



**Determination on the LIBENERGY Tariff Application
Tariff Period: November 1, 2026 – October 31, 2029**

*Issued under Section 13.7(1)(k) and (l) of the 2015 Electricity Law of Liberia
Approved by the Board of Commissioners, July 6, 2026*

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Abbreviations

Term	Meaning
2015 ELL	2015 Electricity Law of Liberia
APR	Administrative Procedure Regulations
BoC	Board of Commissioners
CAPEX	Capital Expenditure
CIE	Côte d'Ivoire Electric Company
CLSG	Côte d'Ivoire–Liberia–Sierra Leone–Guinea Interconnector
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortization
ETR	Electricity Tariff Regulations
EUT	End-User Tariff
LEC	Liberia Electricity Corporation
LERC / the Commission	Liberia Electricity Regulatory Commission
MYTM	Multi-Year Tariff Methodology
O&M	Operations and Maintenance Costs
OPEX	Operating Expenses
PPA	Power Purchase Agreement
RAB	Regulated Asset Base
RR	Revenue Requirement
USD / US\$	United States Dollars
WACC	Weighted Average Cost of Capital
WAPP	West African Power Pool
WC	Working Capital

Foreword

On July 6, 2026, the Liberia Electricity Regulatory Commission approved new tariffs for LIBENERGY, exercising the authority granted to it under the 2015 Electricity Law of Liberia. This report sets out the basis for that decision, consistent with the Commission's obligation under Section 13.7(1)(l) of the Law to provide a complete explanation of its reasoning.

The report presents the revenue LIBENERGY requires to operate its network, the costs the Commission accepted and those it adjusted, the assets the company has financed and the debt it carries, and the tariff that follows from this analysis. Where the Commission's findings differ from LIBENERGY's application, the report explains the basis for that difference.

The approved tariffs take effect on November 1, 2026, and remain in force through October 31, 2029. The Commission acknowledges the contribution of LIBENERGY's technical team and its own staff to this review, and thanks the residents of Nimba, Grand Gedeh, River Gee, and Maryland Counties who participated in the public hearings that informed this decision.



Executive Summary

The Commission has approved a new tariff for LIBENERGY, the private distribution utility serving parts of Nimba County and the whole of Grand Gedeh, River Gee, and Maryland Counties. The tariff takes effect November 1, 2026, and remains in force for three years, through October 31, 2029.

This determination rests on four components: a verified revenue requirement, an efficient operating cost base, a properly financed asset base with a market-based cost of capital, and a consumption forecast that was independently checked rather than accepted as submitted. Each of these adjusted the figures in LIBENERGY's original application, in some cases materially. The chapters that follow set out each adjustment; the principal outcomes are summarized below:

- LIBENERGY's application, taken at face value, would have required a tariff increase to support a cost base the Commission found to be overstated and, in certain respects, incomplete. Correcting the cost base results in a lower tariff than LIBENERGY proposed.
- The previous tariff was a flat energy charge of US\$0.25 per kWh with no monthly fixed charge. The Commission approved a two-part tariff: a US\$1.50 monthly fixed charge and an energy charge of US\$0.22 per kWh. This structure gives LIBENERGY a more stable revenue base while modestly reducing the price of electricity per unit.
- This determination followed extensive technical engagement between LERC's tariffs team and LIBENERGY's technical team over several months, together with public hearings held across Nimba, Grand Gedeh, River Gee, and Maryland Counties, through which the Commission received and considered stakeholder input before reaching its decision.
- The Commission revised LIBENERGY's reported consumption upward by approximately one-fifth across the tariff period, having cross-checked it against LEC's consumption data for the same service area and found the original figures understated.
- The approved connection charge for a new single-phase customer remains the same as before but is now bifurcated into two channels—where US\$40 is strictly recovered under the nomenclature “Connection Charge”, and the remaining US\$70 recovered over time through the energy charge.

Table 1: Approved End-User Tariff, Effective November 1, 2026

Customer Class	Monthly Fixed Charge	Energy Charge
All customers	US\$1.50	US\$0.22/kWh

Source: LERC

The remainder of this report sets out the evidence underlying these figures: the efficiency review applied to LIBENERGY's costs, the construction of the regulated asset base and the return applied to it, the treatment of the company's outstanding loan, and the derivation of the tariff itself.

1. Introduction

The Liberia Electricity Regulatory Commission was established under the 2015 Electricity Law of Liberia (2015 ELL) to regulate Liberia's electricity supply industry. Among its principal functions is the setting of tariffs that allow licensed operators to remain financially viable while keeping electricity priced to reflect the efficient cost of service. This report covers the tariff period from November 1, 2026, to October 31, 2029, for LIBENERGY.

LIBENERGY is a private joint venture licensed by the Commission on December 11, 2023, to distribute electricity in parts of Nimba County and across Grand Gedeh, River Gee, and Maryland Counties, drawing power through the West African Power Pool's cross-border interconnection.

The Commission requested LIBENERGY's tariff application on January 5, 2026, and LIBENERGY submitted it on January 21, 2026. Commission and company staff subsequently conducted a detailed review of the submission over a ten-week period, requesting supporting documentation and reconciling figures that did not initially align. The Commission confirmed the application complete on April 1, 2026, published an abridged version for public comment, and held six public hearings across the license area between April 21 and 28, 2026.

