



**Report on LIBENERGY's Request for
Reconsideration of the Commission's Tariff
Decision of July 6, 2026**

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I. Introduction

On July 6, 2026, the Commission announced LIBENERGY tariff decision in Zwedru City, Grand Gedeh County. The new tariff announced should become effective on August 1, 2026. However, on July 23, 2026, LIBENERGY notified the Commission to reconsider and postponed the effective date of the tariff or undertake a further review of the revised tariff determination.

The Commission considers such petition as a trickier for reconsideration on the tariff decision. The Electricity Tariff Regulations (ETR) regulation 32(1) states that a party may file a former application for reconsideration of decision of the Commission within 30 days after the publication and regulation 32(2)(b) of the ETR states that the decision shall remain final after the date of reconsideration if the Commission fails to reopen the matter.

II. Recommendations and Decisions on LIBENERGY's Notice for Reconsideration on the Commission's July 6, 2026, Tariff Decision

1. LIBENERGY's Appeal

LIBENERGY appealed to suspend the implementation of the tariff decision until 31 December 2026, thereby allowing the Company to substantially complete its financed meter deployment program and recover investments already committed under the existing tariff framework.

1. Commission's Decision

LERC believes that LIBENERGY did not state any convincing reason in its petition that warrant the suspension of the implementation of the tariff decision until 31 December 2026, to allow the Company to substantially complete its financed meter deployment program and recover investments already committed under the existing tariff framework. The reasons for the LERC's position are stated below.

- Libenergy has had adequate time to meter its customers. From the grant of its distribution license on 11 December 2023 until July 2026, the company had

more than two and a half years in which to complete metering. Its 2026 First-Quarter Report, submitted to the Commission in May 2026, shows that only 10,689 customers had been metered. That limited progress is a matter of the company's own operational choices, not a ground for delaying a tariff that has already been determined on the basis of efficient costs.

- The utility also submitted in the 2026 tariff application that it would increase its customers number from 12,604 in 2025 to 21,771 customers in 2029. The Commission believes that the 9,164 new connections proposed by the company for the tariff period is rational considering its historical performance, therefore there is no reason to suspend the implementation of the tariff decision.
- During the 2026 tariff application period, LIBENERGY submitted a debt contract with IB Bank Liberia in the amount of US\$150,000.00. The three years debt portfolio was included in the computation of the tariff decision. However, the US\$500,000.00 debt reported in the reconsideration petition was not mentioned or included in the company's application. If LIBENERGY acquires additional financing in the future, such portfolio should trigger the Minor Adjustment procedure outlined in Regulations 10.2&3 of the Multi Year Tariff Methodology (MYTM). Therefore, there is no proven reason for the Commission to suspend the effective date of the tariff.

2. LIBENERGY's Appeal

The Company further argues that suspension is needed to avoid confusion and perceived inequity between existing unmetered customers who may still face a US\$110 charge and new customers who will pay US\$40. In particular, existing unmetered customers and new customers may be subject to differing meter acquisition charges of US\$110 and US\$40, respectively, which could create uncertainty, perceived inequity, and tension among customers regarding the applicable amount payable.

2. Commission's Decision

During the stakeholder engagement on the tariff application, several participants at the public hearings stated that the cost of the single phased connection was an impediment for electricity penetration in the southeastern grid. The Commission took those statements into consideration during the design of the tariff rates. A one-off payment of \$110 is an extreme burden for people residing in the countryside of one of the world's top seven (7) poor countries, but without payment of this amount, the utility may not become financially viable in the absence of subsidy. To make cost bearable for consumers without jeopardizing the financial health of the utility, the Commission allowed the full \$110 for connection charges but bifurcated this charge into two channels to smooth out the impact on customers:

- US\$40 is collected as an upfront connection charge before connection of each new single-phase customer; and
- The remaining US\$70 is recovered through the approved energy charge payable by all customers.

It should be stated here clearly that as of August 1, 2026, existing single-phased metered customers who have not already paid the US\$110 cost of meter will graduate to the new payment scheme set out here. These customers are not and must not be required to pay the US\$110. They are now required to pay a connection charge of US\$40 while the remaining US\$70 is recovered through the energy charge.

3. LIBENERGY's Appeal

LIBENERGY also petitioned the Commission that should the Commission determine that the suspension is not appropriate, the company requested that the Commission undertake a further review of the revised tariff determination to ensure that the approved tariff adequately reflects the actual cost of providing electricity service within Libenergy's uniquely rural operating environment while maintaining the financial sustainability required for continued investment and reliable electricity supply.

3. Commission's Decision

LERC was established by the 2015 Electricity Law of Liberia (2015 ELL) to, amongst other things, to 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 services to customers at prudent cost. The Commission believes that this obligatory duty cannot be annulled or suspended upon request from a utility without merited reasons as outlined in the ETR. The consideration for tariff application for licensee is outlined in Regulation 22 of the ETR and these processes were followed in detail as stipulated below.

