



ELECTRICITY REGULATORY AUTHORITY

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SCHEDULE OF ELECTRICITY END-USER (RETAIL) TARIFFS FOR THE THIRD QUARTER 2017

Pursuant to the provisions of Section 10 of the Electricity Act, 1999, (Chapter 145, Laws of Uganda), the Electricity Regulatory Authority has approved the applicable Tariff Adjustment Factors to be applied by Umeme Limited for the supply of electrical energy for the Third Quarter (July to September) of 2017 in accordance with the Quarterly Tariff Adjustment Methodology.

The Quarterly Tariff Adjustment Methodology provides for adjustment of the annual Base Tariffs in line with changes in inflation, foreign exchange rate and fuel prices. The applicable adjustment factors for the Third Quarter of 2017 are discussed below:-

Inflation Adjustment Factor (IRAF)

The Core Consumer Price Index (CPI) increased from 159.4 in the Base Period to 163.26 in the month of May 2017 as published by the Uganda Bureau of Statistics. The United States Producer Price Index (PPI) increased from 196.4 in the Base Period to 198.3 in the month of May 2017 as published by the United States Bureau of Labor Statistics. The resultant effect is a positive Inflation Adjustment Factor of **Ush 1.8/kWh** for Domestic consumers, **Ush 1.3/kWh** for Commercial consumers, **Ush 1.4/kWh** for Medium Industrial consumers, **Ush 1.8/kWh** for Large Industrial consumers, **Ush 1.6/kWh** for Extra - Large Industrial consumers and **Ush 1.3/kWh** for Street Lighting.

Exchange Rate Adjustment Factor (FERFAF)

The Uganda Shilling appreciated by 0.76 percent against the United States Dollar from Ush 3,630.22/USD in the Base Period to Ush 3,602.63/USD as at end of May 2017. The exchange rate is the mid-rate of the Uganda Shilling against the United States Dollar as published by Bank of Uganda on 31st May 2017. The resultant effect is a negative Foreign

exchange rate Adjustment Factor of **minus Ush 3.6/kWh** for Domestic consumers, **minus Ush 3.4/kWh** for Commercial consumers, **minus Ush 3.1/kWh** for Medium Industrial consumers, **minus Ush 1.9/kWh** for Large Industrial consumers, **minus Ush 1.9/kWh** for Extra - Large Industrial consumers and **minus Ush 3.6/kWh** for Street Lighting.

Fuel Adjustment Factor (FPAF)

The Fuel Adjustment Factor is the sum of two components: i.e. changes in the international fuel prices and changes in the energy generation mix. The international fuel price decreased from US \$51.9 per barrel used in the determination of the Base Tariffs to US\$ 49.2 per barrel as at the end of May 2017, resulting into a negative Fuel Adjustment Factor of **minus Ush 1.3/kWh** for Domestic consumers, **minus Ush 1.0/kWh** for Commercial consumers, **minus Ush 1.0/kWh** for Medium Industrial consumers, **minus Ush 1.0/kWh** for Large Industrial consumers, **minus Ush 0.9/kWh** for Extra - Large Industrial consumers and **minus Ush 1.0/kWh** for Street Lighting. The energy generation mix changed resulting into a negative Fuel Adjustment Factor of **minus Ush 7.8/kWh** for Domestic consumers, **minus Ush 6.3/kWh** for Commercial consumers, **minus Ush 6.3/kWh** for Medium Industrial consumers, **minus Ush 6.1/kWh** for Large Industrial consumers, **minus Ush 5.8/kWh** for Extra - Large Industrial consumers and **minus Ush 6.4/kWh** for Street Lighting.

The overall Fuel Adjustment Factor is **minus Ush 9.1/kWh** for Domestic consumers, **minus Ush 7.3/kWh** for Commercial consumers, **minus Ush 7.3/kWh** for Medium Industrial consumers, **minus Ush 7.1/kWh** for Large Industrial consumers, **minus Ush 6.7/kWh** for Extra - Large Industrial consumers and **minus Ush 7.4/kWh** for Street Lighting.

The overall impact of the above adjustment factors is a weighted average reduction of **minus 1.7 percent** in the End-User (Retail) Tariffs relative to the Base Tariffs of 2017.

Arising from the above adjustments, applicable Quarterly Adjustment Factors for the Third Quarter of 2017 are as shown in the table:-

Applicable Adjustment Factors (Ush/kWh) for the period July to September 2017

Customer Category	2017 Base Tariffs	2 nd Quarter 2017	Approved Adjustment Factors				Resultant Retail Tariff for the 3 rd Quarter 2017	Percentage change relative to 1 st Quarter 2017
			Inflation Adjustment Factor(IRAF)	Exchange Rate Adjustment Factor (FERFAF)	Fuel Adjustment Factor (FPAF)	Total Adjustment Factor*		
DOMESTIC CONSUMERS - CODE 10.1 Low voltage single phase supplied at 240 volts.	696.9	687.1	1.8	(3.6)	(9.1)	(10.9)	686.0	(1.6 %)
COMMERCIAL CONSUMERS - CODE 10.2 Three phase low voltage load not exceeding 100 Amperes.	629.0	620.9	1.3	(3.4)	(7.3)	(9.4)	619.6	(1.5 %)
MEDIUM INDUSTRIAL CONSUMERS - CODE 20 Low voltage 415Volts, with maximum demand up to 500 kVA.	577.8	569.7	1.4	(3.1)	(7.3)	(9.0)	568.8	(1.6 %)
LARGE INDUSTRIES - CODE 30 High Voltage 11,000V or 33,000V, with maximum demand exceeding 500kVA but up to 1,500 kVA	376.3	370.2	1.8	(1.9)	(7.1)	(7.3)	369.0	(1.9 %)
EXTRA LARGE INDUSTRIES -	372.8	366.9	1.6	(1.9)	(6.7)	(7.0)	365.8	(1.9 %)

CODE 40 High Voltage 11,000V or 33,000V, with maximum demand exceeding 1,500kVA and dealing in Manufacturing.								
STREET LIGHTING - CODE 50	679.7	671.2	1.3	(3.6)	(7.4)	(9.7)	670.0	(1.4 %)

*The Fuel Adjustment Factor is the sum of the adjustment factors in respect to; changes in international fuel prices, and changes in the energy generation mix.

The Adjustment Factors shall be applicable at Peak, Shoulder and Off-Peak Time of Use periods.

The Adjustment Factors and the Resultant Retail Tariffs are determined taking into account the cost allocation across the different customer categories. The detailed Tariff Order Paper is available at www.era.or.ug.

This Schedule of Tariffs for the Third Quarter of 2017 shall be applicable to all consumer bills raised based on meter readings taken in the period **July 2017 to September 2017**.



ENG. ZIRIA TIBALWA WAAKO
CHIEF EXECUTIVE OFFICER

7th July 2017