

## **Speech Delivered by Commissioner Atty. Kla-Edward Toomey II**

I am Commissioner, Atty. Kla-Edward Toomey II, of The Board of Commissioners of The Liberia Electricity Regulatory Commission (LERC), announcing the Commission's decision on the Notification of Reconsideration filed by Jungle Energy Power (JEP) on January 9, 2025. The notification for reconsideration filed by JEP seeks a review of the tariff previously announced by the Commission on December 30, 2024.

This statement is issued in concurrence with my colleagues, Hon. Claude J. Katta, Chairman of The Board of Commissioners, and Commissioner Amara M. Kamara, both of whom are currently away on an official trip.

Honorable Charles Umehai,

Deputy Minister of Energy, Ministry of Mines and Energy;

Honorable Superintendents of Nimba and Bong Counties; CEO

Floyd Tomah, Sr. and the Management of JEP;

Representatives from various civil society organizations and interest groups;

The media;

Distinguished ladies and gentlemen.

Good morning,

As a Commissioner of the Board of Commissioners of the Liberia Electricity Regulatory Commission (LERC), I am pleased to announce the long-awaited decision regarding the Notification of Reconsideration filed by JEP requesting a review of the tariff that was previously announced by the Commission on December 30, 2024 for electricity services in Bong and Nimba Counties.

### **Background**

The 2015 Electricity Law of Liberia established the Liberia Electricity Regulatory Commission (LERC) and mandates the Commission to approve and set electricity tariffs for all companies operating in Liberia's electricity supply market. This includes ensuring that electricity tariffs are based on transparent and justifiable principles, promoting efficiency and fairness in the sector.

To fulfill this responsibility, we developed two key regulatory instruments: the *Electricity Tariff Regulations* and the *Electricity Tariff Methodology*. These instruments provide the framework for determining and approving tariffs for service providers like JEP.

On March 18, 2024, LERC formally requested JEP to submit its tariff application for the period from January 31, 2025, to January 30, 2028 for Nimba and Bong Counties. Subsequently, on July 19, 2024, JEP submitted its application for the review of electricity tariffs for customers within its networks in Bong and Nimba Counties.

This submission was followed by extensive technical discussions between LERC's tariffs team and JEP's management to ensure that all required documentation and information were provided. The goal of these engagements was to ensure compliance with the *Tariff Regulations* and the *Multi-Year Tariff Methodology*.

Hence, on September 13, 2024, after months of review and engagement, the Commission confirmed that the tariff application was complete and informed JEP of the planned review schedule; and on December 30, 2024, the Commission announced the electricity tariff for Nimba and Bong Counties, and further ordered that the tariff announced is effective January 30, 2025. Pursuant to the Commission's announcement of the electricity tariff on December 30, 2024, on January 9, 2025, JEP filed a notification for reconsideration of the Commission's decision. Following JEP's filing of notification for reconsideration, the Commission conducted public hearings in Nimba and Bong Counties on February 17 and 18, 2025 in consonance with section 13.7 (1)(h) of the Electricity Law of Liberia (the "Law") and the related Regulations issued thereunder.

The Commission's decision today is the result of the public hearings held in Nimba and Bong Counties, along with an analysis of additional data submitted by JEP. For us at the

Commission, this represents a significant milestone in our ongoing efforts to provide the people of Liberia with a reliable, sustainable, and fair electricity supply.

## **Public Engagement**

In line with our commitment to transparency, stakeholder engagement, and sound regulatory practices, the Commission made a condensed version of JEP's Notification of Reconsideration available on our website and in local radio stations in Nimba and Bong Counties. Additionally, we conducted public hearings in Nimba and Bong counties on February 17 and 18 2025, to gather input from the community. These hearings offered citizens an opportunity to express their concerns, and we carefully recorded the feedback received.

