

**GHANA GRID COMPANY LIMITED (GRIDCo)**  
**PROPOSED TRANSMISSION SERVICE CHARGE FOR 2018 MAJOR TARIFF**  
**REVIEW**

### **1.0 Request**

In accordance with the Public Utilities Regulatory Commission (PURC) Act, 1997, Act 538, (Sections 16, 17 and 20), the Ghana Grid Company Limited (GRIDCo) hereby requests a review of the Transmission Service Charge (TSC) from GHp5.04/kWh to GHp6.58kWh.

Alternatively, GRIDCo proposes a re-structuring of the existing Transmission Service Charge to become a two-component charge as follows:

- Fixed component of 0.0189 GH¢/MW/Month for Transmission Capacity; and a
- Variable component of 0.0308 GH¢/kWh for energy.

This preferred restructured two-component charge will still result in the same total revenue requirement as the existing one-component charge. This structure however, would allow GRIDCo to acquire some steady cash inflows to enable it service debts which have been acquired to install new transmission equipment.

### **2.0 Rationale for Review of Transmission Tariff**

The proposed increase in the TSC is mainly due to the following factors:

- Increase in Transmission Assets base to ensure security and reliability of the NITS.
- Need to meet Operations and Maintenance Costs of a growing transmission network.
- Need to ensure business sustainability.
- Loss in value of the Cedi

### **3.0 Utilization of 2015 Approved Tariff and Improvements since 2015**

The transmission network has seen significant improvements with the construction of new substations and upgrade of existing ones resulting in approximately **38%** increase in transformer capacity from 4,059MVA to 5,610MVA and over 891 km additional (30% increment) high voltage transmission lines. The purpose of these asset additions is to continuously achieve high reliability whiles meeting load growth requirements as well as reduce transmission losses.

### **3.1 New Substations and Substation Upgrades**

Kpone Collector, Obotan, Bawku, Afienya, Kadjebi and Juabeso new substations were constructed. Aboadze, Tamale, Bolga, Sunyani and Techiman substations were upgraded. These activities enabled GRIDCo to evacuate power from power plants, ensured supply to new Bulk Customers and towns as well as improve reliability and system voltages.

### **3.2 On-going Projects**

The following projects are currently under construction:

- Prestea- Kumasi 330kV Line Project,
- Kintampo-Tamale-Bolga 330kV line,
- Prestea-Dunkwa 330kV expansion,
- Aboadze-Preatea transmission line,
- Volta-Achimota 161kV line upgrade,
- Supply improvement to Berekum,
- Reinforcement of power supply to Accra Central and
- Ghana Burkina Faso Interconnection.

### **4.0 Key Challenges between 2015 and 2017**

- Deficit in energy generation and inadequate reserves.
- Inadequate redundancy in the transmission network and lack of funding for Capital Investment Projects.
- Rising Customer Indebtedness

### **5.0 Strategies to Address Key Challenges**

We will continue to pursue our Capital Investment Programme to create sufficient redundancies within the transmission network to ensure reliability and minimize transmission losses.

### **6.0 Addressing Stakeholder Concerns**

Effective and prompt communication of planned outages, continue to create redundancies at various substations and enhance our business processes to reduce turnaround time for maintenance and other GRIDCo services.