- On January 5th, 2026, the Commission requested LIBENERGY to submit its Tariff Application pursuant to the 2015 ELL and ETR. In adherence to our regulatory mandate LIBENERGY submitted its application on January 21, 2026, for customers in its licensed area.
- These submission were followed by extensive technical engagements between LERC's tariff team and your management to ensure that all required documentation and information were provided in accordance with the procedures.
- The Commission later notified the company about the completeness of its tariff application and made an abridged version of LIBENERGY tariff application publicly available on its website and in local newspapers paving the way for the public engagement and stakeholders' awareness processes.

The 2015 ELL, ETR and MYTM defined 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 recovers the revenue requirement of the utility by projecting demand, cost and investment. 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 United States Government to Liberia. This model was shared for LIBENERGY to populate its inputs during the tariff application process.

Within that framework the Commission expressly addressed the structural characteristics of Libenergy's service area—geographic dispersion, low customer density, long feeder lengths and elevated vegetation-management requirements—by:

- inserting a dedicated vegetation-clearing opex line (absent from the original application);
- extracting and approving a stand-alone maintenance O&M allowance;
- retaining transport, fuel and vehicle costs as submitted; and
- approving a loss-reduction trajectory that begins from a high commercial-loss base consistent with a still-formalizing rural network.

Consumption was independently verified against LEC data for the same geographic area and revised upward because the figures originally submitted were understated. An understated volume produces an artificially high unit tariff; the approved tariff therefore rests on verified demand.

Power-purchase costs remain a pass-through of the efficient volume required after the approved loss trajectory. Allowed technical and commercial losses continue to be socialized across paying customers in the ordinary regulatory manner. The real Weighted Average Cost of Capital of approximately 6.18 per cent is applied only to capital genuinely employed in the Regulated Asset Base. Debt service on the US\$150,000 IB Bank facility disclosed in the application is already reflected in that WACC; a separate pass-through would constitute double recovery.

Libenergy's Appendix A estimates an annual revenue deficiency of approximately US\$83,286 and "lost" meter recovery of US\$887,040. Those figures rely on energy volumes that exceed the approved billed forecast, omit consistent application of the fixed charge, and treat the US\$70 connection component as permanently disallowed rather than recovered through the energy charge. When the approved revenue requirement, verified consumption, fixed charge and bifurcated connection recovery are applied together, the tariff is designed to recover the efficient cost of service over the control period.

Having followed the comprehensive procedures prescribed by the 2015 Electricity Law, the ETR and the MYTM, the Commission finds the request for a further general review unjustified.

III. Conclusions

IV.

The Commission hereby denies Libenergy's petition. The company has not provided sufficient grounds either to suspend the effective date of the tariff or to reopen the determination. The Commission reiterates that the tariff decision followed a comprehensive regulatory review, during which it considered LIBENERGY's financial submissions, stakeholder comments, service quality, and its statutory obligation to ensure that electricity tariffs are just, reasonable, and in the public interest.

The Commission also recalled that the public hearing revealed significant concerns regarding LIBENERGY's service delivery, including poor customer service, metering irregularities, inadequate network expansion, delays in resolving customer complaints, and other operational deficiencies. Consequently, LIBENERGY had previously been granted four (4) months to implement corrective measures.

Although the Commission rejected the request for reconsideration, it exercised its regulatory discretion to defer the implementation date of the approved tariff. Rather than becoming effective on August 1, 2026, the tariff will now take effect on November 1, 2026, immediately following the expiration of the four-month compliance period. The Commission emphasized that this postponement does not constitute a modification or reversal of the tariff decision, nor does it validate LIBENERGY's assertion that the approved tariff is not cost-reflective. Instead, the extension is intended to allow LIBENERGY an opportunity to demonstrate meaningful improvements in the quality, reliability, and efficiency of its services before the tariff becomes operational.

The tariff decision announced on 6 July 2026 is upheld. The approved end-user tariff (US\$1.50 monthly fixed charge and US\$0.22 per kWh energy charge) and the approved connection charges take effect on **1 November 2026** as previously ordered and remain in force through 30 October 2029. A detailed Decision Report setting out the full analysis and the considerations that informed the determination accompanies this document and will be published on the day the decision takes effect.

In the event of any material change in costs, demand or financing that meets the criteria of the Multi-Year Tariff Methodology, Libenergy may trigger the Minor Adjustment procedure under Regulations 10.2 and 10.3 of the MYTM. The Commission remains available for constructive engagement on implementation matters and on any future application that is properly supported by evidence. Affordability for customers and the financial sustainability of an efficient licensee are complementary objectives.

Hon. Claude J. Katta
CHAIRMAN
BOARD OF COMMISSIONERS