The Board of Commissioners issued its decision on July 6, 2026, for the tariff period beginning November 1, 2026. This report addresses three questions central to that decision:

- What revenue does LIBENERGY require to recover its efficient cost of service, including a reasonable return on capital genuinely invested?
- What volume of electricity is LIBENERGY's network delivering once its reported consumption is verified against independent data?
- What tariff structure recovers that revenue while remaining straightforward for customers to understand?

2. Legal and Regulatory Framework

2.1 Specific Legal Provisions

Section 8.1(1) of the 2015 ELL sets out the objectives a Commission-approved tariff must meet. A tariff must allow an efficient licensee to recover the full cost of its licensed activities, including a reasonable return; it must provide incentives for continued improvement in technical and economic efficiency; it must give end users proper information regarding the costs their consumption imposes on the licensee; it must avoid undue discrimination between customers; and it may, where appropriate, permit subsidization of tariffs for certain customer classes. Sections 8.1(2) and 8.1(3) provide that a licensee may not charge any tariff other than that approved by the Commission, except where the Commission approves a specific deviation.

Sections 5.1 and 5.3 of the 2015 ELL require that no person engage in a regulated activity without a license issued by the Commission, and that all license applications be approved by the Commission. LIBENERGY holds a five-year license, granted December 11, 2023, to distribute electricity under the WAPP Cross-Border Scheme in River Gee, Grand Gedeh, Maryland, and parts of Nimba County.

2.2 Regulatory Philosophy

In addition to the 2015 ELL, the Commission's tariff determinations are made in accordance with its Electricity Tariff Regulations (ETR) and Multi-Year Tariff Methodology (MYTM). These instruments commit the Commission to the recovery of costs that are efficient and prudently incurred, and Section 8.2(4) of the 2015 ELL provides the Commission with the authority to review costs for prudence and efficiency accordingly.

2.3 Effectiveness and Duration of Approved Tariffs

Section 8.2(6) of the 2015 ELL requires the Commission to review its tariff methodology no less than every five years, and to approve tariffs for a period of no less than two years. Section 3.4 of the Commission's MYTM sets the standard tariff period at three years. The effective date of an approved tariff runs from the date of approval by the Board of Commissioners — July 6, 2026, in this instance, with the tariff itself taking effect November 1, 2026.

2.4 LIBENERGY Tariff Application Submission Timeline

In the spirit of good regulatory practice, the Commission requested a tariff application from LIBENERGY to commence the tariff-setting process on January 5, 2026. The request, comprising the Commission's tariff-setting model and a list of required information, was sent to LIBENERGY to populate and submit.

This submission was followed by extensive technical engagements between LERC's tariffs team and LIBENERGY management to ensure that all required documentation and information were provided, and that the application adhered to the ETR and the MYTM. On April 1, 2026, after three months of review and engagement, the Commission confirmed that the application was complete and published an abridged version of the application for public and stakeholder awareness

3. Tariff Determination Methodology

The Commission requested LIBENERGY's tariff application on January 5, 2026, together with the Commission's standard tariff-setting model and a list of required supporting information. LIBENERGY submitted its application on January 21, 2026. The two teams subsequently engaged over several weeks to ensure the submission was complete and that identified gaps in supporting data were resolved.

The Commission confirmed the application complete on April 1, 2026 and, consistent with its transparency obligations, published an abridged version of the application on its website and in local newspapers to allow customers and other stakeholders to review it in advance of the Commission's decision.

3.1 Public Hearings

The Commission's regulations require public hearings as part of the tariff-setting process, providing an opportunity for stakeholders to engage directly with the application and raise concerns the Commission's technical review may not otherwise capture. Between April 21 and 28, 2026, the Commission held six public hearings across the four counties LIBENERGY serves.

Table 3.1: Public Hearing Schedule

Date	Venue	County
April 21, 2026	Tappita City Hall	Nimba
April 22, 2026	Toe City Hall	Grand Gedeh
April 23, 2026	Zwedru City Hall	Grand Gedeh
April 25, 2026	Fish Town City Hall	River Gee
April 27, 2026	Pleebo City Hall	Maryland
April 28, 2026	Harper City Hall	Maryland

Source: LERC

A combined total of 547 individuals attended the six hearings, including local government officials, civil society organizations, students, LIBENERGY customers, and members of the public. Stakeholders submitted 75 written comments in addition to those raised in person. The most frequently raised concerns were power reliability, meter cost, tariff levels, the pace of grid expansion, customer service, and the safety of LIBENERGY's installations. The Commission took these concerns into account in reaching its decision.

Part Two: Tariff Determination Analysis

4. LIBENERGY's Asset Register

The initial distribution infrastructure in the LIBENERGY service area was financed by donors and subsequently turned over to the Liberia Electricity Corporation (LEC), before being leased to LIBENERGY under an Asset Lease Arrangement. The Commission notes that during the application process, no asset inventory or asset register was made available to the Commission documenting the handover of these assets from LEC to LIBENERGY.

Since donor and government-financed assets are, by philosophy, excluded from the asset register, the absence of assets with these financing sources are of no consequence to the current decision.

LIBENERGY submitted an asset register of US\$640,489.16, representing the utility's own-financed assets used or usable in the provision of regulated electricity services in its distribution area.

