



# ELECTRICITY REGULATORY AUTHORITY

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## SCHEDULE OF ELECTRICITY RETAIL TARIFFS FOR THE SECOND QUARTER 2016

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 Second Quarter of 2016 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 second Quarter of 2016 are discussed below:-

### Inflation Adjustment Factor (IRAF)

The rebased Core Consumer Price Index (CPI) increased from 152.29 in the Base Period to 155.40 in the month of February 2016 as published by the Uganda Bureau of Statistics. The United States

Producer Price Index (PPI) increased from 193.2 in the Base Period to 194.9 in the month of February 2016 as published by the United States Bureau of Labor Statistics. The resultant effect is a positive Inflation Adjustment Factor of **Shs. 1.2/kWh** for domestic consumers, **Shs. 1.0/kWh** for commercial consumers, **Shs. 1.0/kWh** for medium industrial consumers, **Shs. 0.6/kWh** for large industrial consumers and **Shs. 1.0/kWh** for street lighting.

### Exchange Rate Adjustment Factor (FERFAF)

The Uganda Shilling appreciated by 0.25 percent against the United States Dollar from Shs 3,357.1/USD in the Base Period to Shs 3,348.55/USD as at end of February 2016. The exchange rate is the mid-rate of the Uganda Shilling against the United States Dollar as published by Bank of Uganda on 29<sup>th</sup> February 2016. The resultant effect is a negative Exchange Rate Adjustment Factor of **minus Shs. 1.2/kWh** for domestic consumers, **minus Shs. 1.0/kWh** for

commercial consumers, **minus Shs. 1.0/kWh** for medium industrial consumers, **minus Shs. 0.8/kWh** for large industrial consumers and **minus Shs. 1.0/kWh** for street lighting.

### Fuel Adjustment Factor (PPAF)

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\$44.3 per barrel used in the determination of the Base Tariffs to US\$ 32.5per barrel as at the end of February 2016, resulting into a negative Fuel Adjustment Factor of **minus Shs 5.2/kWh** for domestic consumers, **minus Shs 4.2/kWh** for commercial consumers, **minus Shs 4.2/kWh** for medium industrial consumers, **minus Shs 3.9/kWh** for large industrial consumers and **minus Shs 4.3/kWh** for street lighting. The energy generation mix changed resulting into a negative Fuel Adjustment Factor of **minus Shs 5.6/kWh** for domestic consumers, **minus Shs 4.5/kWh** for commercial consumers, **minus Shs 4.5/**

**kWh** for medium industrial consumers, **minus Shs 4.2/kWh** for large industrial consumers and **minus Shs 4.6/kWh** for street lighting.

The overall Fuel Adjustment Factor is **minus Shs 10.8/kWh** for domestic consumers, **minus Shs 8.7/kWh** for commercial consumers, **minus Shs 8.7/kWh** for medium industrial consumers, **minus Shs 8.1/kWh** for large industrial consumers and **minus Shs 8.9/kWh** for street lighting.

The overall impact of the above adjustment factors is a reduction of **1.5 percent** in the weighted average end-user Retail Tariffs relative to the base tariffs of 2016.

Arising from the above adjustments, applicable Quarterly Adjustment Factors for the second Quarter of 2016 are as shown in the table below:-

### Applicable Adjustment Factors (Shs/kWh) for the period April to June 2016

Customer Category	2016 Base Tariffs	Approved Adjustment Factors				Resultant Retail Tariff for the 2 <sup>nd</sup> Quarter 2016	Percentage change relative to 1 <sup>st</sup> Quarter 2016
		Inflation Adjustment Factor (IRAF)	Exchange Rate Adjustment Factor (FERFAF)	Fuel Adjustment Factor (PPAF)	Total Adjustment Factor		
DOMESTIC CONSUMERS - CODE 11 Low voltage single phase supplied at 240 volts.	651.0	1.2	(1.2)	(10.8)	(10.8)	640.2	(1.7 %)
COMMERCIAL CONSUMERS - CODE 10.2 Three phase low voltage load not exceeding 100 Amperes.	587.0	1.0	(1.0)	(8.7)	(8.7)	578.3	(1.5 %)
MEDIUM INDUSTRIAL CONSUMERS - CODE 20 Low voltage 415Volts, with maximum demand up to 500 kVA.	544.9	1.0	(1.0)	(8.7)	(8.7)	536.2	(1.6 %)
LARGE INDUSTRIAL CONSUMERS - CODE 30 High Voltage 11,000Volts or 33,000Volts, with maximum demand exceeding 500kVA but up to 10,000 kVA	369.4	0.6	(0.8)	(8.1)	(8.3)	361.1	(2.3%)
STREET LIGHTING - CODE 50	628.4	1.0	(1.0)	(8.9)	(8.9)	619.5	(1.4%)

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](http://www.era.or.ug).

This Schedule of Tariffs for the Second Quarter of 2016 shall be applicable to all consumer bills raised based on meter readings taken in the period **April 2016 to June 2016**.

**Benon M. Mutambi, PhD.**  
**CHIEF EXECUTIVE OFFICER**

8<sup>th</sup> April 2016