



ELECTRICITY REGULATORY AUTHORITY

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SCHEDULE OF ELECTRICITY RETAIL TARIFFS FOR THE FOURTH QUARTER 2015

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 Fourth Quarter of 2015 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 Fourth Quarter of 2015 are discussed below:-

Inflation Adjustment Factor (IRAF)

The Core Consumer Price Index (CPI) increased from 212.9 in the Base Period to 223.0 in the month of August 2015 as published by the Uganda Bureau of Statistics. The United States Producer Price Index (PPI) increased from 189.8 in the Base Period to 192.4 in the month of August 2015 as published by the United States Bureau of Labor Statistics. The resultant effect is a positive Inflation Adjustment Factor of **UShs. 4.7/kWh** for domestic consumers, **UShs. 6.1/kWh** for commercial consumers, **UShs. 1.6/kWh** for medium industrial consumers, **UShs. 0.6/kWh** for large industrial consumers and **UShs. 7.3/kWh** for street lighting.

Exchange Rate Adjustment Factor (FERFAF)

The Uganda Shilling depreciated by 31.6 percent against the United States Dollar from UShs 2,779.9/USD in the Base Period to UShs 3,658.4/USD as at end of August 2015. The exchange rate is the mid-rate of the Uganda Shilling against the United States Dollar as published by Bank of Uganda on 31st August 2015. The resultant effect is a positive Exchange Rate Adjustment Factor of UShs.

156.9/kWh for domestic consumers, **UShs. 134.6/kWh** for commercial consumers, **UShs. 126.5/kWh** for medium industrial consumers, **UShs. 85.4/kWh** for large industrial consumers and **UShs. 141.4/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 reduced from US\$80 per barrel used in the determination of the Base Tariffs to US\$ 45.7 per barrel as at the end of August 2015, resulting into a negative Fuel Adjustment Factor of **minus UShs 1.7/kWh** for domestic consumers, **minus UShs 1.4/kWh** for commercial consumers, **minus UShs 1.5/kWh** for medium industrial consumers, **minus UShs 1.4/kWh** for large industrial consumers and **minus UShs 1.4/kWh** for street lighting. The energy generation mix changed resulting into a negative Fuel Adjustment Factor of **minus UShs 24.0/kWh** for domestic consumers, **minus UShs 19.3/kWh** for commercial consumers, **minus UShs 20.9/kWh** for medium industrial consumers, **minus UShs 19.2/kWh** for large industrial consumers and **minus UShs 19.7/kWh** for street lighting.

The overall Fuel Adjustment Factor is **minus UShs 25.7/kWh** for domestic consumers, **minus UShs 20.7/kWh** for commercial consumers, **minus UShs 22.4/kWh** for medium industrial consumers, **minus UShs 20.5/kWh** for large industrial consumers and **minus UShs 21.1/kWh** for street lighting.

The overall impact of the above adjustment factors is a weighted average increase of **17.4 percent** in the end-user Retail Tariffs relative to the Third Quarter of 2015.

Arising from the above adjustments, applicable Quarterly Adjustment Factors for the Fourth Quarter of 2015 are as shown in the table below:-

Applicable Adjustment Factors (Shs/kWh) for the period October to December 2015

Customer Category	2015 Base Tariffs	Second Quarter 2015 Tariffs	Third Quarter 2015 Tariffs	Approved Adjustment Factors				Resultant Retail Tariff for the 4 th Quarter 2015	Percentage change relative to 3 rd quarter 2015
				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.	531.5	544.9	558.4	4.7	156.9	(25.7)	135.9	667.4	19.5%
COMMERCIAL CONSUMERS - CODE 10.2 Three phase low voltage load not exceeding 100 Amperes.	484.6	496.3	508.6	6.1	134.6	(20.7)	120.0	604.6	18.9%
MEDIUM INDUSTRIAL CONSUMERS - CODE 20 Low voltage 415Volts, with maximum demand up to 500 kVA.	461.6	471.6	483.2	1.6	126.5	(22.4)	105.7	567.3	17.4%
LARGE INDUSTRIAL CONSUMERS - CODE 30 High Voltage 11,000Volts or 33,000Volts, with maximum demand exceeding 500kVA but up to 10,000 kVA	315.6	320.5	328.7	0.6	85.4	(20.5)	65.5	381.1	15.9%
STREET LIGHTING - CODE 50	502.5	514.9	527.7	7.3	141.4	(21.1)	127.6	630.1	19.4%

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 is available at www.era.or.ug.

This Schedule of Tariffs for the Fourth Quarter of 2015 shall be applicable to all consumer bills raised based on meter readings taken in the period **October 2015 to December 2015**.



Benon M. Mutambi, PhD.
CHIEF EXECUTIVE OFFICER

20th October 2015