Table 4.1: LIBENERGY Submitted Regulatory Asset Base ('000 US\$)

Description	LIBENERGY Financing	GoL Financing	Donor Financing	Total
Distribution	\$640	–	–	\$640

Source: LIBENERGY Application

The Commission's own analysis, correcting for the accelerated depreciation schedules used by LIBENERGY (see Section 6), derived an accrued-depreciation book value of US\$311,903. In addition to the annual depreciation charge on this asset value, LIBENERGY is allowed a return on this asset value over the tariff period.

Table 4.2: LERC Approved Regulatory Asset Base ('000 US\$)

Description	LIBENERGY Financing	GoL Financing	Donor Financing	Total
Distribution	\$312	–	–	\$312

Source: LERC

5. Regulatory Asset Base (RAB)

The RAB represents assets that are used and useful for the provision and supply of electricity distribution services in LIBENERGY's licensed area. The value of assets included in the RAB reflects their cost after deducting accumulated depreciation.

LIBENERGY submitted a RAB of US\$640,489.16, representing the utility's own-financed assets used or usable in the provision of regulated electricity services in its distribution area. 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 LIBENERGY using an after-tax real Weighted Average Cost of Capital (WACC) calculated in the model.

In calculating rate of return, assets funded through grants or customer contributions were excluded because LIBENERGY 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 equation 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

5.1 Working Capital and the RAB Roll-Forward

The Regulated Asset Base includes working capital, in addition to fixed assets, since the financing of day-to-day operations is itself a capital cost for which the Commission provides compensation. Table 5.1 sets out the components of working capital across the tariff period.

Table 5.1: Working Capital Components (000 US\$)

	2025	2026	2027	2028	2029
Inventories	508	524	678	699	736
Trade and other receivables	689	61	61	61	61
Trade and other payables	2,480	153	198	204	205
Net working capital	-1,283	433	542	557	592

Source: LERC

In the test year (2025), LIBENERGY's trade and other payables stood at approximately US\$2.48 million, close to the full annual value of the CIE and LEC power-supply bill, against inventories and receivables together of approximately US\$1.2 million. This reflects a position in which a substantial share of LIBENERGY's power purchases in 2025 were financed through

supplier credit rather than cash. The resulting net working capital of negative US\$1.28 million carries forward into the Regulated Asset Base, producing an opening RAB for 2026 of negative US\$971,000.

This position is temporary. LIBENERGY's payables decline substantially in 2026 as the balance is settled, working capital turns positive, and the Regulated Asset Base returns to positive territory by the end of 2026, growing thereafter as the approved capital program (Chapter 9) is placed into service. Table 5.2 sets out the full roll-forward of the Regulated Asset Base.

Table 5.2: Evolution of the Regulated Asset Base ('000 US\$)

	2025	2026	2027	2028	2029
Opening RAB	312	-971	978	1,302	1,512
Approved capital expenditure	0	292	292	292	292
Working capital movement	-1,283	1,716	109	15	36
Depreciation and amortization	0	58	77	97	115
Closing RAB	-971	978	1,302	1,512	1,724

Source: LERC

The negative opening RAB in 2026 results in a negative return on capital for that year (Table 5.2), since the Commission's methodology compensates LIBENERGY for capital genuinely employed during the year in question, and negative net capital does not attract a positive return.

The almost five-fold increase in the RAB reflects the placement into service of the approved US\$1,168 million 2025–2028 CAPEX programs—the very 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 LIBENERGY is not grant-funded; hence, they carry a full depreciation charge. The sharp rise in depreciation from 2026 onward is therefore both expected and appropriate.

5.2 Weighted Average Cost of Capital

The Commission calculates the return applied to the Regulated Asset Base using a Weighted Average Cost of Capital derived from LIBENERGY's actual financing structure and the calculated financing structure that produces the most efficient gains.

Table 5.3: Weighted Average Cost of Capital

Component	Value
Debt share of financing	60.0%
Equity share of financing	40.0%
Cost of debt	1.98%
Risk-free rate	1.80%
Equity beta	1.00

Component	Value
Market risk premium	6.00%
Country risk premium	10.00%
Cost of equity	17.80%
Nominal WACC ¹	8.31%
Inflation assumption	2.00%
Real WACC (applied to the RAB)	6.18%

Source: LERC

The Commission applies the real WACC of 6.18%, rather than the nominal 8.31%, to the opening RAB each year, as the Revenue Requirement you will see in Section 6 is expressed in constant, inflation-adjusted terms. Applying the nominal rate to a real cost base would double-count inflation.

6. Efficient Operating Costs

Section 8.2(4) of the 2015 ELL requires the Commission to review costs for prudence and efficiency before they are passed through to customers. LIBENERGY's operating cost comprises two components: the cost of imported power, and the direct and administrative costs of running the distribution business. LIBENERGY's submitted Opex, covering its full licensed area (Parts of Nimba, Grand Gedeh, River Gee, and Maryland Counties), is shown below.

