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SCHEDULE OF ELECTRICITY RETAIL TARIFFS FOR THE FOURTH 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 fourth Quarter (October to December) 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 fourth Quarter of 2016 are as follows:

Inflation Adjustment Factor (IRAF)

The rebased Core Consumer Price Index (CPI) increased from 152.3 in the Base Period to 157.69 in the month of August 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 194.7 in the month of August 2016 as published by the United States Bureau of Labor Statistics. The resultant effect is a positive Inflation Adjustment Factor of **Ush. 2.5/kWh** for domestic consumers, **Ush. 2.1/kWh** for commercial consumers, **Ush. 2.2/kWh** for medium industrial consumers, **Ush. 1.1/kWh** for large

industrial consumers and **Ush. 2.2/kWh** for street lighting.

Exchange Rate Adjustment Factor (FERFAF)

The Uganda Shilling depreciated by **0.55 percent** against the United States Dollar from **Ush 3,357.1/USD** in the Base Period to **Ush 3,375.6/USD** as at end of **31st August 2016**. 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 2016**. The resultant effect is a positive Exchange Rate Adjustment Factor of **Ush. 6.0/kWh** for domestic consumers, **Ush. 4.9/kWh** for commercial consumers, **Ush. 5.1/kWh** for medium industrial consumers, **Ush. 3.6/kWh** for large industrial consumers and **minus Ush. 5.2/kWh** for street lighting.

Fuel Adjustment Factor (FPAF)

The Fuel Adjustment Factor is the sum of two components - 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\$ 43.1 per barrel** as at the end of **August 2016**, resulting into a negative Fuel Adjustment Factor of **minus Ush 0.4/kWh** for domestic consumers, **minus Ush 0.3/kWh** for commercial consumers, **minus Ush 0.3/kWh** for medium

industrial consumers, **minus Ush 0.3/kWh** for large industrial consumers and **minus Ush 0.3/kWh** for street lighting.

The energy generation mix changed resulting into a negative Fuel Adjustment Factor of **minus Ush 35.5/kWh** for domestic consumers, **minus Ush 28.6/kWh** for commercial consumers, **minus Ush 28.9/kWh** for medium industrial consumers, **minus Ush 26.7/kWh** for large industrial consumers and **minus Ush 29.3/kWh** for street lighting.

The overall Fuel Adjustment Factor is **minus Ush 35.9/kWh** for domestic consumers, **minus Ush 28.9/kWh** for commercial consumers, **minus Ush 29.2/kWh** for medium industrial consumers, **minus Ush 27.0/kWh** for large industrial consumers and **minus Ush 29.6/kWh** for street lighting.

The overall impact of the above adjustment factors is a weighted average reduction of **minus 0.5 percent** in the End-User (Retail) Tariffs relative to the tariffs of the third quarter of 2016.

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

Applicable Adjustment Factors (Ush/kWh) for the period October to December 2016

Customer Category	2016 Base Tariffs	Second Quarter 2016	Third Quarter 2016	Approved Adjustment Factors				Resultant Retail Tariff for the 4 th Quarter 2016	Percentage change relative to 3 rd Quarter 2016
				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	651.0	640.2	626.0	2.5	6.0	(35.9)	(27.4)	623.6	(0.4%)
COMMERCIAL CONSUMERS - CODE 10.2									
Three phase low voltage load not exceeding 100 Amperes	587.0	578.3	566.9	2.1	4.9	(28.9)	(21.9)	565.1	(0.3%)
MEDIUM INDUSTRIAL CONSUMERS - CODE 20									
Low voltage 415Volts, with maximum demand up to 500 kVA	544.9	536.2	524.7	2.2	5.1	(29.2)	(21.9)	523.0	(0.3%)
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	361.1	349.5	1.1	3.6	(27.0)	(22.3)	347.1	(0.7%)
STREET LIGHTING - CODE 50									
	628.4	619.5	608.0	2.2	5.2	(29.6)	(22.2)	606.2	(0.3%)

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 Fourth Quarter of 2016 shall be applicable to all consumer bills raised based on meter readings taken in the period **October 2016 to December 2016**.

Benon M. Mutambi, PhD.
 CHIEF EXECUTIVE OFFICER
 6th October 2016