



PRESS STATEMENT

PURC BITING TOO LATE: IMPLEMENTING DIRECTIVES WILL HAVE CHAOTIC CONSEQUENCES

Accra, 26th May 16.

The Africa Centre for Energy Policy has been following the renewed discussion on the electricity tariffs occasioned by a software malfunction at ECG. In a statement issued on the 24th of May 2016, the PURC directed the ECG to suspend their new billing software.

However, ACEP believes that implementing this directive will be very chaotic to the extent that ECG will have to completely uninstall the new software and install their old one, if PURC agrees that power should be sold between the time of the suspension and when the challenges with the new software are rectified.

PURC therefore failed to analyze the consequences of their directive. A freeze on billing on the other hand, will cut power to many consumers, particular prepaid consumers, until the software is corrected. By ordering suspension of the software PURC is agreeing that consumers have been over-billed.

But PURC failed to apply the full strength of the Act that sets it up. Suspension of the software is not enough. PURC should compel ECG to comply with the section of the PURC Act which requires the utility to adjust consumers' next bill with the excess amount or pay cash to them (Sec 27).

Failure by ECG to comply is also an offense and punishable by a fine or imprisonment (Sec 38h). We agree with PURC that steps should be taken to reconnect consumers who have wrongfully been disconnected by the ECG.

PURC should step up their sanctions to urge ECG to compensate all customers who have been overbilled or wrongfully disconnected. Those who think they have been over-billed due to non-issuance of monthly bills by ECG have other options for remedying their situation.

PURC Act Obligates a Public Utility to give every consumer at the end of every calendar month a bill (Sec 26) and Failure to do so is an offense punishable by a fine or imprisonment (Sec 38g). Consumers must begin to use the court system if PURC is not protecting them as required by law.

We believe that these billing challenges have been ongoing for a long time and consumers are now being taken for granted. ACEP will therefore begin a campaign to educate consumers about

remedies available so that the Regulator/ECG don't abuse the contract between the utilities & the consumer.

We further ask ECG to publish the Customer Charter as required by law so that customers have basis to evaluate its service. The above billing problems have added to the burden of higher levels of tariffs already paid by consumers following the revision in the tariffs and introduction of new taxes in December. We also think that government should reduce the levies and taxes.

Government can do that without undermining the work of the utilities. If the intention of government is to raise more revenue to create jobs and develop the country, how about the opportunity cost - industries that create many of the jobs folding up under higher end user tariff and some even moving to Ivory Coast as we are told?

That will be counterproductive, and government must reverse the policy immediately. The 10% energy levy for National electrification and public lighting is regressive and punishes industrial consumers the more. We therefore propose that government should consider a flat rate to lessen the burden on industry.

Signed

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