Table 6.1: LIBENERGY Submitted Operating Expenses ('000 US\$)

Description	2025	2026	2027	2028	2029
Annual IPP Cost & LEC Fee	2,270	2,270	2,270	2,270	2,270
Salary & Employee Benefits	158	160	163	163	163
Depreciation	53	66	75	81	81
Transport, Fuel & Vehicles Expense	17	19	21	23	20
Other Expenses/Costs	316	434	518	597	673
Total OPEX	2,814	2,948	3,047	3,133	3,207

Source: LIBENERGY Application

The Commission's review of the utility's submission found that its O&M costs, as submitted, were not fully cost-reflective and omitted certain Opex categories, notably dedicated maintenance O&M and vegetation clearing—that would improve the utility's overall efficiency. The Commission's efficient-cost adjustments were as follows:

¹ The Nominal WACC was computed as: $\frac{debt_t}{equity_t} \times 1 - income\ tax_t \times cost\ of\ debt + \left(\frac{equity_t}{debt_t + equity_t}\right) \times cost\ of\ equity_t$

6.1 Power Supply Cost

LIBENERGY procures its power under a Power Purchase Agreement through the WAPP Cross Border interconnection, billed as a combined CIE charge and LEC transmission fee. The Commission accepted LIBENERGY's contracted volumes and prices, adjusted for losses and the approved consumption forecast in Section 8, and noted that the Maryland grid is approaching the ceiling of what it may draw under the PPA.

6.2 Salary and Employee Benefits

The costs approved for salary and employee benefits include staff salaries and benefits such as severance. LIBENERGY submitted a workforce of 44 staff and proposed no increase in labor force for the tariff period. The Commission approved the amounts as submitted.

6.3 Maintenance O&M and Vegetation Clearing

LIBENERGY had included maintenance O&M within its "Other Expenses/Costs" line. The Commission extracted this and inserted it as a stand-alone Opex line, to make the utility more effective and accountable in resolving customer-service related issues and to increase overall efficiency. The Commission also observed that most outages in LIBENERGY's operational area are caused by disruption from high vegetation along the lines running from the Côte d'Ivoire border through Toe City to Tappita and Zwedru, Grand Gedeh County. The Commission accordingly inserted vegetation clearing as a dedicated Opex line to enable LIBENERGY to remedy this.

6.4 Transport, Fuel, and Vehicle Expense

The Commission reviewed LIBENERGY's transport, fuel, and vehicle expense and found the submitted amounts adequate to keep the utility's vehicles and motorbikes fueled. These amounts were approved as submitted.

6.5 Depreciation

The Commission determined that LIBENERGY had accelerated depreciation of its assets by shortening their useful lives. To arrive at the true depreciation values of the various assets in the network, the Commission firstly benchmarked each asset against its corresponding class within the Liberia Electricity Corporation's and Government of Liberia Asset Depreciation Policy and then compared the lifespan and costs coming out of this exercise with current market values and lifespan of these assets on the world market. Next, to account for the accelerated depreciation the utility employed, the Commission did the following:

- A. computed the sum of accrued depreciation for each asset item up to end 2025;
- B. took the actual 2025 first quarter figures submitted by the utility and multiplied this amount by four to arrive at the utility's total depreciation cost for 2025.
- C. Summed the totals in point A and point B and deduct this new sum from the asset cost to arrive at the updated book value of the assets
- D. To compute the depreciation expense over the tariff period, the Commission divided the updated book value of the asset by the remaining years of the asset life.

Table 4.0 Useful Life of Selected Assets

Assets	LIBENERGY's Submission	LERC's Calculation
Auto Recloser	10yrs	30yrs
Transformer	10yrs	30yrs
Building	10yrs	60 yrs

Source: LERC

6.6 Other Expenses/Costs and Regulatory Levy

The Commission found several unrelated expenses grouped under “Other Expenses/Costs” and, in addition to removing vegetation clearing and maintenance O&M (above), capped the remaining Other Expenses/Costs at LIBENERGY's 2025 level for the tariff period. The Commission further computed a regulatory levy of 3% of the utility's revenue and included this amount in Opex as a recoverable cost; LIBENERGY is obligated to remit this levy in full to the Commission at the start of the following month.

Following the efficient-cost analysis—including the extraction of maintenance O&M and vegetation clearing as stand-alone lines, the cap on Other Expenses at 2025 levels, and the addition of the regulatory levy—the Commission arrived at the following approved efficient Opex. (Depreciation is shown separately in Table 7.2, consistent with the Revenue Requirement formula in Section 7, rather than embedded within Opex.)

Table 6.2: LERC Approved Efficient Operating Expenses ('000 US\$)

Description	2025	2026	2027	2028	2029
Annual IPP Cost & LEC Fee	1,637	1,690	2,185	2,253	2,270
Salary & Employee Benefits	158	160	163	163	163
Transport, Fuel & Vehicles Expense	17	19	21	23	20
Other Expenses/Costs	316	316	316	316	316
Vegetation Clearing	—	99	75	50	40
Maintenance O&M	—	75	75	75	75
Regulatory Levy	—	67	91	97	100
Total OPEX (excl. Depreciation)	2,128	2,425	2,925	2,977	2,984

Source: LERC

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 applies the following formula consistently across the licensees it regulates:

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

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.

Operating cost reflects the efficient cost of service, as determined in Section 6. Depreciation allows LIBENERGY to recover its capital expenditure over the useful life of the relevant assets. The return on capital — the Weighted Average Cost of Capital applied to the Regulated Asset Base — compensates LIBENERGY for capital genuinely invested, at a rate consistent with the company's cost of financing. Section 5 already sets out the derivation of the RAB and the WACC.