## **The Tariff Decision**

After conducting a thorough technical analysis in accordance with the Electricity Law, we have made a decision that balances JEP's cost recovery, ensures a reasonable return on investment, and encourages ongoing improvements to the electricity supply system. The new tariffs, effective **March 20, 2025** are as follows:

- **Energy Charge:** Customers will pay **US\$0.22 per kWh** for the energy they consume, measured in kilowatt-hours (kWh). This rate reflects a **12% reduction** from the current price of **US\$0.25 per kWh**.
- **Fixed Charge:** A new monthly charge of **US\$1.50** has been introduced to support network reinforcement and improve service quality. This charge reflects a 0.25
- **Connection Charge:** The Commission has approved a **US\$40.00 connection charge** for each new customer seeking to connect to JEP's network in Bong and Nimba counties. This marks a significant reduction from the previous charge of **US\$100.00**, making it easier for new customers to access electricity. The remaining costs will be recovered through the revised energy tariff. The **US\$40.00** paid by new customers will cover the materials required for the connection, which include the following:

- One energy meter (single/3-phase)
- 25-meter length of 16-square millimeter low-voltage cable for single phase and equivalent for three phase
- Maximum of four connectors.

With this new tariff structure, the provisional tariffs previously approved for JEP in **2021** for Nimba County and **2023** for Bong County are hereby **revoked**.

### **Fixed Charge**

Regarding the fixed charge announced today, the Commission instructs JEP to open an escrow account that will be jointly managed by the Commission and JEP. This measure ensures that all funds (fixed charge) collected, and all expenditures earmarked to be funded by fixed charge are carried out with the Commission's knowledge and approval. Additionally, JEP is required to submit monthly reports to the Commission detailing the amount of fixed charge collected each month.

### **Future Considerations and Reporting**

The newly approved tariffs will be effective from March 20, 2025, to March 19, 2028. Minor tariff reviews may be initiated by either the service provider or the regulator, as outlined in the Multi-Year Tariff Methodology from May 2021. These reviews will adjust the tariff to account for changes in uncontrollable costs and the indexation of controllable costs, and they can occur once per year.

In January 2025, the Commission will publish a detailed tariff report that explains the rationale behind this decision and provides additional context for our analysis.

We expect that this tariff decision will promote improved performance by JEP, leading to higher customer connection rates and enhanced service reliability. We also hope that the new tariff structure will increase electricity access and encourage positive customer behavior, ensuring the long-term sustainability of electricity services in Liberia.

During public hearings in 2022, 2024 and 2025 in Nimba County, customers expressed concerns about JEP's collection of "legacy debt" on behalf of the Liberia Electricity Corporation (LEC). The Commission learned that JEP began collecting this legacy debt after being contracted by LEC to manage the Nimba County grid.

In response to these concerns, the Commission is instructing JEP's management to submit a comprehensive report detailing the debt collected, amounts remitted to LEC, and outstanding balances by Wednesday, January 15, 2025. If JEP fails to comply with this directive, the Commission will take regulatory action, which may include penalties, further investigations, or other measures to address the situation.

### **Acknowledgments**

Before I conclude, I would like to take a moment to express our deepest appreciation to the many stakeholders and partners whose contributions have been critical throughout this tariff review process:

- **The Government of Liberia**, especially the Minister of Finance and Development Planning and the Minister of Mines and Energy, for their invaluable policy leadership and support.
- **The leadership of the National Legislature**, including the Speaker of the House, the Pro Tempore of the Senate, and the members of the relevant Senate and House Committees on Energy and Natural Resources, for their ongoing commitment to the development of the energy sector.
- **JEP's management and staff**, for their cooperation and collaboration with the Commission throughout this review process.
- **The LERC management and staff**, particularly the Managing Director and our technical team, whose dedication and hard work have been instrumental in making this tariff review a success.

We thank you all for your support, collaboration and partnership.

## **Conclusion**

In closing, I want to reiterate that the LERC remains committed to the long-term development of the electricity sector in Liberia. We are committed to balancing the needs of consumers with the financial sustainability of service providers, and we will continue working tirelessly to improve the electricity supply in Liberia.

Thank you for your attention. May God bless and save Liberia!