 24, 2025
Presentation of Findings to BoC	June 6, 2025
BoC meets Enercity Management	June 9, 2025
BoC's decision on Enercity's Proposal	June 10, 2025
Submission of decision to Enercity for implementation	June 11, 2025
Publication in Official Gazette and in Newspapers	June 16, 2025
Tariffs Effective Date	June 16, 2025



**Appendix 2: Institutional Representatives that attended the Public Hearing in Gbarma, Gbarpolu County**

<b>No(s)</b>	<b>Name (S)</b>	<b>Institution</b>	<b>Phone #s</b>
t	Bruno Wenta	Ministry of Internal Affairs	0886973450
2	Mustapha S. Kabah	Clan Coordinator/MIA	0886457510
3	Samual Z. Lawrence	Youth -Chair/ZUO	0880695586
4	Satta Mambu	Chair lady/ZUO	0888788862
5	Junior S. Domah	Town Chief/ ZUO	0880392028
6	Varney Sirleaf	Clan Chief/Yangarya	0880547603
7	Boakai Sargee Watson	Legislative Rep.	0888871029
8	Robert Tamba	Ministry of Internal Affairs	0555986695
9	David Quaye	Ministry of Internal Affairs	0887711605
10	Henry Goloma	Media/ Bopolu	0880228292
11	Siafa G, Cole	Ministry of Education	0776318569
12	Joseph Fobah	RREA	0775203913
13	Henry Sambola	Liberia Electricity Corporaiton	0770554280
14	George Tawalab	Liberia Electricity Corporation	0777576112
15	Min. Charles Umehai	Dep. Min. MME	0777111000
16	Stephen Payma	RREA	0886585961



**Appendix 3: Institutional Representatives that attended the Public Hearing in Bopolu City.**

No(s)	Name (S)	Institution	Phone #s
1	Mustapha V. Massayuo	Medina Town	0778470720
2	Keddeh Tayler	Bopolu City Council	0886726512
3	Jackson David	Farwhenta Chief	0773673411
4	David L. Ledlow	Senator Konneh Office	0770155695
5	Sumo Ballah	Promise Land Chief	0888596338
6	Stephen Sarnor	Ministry of Internal Affairs	0775291339
7	Min. Charles Umehai	Dep. Min. MME	0777111000
8	George H. Tawalah	Liberia Electricity Corporation	0777826112
9	Lydai Zayzay	Bopolu Chairlady/MIA	0880656812
10	David Y. Gbessay	Totoquelleh Town Chief	0887164305
11	Ballah P. Zinnah	Bopolu City Council	0772339041
12	Prince Williams	Winner Chapter Ministries	0770781545
13	Joan S. Hinneh	James Varney Town	0555248919
14	G. Robert Harris	Bopolu Community Chairman	0778841220
15	Henery Sambola	Liberia Electricity Corporation	0770554280

**Appendix 4: Institutional Representatives that attended the Public Hearing in Henry's Town.**

<b>No(s)</b>	<b>Name (S)</b>	<b>Institution</b>	<b>Phone #s</b>
1	William D. Karmon	Ministry of Internal Affairs	0555002745
2	Larry Johnson	Business Association	0886279494
3	Ansu Mandingo Sherif	Civil Society Organization	0886550867
4	Allen Guamue	Miner	0880331423
5	Varney Johnson	MIA Clerk	0886705650
6	Mohammed B. Kanneh	HOR (COS)	0886542212
7	Benjamin G. Toe	HOR (AA)	0880254532
8	Hawa Kroma	Chairlady Henry's Town	0881360039
9	David K. Seville	Liberia National Police	0880900052
10	Hawa Kollie	Ministry of Health	0880043548