7.1 Corporate Income Tax

Section 201 of the Liberia Revenue Code (as amended, 2020) subjects LIBENERGY to Corporate Income Tax (CIT). Accordingly, Corporate Income Tax has been included in the revenue requirement at the statutory rate of **25 percent** throughout the tariff period. This treatment reflects LIBENERGY's status as a private electricity distribution utility and is consistent with the applicable provisions of the Liberia Revenue Code governing the taxation of corporate entities.

Under the tariff previously in effect, LIBENERGY's billed revenue did not cover its reported operating costs in any year of the test period, as shown below.

Table 7.1: LIBENERGY Revenue Requirement Submission ('000 US\$)

Indicator	2025	2026	2027	2028	2029
Revenue	2,463	2,246	2,702	2,881	3,048
Postpaid Meter Sales	564	284	262	244	244
Prepaid Meter Sales	1,546	1,620	2,253	2,450	2,617
Power Connection Fees	354	341	187	187	187
Total Operating Expenses (O&M)	2,814	2,947	3,046	3,132	3,207
CIE Bill plus LEC Fee	2,270	2,270	2,270	2,270	2,270
Annual O&M	544	678	776	862	937
Net Result (Revenue – O&M)	-350	-702	-344	-251	-159

Source: LIBENERGY Application

The shortfall reflects a tariff that had not been adjusted to keep pace with the utility's cost of service and is a principal reason for undertaking this review. Also, the flat rate structure that has been the dominant mode of pricing undermines proper energy accounting, and as a result, under-recovers costs when average consumption on the network is higher than the cost of service. The Commission tested LIBENERGY's reported operating costs for efficiency, as set out in Section 6, and derived the Regulated Asset Base and cost of capital independently in Section 5, rather than relying on LIBENERGY's own assumptions.

The Commission's review also found LIBENERGY's submitted O&M not fully cost-reflective, omitting Opex categories such as dedicated maintenance O&M and vegetation clearing that would improve overall efficiency (see Section 6 for the full efficient cost analysis).

Table 7.2 below presents the RR approved by the Commission for each year of the tariff period.

Table 7.2: Summary of Revenue Requirement Approved by LERC ('000 US\$)

Revenue Requirement	2026	2027	2028	2029
Efficient Operating Expenses (O&M)	2,424	2,922	2,974	2,983
Depreciation & Amortization	58	77	97	115
Income Tax	0	0	0	0
WACC	0.062	0.062	0.062	0.062
Initial Regulated Asset Base	-971	978	1,302	1,512
Profit (WACC*RAB)	-60	61	81	93
Total Revenue Requirement	2,422	3,060	3,152	3,191
NPV Required Revenue	2,280	2,714	2,632	2,510

Source: LERC

From Table 7.3, profit in 2026 remains negative for reasons already discussed in section 5 above.

Table 7.3: Profitability of Approved Revenue Requirement ('000 US\$)

Profitability Measure	2026	2027	2028	2029
Approved Operating Expense (O&M+Dpr)	2,482	2,999	3,071	3,098
Approved Operating Revenue	2,422	3,060	3,152	3,191
Profit	-60	61	81	93

Source: LERC

8. Demand and Consumption Forecast

The consumption forecast is a key input to the tariff calculation, as the Revenue Requirement is divided by the net forecast consumption to derive the per-unit energy charge. The Commission compared LIBENERGY's submitted consumption forecast against LEC's consumption data for the same service area and found LIBENERGY's figures understated in every year of the tariff period.

Table 8.1: LIBENERGY's Submitted Gross Consumption Forecast (kWh)

	2025	2026	2027	2028	2029
Total annual consumption (kWh)	5,865,470	6,999,912	9,739,128	10,473,528	11,265,376
PREPAID	5,048,510	6,182,952	8,922,168	9,656,568	10,448,416
Residential	4,073,620	4,695,840	7,201,440	7,935,840	8,583,840
Commercial	427,433	638,544	863,352	863,352	1,007,200
Government	38,465	39,576	48,384	48,384	48,384
NGO	508,992	808,992	808,992	808,992	808,992
POSTPAID	816,960	816,960	816,960	816,960	816,960
Government	816,960	816,960	816,960	816,960	816,960

Source: LIBENERGY Application

An understated consumption forecast results in a higher per-unit tariff for a given Revenue Requirement, since the same revenue is recovered across a smaller volume of billed energy. The Commission revised the forecast upward by approximately 19% to 23% in each year of the tariff period, based on LEC's independent consumption data for LIBENERGY's service area, and allocated the revised volumes across three customer classes as follows.

Table 8.2: Approved Gross Consumption Forecast (MWh)

Customer Class	2025	2026	2027	2028	2029
Residential prepaid	6,865.26	7,197.60	10,526.76	10,992.69	11,581.18
Non-residential prepaid	2,174.14	2,109.97	1,962.51	1,955.43	2,060.11
Non-residential postpaid	1,194.39	1,252.20	1,164.69	1,131.65	1,192.23

Customer Class	2025	2026	2027	2028	2029
Total approved consumption	10,233.79	10,559.78	13,653.96	14,079.76	14,833.53

Source: LERC

This approved forecast, rather than LIBENERGY's original submission, is the basis for the tariff calculation in Section 11.

8.1 Approved Loss Trajectory

The aggregate technical and commercial losses projected by LIBENERGY, and approved by LERC, for each year of the tariff period are shown below.

