

DECISIONS OF THE 220th AUTHORITY MEETING

The Authority at its 220th meeting held on Wednesday 31st July 2013, in the ERA Boardroom at ERA House Plot 15 Shimoni Road, **RESOLVED** inter alia as follows:-

1. UMEME LIMITED INVESTMENT VERIFICATION

To **APPROVE** the following:-

- (i) An addition of investments worth US\$ 54,157,135,228 (US\$21,539,476) to Umeme Ltd asset base qualifying for a return on investment in the year 2012 and;
- (ii) A supplementary addition of US\$ 5,028,638,000 (US\$2,000,000) to the 2013 allowance for Distribution Operations and Maintenance Costs (DOMC) for Umeme Ltd arising out of non-network assets acquired during the year.

2. RECONCILIATIONS IN RESPECT OF AMENDMENTS No. 2 AND 4 OF UMEME LIMITED SUPPLY LICENSE No. 048

To **APPROVE** claw backing of US\$ 19,587.3 million (US\$ 14,546.2 million relating to HVE and US\$ 5,041.1 million relating to income tax) from Umeme Limited between Q3 2013 and Q4 2013 as shown in the table below:-

Amounts to be clawed back as part of the 2013 revenue requirement

Amendment	Amount allowed in GWh	Out turn in GWh	Variance in (US\$ Millions)
HVE -Excess Energy Sales (GWh)	2,390.7	2,624.8	14,546.2
Income Tax	17,041.1	12,000.0	5,041.1
Other Revenue	4,980.0	4,980.0	-
Total			19,587.3

3. THE TARIFF REVIEW FOR THE THIRD QUARTER OF 2013

To **APPROVE** the following:-

- (i) **Capacity Price** of US\$ 27,899 per MW per hour for Eskom (U) Limited for the period July 2013 to September 2013;
- (ii) A **Bulk Supply Tariff** of US\$ 266.2/kWh at peak, US\$ 235.6/kWh at shoulder and US\$ 198.5/kWh at Off-peak for a period July to September 2013, and;
- (iii) The **End-User Tariffs** be maintained at US\$ 524.5 /KWh for Domestic, US\$ 487.6/KWh for Commercial, US\$ 458.9/KWh for Medium Industrial, US\$ 312.8/KWh for Large Industrial and US\$ 488.7/KWh for Street Lighting for a period July to September 2013.

4. **APPLICATION FOR LICENSE MODIFICATION (INCREASE IN GENERATION ELECTRICITY TARIFF) BY KASESE COBALT COMPANY LTD (KCCL).**

To **APPROVE** the following:-

- (i) A change in the denomination of electricity generation tariff of KCCL from Uganda shillings to US dollars to cater for fluctuation in foreign exchange costs; and;
- (ii) Approval of an increase in the electricity generation tariff of KCCL from **UShs 80/kWh, UShs 75/ kWh and UShs 27.36/kWh** for peak, shoulder and off-peak respectively to **US\$0.0538/kWh** adjustable for inflation annually for a 20 year period with effect from 1st September 2013 as indicated in the table below;

Time period	Approved tariff (US cents/kWh)
Peak (18:00 – 24:00 hrs.)	5.38
Shoulder (06:00 -18:00 hrs.)	5.38
Off-peak (00:00-06:00 hrs.)	5.38

5. **APPLICATION FOR TARIFF REVIEW BY WEST NILE RURAL ELECTRIFICATION COMPANY LIMITED (WENRECO).**

To **APPROVE** the following:-

- 1) Operation and Maintenance Costs in the table below:-

Year	2013	2014	2015	2016	2017	2018
Operation and Maintenance costs (USD)	669,820	669,820	669,820	669,820	669,820	669,820

- 2) Distribution loss factors in the table below:-

Year	2013	2014	2015	2016	2017	2018
Distribution Energy Loss Factor	16.4%	16.4%	12.4%	8.7%	5.0%	5.0%

- 3) Fixed monthly service charge of UShs 3,360 and UShs 13,520 for domestic and commercial customer categories respectively effective 1st September 2013.

- 4) CAPEX investment in the table below:-

Year	2013	2014	2015	2016	2017	2018
Amount (US\$)	0	153,000	153,000	100,000	100,000	100,000

5) The base electricity end-user tariff of UShs 440.4/kWh, and UShs 433.6/kWh for domestic, and commercial customer categories respectively effective 15th September 2013.

6) Adjustment factor weights of 35% for Foreign Exchange, 1% for Fuel and 64% for Inflation to be applied in the computation of the quarterly adjustment factors.

6. THE APPLICATION FOR A PERMIT BY KEERE POWER COMPANY LTD IN RESPECT OF 6.3 MW HYDRO POWER PROJECT KAPRORON SUB COUNTY, KWEEN DISTRICT ALONG RIVER KEERE.

To **APPROVE** a **twelve (12) months** Permit effective **1st August 2013**, to undertake feasibility studies leading to the development of the proposed 6.3 MW Hydro Power Project Kaproron Sub County, Kween District along River Keere.

7. TO CONSIDER AND APPROVE THE APPLICATION FOR A PERMIT BY FREE ENERGY UGANDA LTD IN RESPECT OF 2 MW SOLAR POWER PROJECTS IN KOTIDO AND KAABONG TOWNS.

To **APPROVE** a **twelve (12) months** Permit effective **1st August 2013**, to undertake feasibility studies leading to the development of the proposed 2 MW solar power plants in Kotido and Kaabong towns.

8. THE APPLICATION FOR A PERMIT BY FOTOWATIO RENEWABLE VENTURES OF 50 MW SOLAR POWER PROJECT IN SOROTI DISTRICT.

To **APPROVE** a **twelve (12) months** Permit effective **1st August 2013**, to undertake feasibility studies leading to the development of 50 MW Solar Power Project in Opuyo Sub County, Soroti District.

9. THE APPLICATION FOR A PERMIT BY TIMEX GARMENTS (PVT) LTD IN RESPECT OF THE 6.5 MW BUKINDA HYDRO POWER PROJECT.

To **APPROVE** a **twelve (12) months** Permit effective **1st August 2013**, to undertake detailed feasibility studies leading to the development of the proposed 6.5MW Hydro Power Project on River Nkusi in Hoima District.

10. THE APPLICATION FOR PERMIT EXTENSION BY ALBATROS ENERGY (U) LTD IN RESPECT OF THE 230MW HEAVY FUEL OIL THERMAL GENERATION FACILITY IN HOIMA.

To **APPROVE** a **six (6) months** Permit extension effective **1st August 2013**, to undertake detailed feasibility studies leading to the development of the proposed 230MW Heavy Fuel Oil Thermal generation facility in Hoima District.