Table 8.3: Loss Reduction Trajectory (Submitted and Approved)

Loss Type	2025	2026	2027	2028	2029
Technical Losses	10%	8%	7%	6%	5%
Commercial Losses	24%	13%	7%	5%	5%
Total Loss	34%	21%	14%	11%	10%

Source: LIBENERGY Application

The Commission considers LIBENERGY's loss trajectory consistent with an efficient operator in this sector and has approved it as submitted. To derive at the net (effective final) consumption, the consumption figures in Table 8.2 above are discounted by the approved loss trajectory in Table 9.1 for the respective years according to the below equation:

$$1 - [(1 - l_c) \times (1 - l_t)]$$

where: l_c and l_t represent commercial and technical losses, respectively.

The results are given in Table 9.2 below

Table 8.4: Net Consumption Forecast (MWh)

Customer Class	2025	2026	2027	2028	2029
Residential prepaid	4,696	5,761	9,105	9,816	10,452
Non-residential prepaid	1,487	1,689	1,697	1,746	1,859
Non-residential postpaid	817	1,002	1,007	1,011	1,076
Total approved consumption	7,000	8,452	11,809	12,573	13,387

Source: LERC

9. Capital Investment Programme

LIBENERGY proposed a five-year capital program totaling US\$2.9 million, running from 2026 to 2030. The Commission's review covers the portion of this program falling within the current three-year tariff period, amounting to US\$2.33 million, and approved 50% of that amount: US\$1,166,400, or US\$291,600 a year, allocated evenly across the four counties LIBENERGY serves (Nimba, Grand Gedeh, River Gee, and Maryland, at US\$72,900 each).

Table 9.1: LIBENERGY Proposed Capital Expenditure

2026	2027	2028	2029
\$583,350.19	\$583,350.19	\$583,350.19	\$583,350.19

Source: LIBENERGY Application

The Commission's assessment is that LIBENERGY's prospective new connections are concentrated in its more densely populated centers, including Zwedru, Fish Town, Pleebo, and Harper, and that the approved capital allocation is sufficient to connect the 9,164 new customers projected over the tariff period.

Table 9.2: Approved Capital Investment Program ('000 US\$)

	2026	2027	2028	2029
Approved CAPEX	\$292	\$292	\$292	\$292

Source: LERC

Table 9.3: Approved New Customer Connections

2025	2026	2027	2028	2029
12,608	15,385	18,485	20,185	21,772

Source: LIBENERGY Application

10. Long-Term Debt

LIBENERGY carries one outstanding loan: a US\$150,000 facility from IB Bank Liberia, outstanding at the start of the test year.

The loan is scheduled to amortize fully within the tariff period. LIBENERGY repaid US\$11,000 of principal in 2025, with repayments rising to US\$72,000 in 2026 and US\$67,000 in 2027, at which point the loan is fully retired. No balance or debt-service obligation remains for 2028 or 2029.

Table 10.1: IB Bank Liberia Loan — Debt Service Schedule ('000 US\$)

	2025	2026	2027	2028
Opening balance	150	139	67	0
Principal repaid	11	72	67	0
Interest paid	3	13	4	0
Closing balance	139	67	0	0

Source: LIBENERGY Application

The Weighted Average Cost of Capital set out in Section 5 already reflects LIBENERGY's cost of debt within the return on the Regulated Asset Base. Accordingly, the Commission has not applied a separate debt-service pass-through, which would result in double recovery of the same financing cost.

10.1 Cash Flow and Liquidity

LIBENERGY submitted audited financial statements as part of its application, which the Commission has relied on for this analysis. LIBENERGY's cash position varies significantly across the tariff period but remains positive throughout. The company holds a substantial cash balance in 2025, reflecting the elevated payables position discussed in Section 5, and draws this down through 2026 and 2027 as it settles supplier balances and repays the IB Bank loan, before stabilizing from 2028 onward.

Table 8.1: Summary Cash Flow Statement ('000 US\$)

	2025	2026	2027	2028	2029
Net cash from operating activities	1,086	-1,918	-2	240	307
Net cash from investing activities	-120	297	303	309	315
Net cash from financing activities	539	-72	-67	0	0
Net change in cash	1,745	-2,287	-372	-69	-8
Cash at start of year	13	3,886	1,599	1,228	1,160

Source: LERC

11. Tariff Objectives

In approving the tariff, the Commission has been guided by the following objectives: simplicity, so that customers can readily understand their bill; recognition of differing customer circumstances and ability to pay; suitability for both residential and business customers; and transparency, so as to encourage timely payment.

11.1 Tariff Structure

The tariff previously in effect consisted of a flat energy charge of US\$0.25 per kWh, with no monthly fixed charge, together with one-time connection charges of US\$110 for a single-phase connection and US\$330 for a three-phase connection. LIBENERGY's application proposed retaining this structure unchanged, as set out below.

Table 11.1: LIBENERGY's Proposed Tariff Structure (Current vs. Proposed, as Submitted)

Item	Current	Proposed	% Change
Energy charge (US cents/kWh, all customers)	0.25	0.25	0.00%
Single-phase connection charge	\$110 (payable over 13 months)	\$110 (payable over 13 months)	0.00%
Three-phase connection charge	\$330	\$330	0.00%

Source: LIBENERGY Application

The Commission did not approve LIBENERGY's proposal to retain the existing structure. Instead, the Commission approved a two-part tariff structure, comprising a fixed monthly charge and a per-kWh energy charge that varies with consumption, applied uniformly across all customer classes.

Table 11.2: Approved End-User Tariff, Effective August 1, 2026

Customer Class	Monthly Fixed Charge	Energy Charge
All customers	US\$1.50	US\$0.22/kWh

Source: LERC

The tariff is computed by dividing the utility's revenue requirement in a year by its energy consumption in that year. Mathematically,

$$Tariff = \frac{Revenue\ Requirement_t}{Net\ Consumption_t}$$

The approved structure introduces a monthly fixed charge where none previously existed, alongside a modest reduction in the volumetric energy charge from US\$0.25 to US\$0.22 per kWh. The fixed charge gives LIBENERGY a more stable base of revenue that does not depend on metered consumption, consistent with standard two-part tariff design, while the reduction in the energy charge reflects the efficient cost base set out in Section 6 and the revised consumption forecast set out in Section 8. The effect on an individual customer's bill depends on that customer's level of consumption: customers with higher consumption will generally see a larger reduction in their overall bill than customers with lower consumption, for whom the new fixed charge offsets a greater share of the reduction in the energy charge.

11.2 Connection Charges

The Commission did not reduce the single-phase connection charge but rather allowed US\$40 of the US\$110 to be recovered under the nomenclature “Connection Charge” and the remaining US\$70 recovered over time through the energy charge. This bifurcation of the \$110 is intended to lower the upfront cost of connection for new customers. The three-phase connection charge remains at US\$330, reflecting its higher equipment cost.

Table 11.3: Approved Connection Charges

Connection Type	Charge	Includes
Single-phase	US\$40	One meter, 25m of 16mm ² low-voltage cable, minimum four connectors
Three-phase	US\$330	One meter, 25m of equivalent low-voltage bundled conductor, minimum eight connectors

Source: LERC

12. Conclusions

The Board of Commissioners approved the tariff set out in Chapter 11, effective November 1, 2026, and running through October 31, 2029, on the basis of the Revenue Requirement, efficient cost base, Regulated Asset Base, and consumption forecast set out in this report. The Commission's decision reflects engagement with LIBENERGY, with LEC as the original assignor of the network's assets, and with residents of Nimba, Grand Gedeh, River Gee, and Maryland Counties through the public hearings described in Chapter 3.

The Commission's regulations provide for periodic review and adjustment of the tariff between full reviews, where warranted by material changes in economic conditions or upon request from LIBENERGY in the event of a material change in its cost of service with significant financial impact on its operations.

Appendix A: Tariff Review Timeline

No.	Milestone	Date
1	LIBENERGY files its tariff application	January 21, 2026
2	Commission confirms the application is complete	April 1, 2026
3	Notice of pendency published	April 1, 2026
4	Abridged application published	April 1, 2026
5	Public hearing — Tappita, Nimba County	April 21, 2026
6	Public hearing — Toe City, Grand Gedeh County	April 22, 2026
7	Public hearing — Zwedru, Grand Gedeh County	April 23, 2026
8	Public hearing — Fish Town, River Gee County	April 25, 2026
9	Public hearing — Pleebo City, Maryland County	April 27, 2026
10	Public hearing — Harper City, Maryland County	April 28, 2026
11	Board of Commissioners announces its decision on LIBENERGY's proposal	July 6, 2026
12	Decision published in the Official Gazette and in newspapers	July 6, 2026
13	Approved tariff takes effect	November 1, 2026

Source: LERC

Appendix B: Public Hearing Attendance

B.1 Tappita City, Nimba County — April 21, 2026

No.	Name	Institution
1	N. Karlewoe Dahn	Tappita City Corporation
2	Josephus M. Paye, Jr.	Office of the Vice President, RL
3	Alphonso Myers, Jr.	Ministry of Education
4	Kayatu David	Liberia Marketing Association
5	Edith Dahn	Tappita Women Group
6	Cliff N. Vaye	Youth Coordinator
7	Presley K. Gwaikolo	Teachers Association
8	Noah Suah	Elder Council
9	Titus Jasper	Jackson F. Doe Hospital
10	A. Kerdoe Dwanyen	Tappita Baptist Church
11	Daniel G. King	Christian High School
12	Sam K. Slangan	Ministry of Education
13	Lincoln Morgan	Tappita Memorial High School
14	John K. Paye	Ministry of Justice
15	Victor M. Playeah	Ministry of Education
16	Hawa Swaray	IAA/LERC
17	Eric A. B. Fredericks	DMDA-LEC
18	Henry Sambola	LEC

B.2 Toe City, Grand Gedeh County — April 22, 2026

No.	Name	Institution
1	Samford Collins	Liberia Immigration Service
2	Naomi Jerue	Liberia Business Association
3	Ragan Gaye	Civil Society Council
4	Solomon Pajibo	Bhai District Youth
5	Socrates Kulee	City Police
6	Madison Neewray	Ministry of Internal Affairs
7	Marcus Jerue	Toe City Corporation
8	Gabriel Youttee	Peace Community Radio
9	Rancy Quetoh	City Police
10	Lawrence Neewray	Township Commission

No.	Name	Institution
11	Reubin Toe	City Mayor's Office
12	Cheaty Jeanue	Town Chief
13	Jefferson Jeah	MIA Secretary
14	Hon. Kelvin J. Kayee	Commissioner
15	Reagan Toety	Toe City Youth Leader
16	Henry Sambola	LEC

B.3 Zwedru, Grand Gedeh County — April 23, 2026

No.	Name	Institution
1	Chris T. Nyenapee	Zwedru Times Magazine
2	Joe A. Beweawea	Jensenville Community
3	Victoria K. Jelleh	Webo Quarter
4	Edward M. Sohr	Todeyville Community
5	Otis Mason	Zwedru City Corporation
6	Anthony J. Flahn	Smile FM
7	Larry N. Zoe, II	Tchien District Youth
8	James Z. Geebli, Sr.	Geebli Foundation
9	Davis Mahn	Gbagbaville Community
10	Y. Aloysious Quiah	Peace Community (Chairman)
11	Eric A. B. Fredericks	DMDA-LEC
12	Paul Rancy	Liberia News Agency – ELBC
13	Amos Z. Manble	Voice of Gedeh Radio
14	Stanley Duley	CDO/MIA
15	S. Marcus Jarlarue	GGCYDA
16	Atilas A. Kai, Sr.	Civil Society Council
17	Dixon Leabah	CSO/GEPOWE
18	Patience Baye Kromah	Top FM
19	Henry Sambola	LEC
20	Prince H. Gaye	Senate Staff

B.4 Fish Town, River Gee County — April 25, 2026

No.	Name	Institution
1	William J. Doe	Ministry of Agriculture
2	Roland Geoway	CHICO
3	Melvin Pyne	Ministry of Finance and Development Planning
4	Anthony Welleh	Ministry of Agriculture
5	Justin K. Darbeh	Ministry of Agriculture
6	Regina S. Vinton	Rural Women
7	Grace G. Seabo	Rural Women
8	William Lee Wah, Jr.	Fish Town City
9	B. Milton S. Doe, Sr.	Ministry of Health
10	Mohammed A. Bah	River Gee Motorcyclist Association
11	D. Dylyenyeroth Weah	River Gee Concerned Citizens
12	Philip Sa Toe, Sr.	River Gee Disability Association
13	Jimama T. Beweh	SEWODA
14	Dedesco D. Gweh	Ministry of Health
15	Lawrence Wrotah	Business Association
16	Sie Sie Allison	Liberia National Police
17	Chris T. Wah	Office of Senator Sagbie
18	Gregory W. Swen	Fish Town Hospital
19	Jerry Sackor	Ministry of Local Government
20	Sam Dweh	Ministry of Health
21	Veronica G. Tanyon	Assistance for Providing Aid
22	Eric A. B. Fredericks	DMDA-LEC
23	Henry Sambola	LEC

B.5 Pleebo City, Maryland County — April 27, 2026

No.	Name	Institution
1	Christian J. Appleton	Global News Network
2	Cecelia N. Wilson	Pleebo – LMA
3	Jerry Kai	LIBENERGY
4	Henry G. Hodge	LIBENERGY
5	Nathanial Borch	LIBENERGY
6	Nathanial B. Davis	Ministry of Local Government

No.	Name	Institution
7	Olando N. Merrian	Pleebo Zone 4 Community
8	Ali Smith	Pleebo Zone 1 Community
9	Alex B. Weedor	Pleebo City Corporation
10	Edward D. Stemn	Daily Observer Newspaper
11	Abraham V. Jorkey	IB Bank
12	J. Kartan Nagbe	District Development Council
13	Sylvester T. N. Scott	Zone 7C Community Chairman
14	Larry Geekor	Mayor, Pleebo City
15	Rapheal Clark	SG Youth, Pleebo District
16	Helena K. Sambola	Pleebo Women's Chairlady
17	Michael O'Darbeh	M-FATUL, President
18	Eric A. B. Fredericks	DMDA-LEC
19	Henry Sambola	LEC
20	Alexander T. Shelton	Lonestar MTN
21	Dennis G. Weah	Tubman University
22	Lee P. Layee	Radio Cape Palmas

B.6 Harper City, Maryland County — April 28, 2026

No.	Name	Institution
1	Christian J. Appleton	Global News Network
2	Charlotte Paul	Harper City Corporation
3	Archie K. Anani	Unity Party Youth
4	Jimmie T. Tarjoe	Bishop Hill Community
5	Lee P. Layee	Radio Cape Palmas
6	Octavius T. White	Harper Business Community
7	Richard Skofee Moulton	Harper City Police
8	Socrates Howe	Citizens Union of Maryland
9	Apostle Alphonso Okai	Ghanaian Community, Harper
10	Dixon Q. Butty	River Gee MIA Governor
11	Jacob Y. Yieh	Ministry of Local Government
12	Eric A. B. Fredericks	DMDA-LEC
13	Sam Zota	PIH/Harper
14	Mamadou M. Balde	Fulani Governor, Harper

No.	Name	Institution
15	Isaac Weah	HCC
16	Stephen S. George	Tubman University Community
17	James M. Gayflor	MOGCSP
18	Helen J. Dahn	Lake Shepherd Community
19	Sharine Yveslev	Stadium Road Community
20	Vangii B. Weah	Bishop Hill Community
21	Henry Sambola	LEC
22	Matthew G. Lloyd	Bassa Community, Harper