



# ANNUAL REPORT FY 2016 - 17



The cover image is of turbines in the power house of the 5.54 MW  
Rwimi Hydropower Project in Kasese District.

ELECTRICITY REGULATORY AUTHORITY  
**ERA CSR PROJECT FOR FY 2010/11**



**SUPPORT TO PRIMARY EDUCATION**

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## List of Abbreviations

AfDB	African Development Bank
BECS	Bundibugyo Energy Co-operative Society
DSM	Demand Side Management
ERA	Electricity Regulatory Authority
ESI	Electricity Supply Industry
FESL	Ferdsult Engineering Services Limited
FY	Financial Year
GET FIT	Global Energy Transfer for Feed-in-Tariff
HPP	Hydropower Project/Plant
IAS	International Accounting Standard
IFRS	International Financial Reporting Standard
IFRIC	International Financial Reporting Interpretations Committee
JICA	Japan International Cooperation Agency
KIS	Kalangala Infrastructure Services Ltd
KPLC	Kenya Power and Lighting Company
KPS	Kiira Power Station
KRECS	Kyegegwa Rural Electricity Cooperative Society
MW	Mega Watts
NPA	National Planning Authority
NPS	Nalubaale Power Station
NSSF	National Social Security Fund
PACMECS	Pader Abim Community Multi-Purpose Electric Co-operative Society Limited
PAYE	Pay As You Earn
PPA	Power Purchase Agreement
PV	Photo Voltaic
QoS	Quality of Service
REA	Rural Electrification Agency
REFIT	Renewable Energy Feed-in Tariff
SIC	Standard Interpretations Committee
SCADA	Supervisory Control and Data Acquisition
UBOS	Uganda Bureau of Statistics
UGX	Uganda Shillings
UIA	Uganda Investment Authority
UMA	Uganda Manufacturers Association
URA	Uganda Revenue Authority
USD	United States Dollar
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
VAT	Value Added Tax
WENRECO	West Nile Rural Electrification Company Ltd
WHT	Withholding Tax

# Who we are

The Electricity Regulatory Authority (ERA) is a statutory body established in 2000, in accordance with the Electricity Act, 1999, Chapter 145 of the Laws of Uganda. The Authority is mandated by the Act to regulate the generation, transmission, sale, export, import and distribution of electrical energy in Uganda.

## 1.1 Our Functions

The Authority is statutorily charged with the following functions, under Section 10 of the Electricity Act, 1999:-

- (a) To issue Licenses for:
  - (i) The generation, transmission, distribution or sale of electricity; and,
  - (ii) The ownership or operation of transmission systems;
- (b) To receive and process applications for Licenses;
- (c) To prescribe conditions and terms of Licenses issued under the Act;
- (d) To modify Licenses issued under the Act;
- (e) To make and enforce directions to ensure compliance with Licenses issued under the Act;
- (f) To establish a Tariff structure and to investigate Tariff charges, whether or not a specific complaint has been made for a Tariff adjustment;
- (g) To approve rates of charges and terms and conditions of electricity services provided by transmission and distribution companies;
- (h) To review the organization of generation, transmission and distribution companies or other legal entities engaged in the generation, transmission and distribution of electricity to the extent that that organization affects or is likely to affect the operation of the Electricity Sector and the efficient supply of electricity;
- (i) To develop and enforce performance standards for the generation, transmission and distribution of electricity;
- (j) To encourage the development of uniform electricity industry standards and codes of conduct;
- (k) To establish a uniform system of accounts for licensees;
- (l) To advise the Minister regarding the need for Electricity Sector projects;
- (m) To prepare industry reports and to gather information from generation, transmission and distribution companies;
- (n) To prescribe and collect Licence fees;
- (o) To provide for the procedure for investment programmes by transmission and distribution companies;
- (p) To approve standards for the quality of electricity supply services provided;
- (q) To approve codes of conduct in respect of the operation of transmission and distribution systems;
- (r) To acquire information and carry out investigations relating to any of its functions; and,
- (s) To perform any other function that is incidental or consequential to its functions under this section, or as may be conferred on it by any other law.

## 1.2 Strategic Objectives

In the review period, the Authority executed its mandate guided by the following Strategic Objectives, as drawn from the ERA Ten-Year Strategic Plan, 2014/15 to 2023/24.

- (a) Increase electricity generation to meet present and future demand through attraction of both private and public sector investment and integration of environmental concerns.
- (b) Promote energy efficiency and demand side management practices.
- (c) Strengthen national and regional electricity transmission and distribution infrastructure and enhance regional collaboration in electricity regulation.
- (d) Increase technical, commercial and operational efficiency in electricity generation, transmission and distribution.
- (e) Promote reasonable and fair pricing of electricity services.
- (f) Promote objectivity, transparency and accountability to stakeholders.
- (g) Enhance good governance, internal operating efficiency and sustainability of ERA.
- (h) Enhance human capital management.
- (i) Improve use of technology and promote optimal utilization of organizational assets.



### 1.3 Our Vision

“To be an effective regulator that promotes Safe, Efficient, Reliable and Sustainable Electricity Supply”.

### 1.4 Our Mission

“To regulate the Electricity Industry in accordance with applicable Laws, Policies, Standards and International Best practice.”

### 1.5 Our Core Values

























- Professionalism
- Integrity
- Innovation
- Transparency and Accountability
- Equal and Fair Opportunity
- Stakeholder Sensitivity
- Teamwork

### 1.6 Key performance highlights

	Performance Area	Item	2016/17	2015/16
1	Supply Security	Installed Generation Capacity	914 MW	863.6 MW
		Number of Licensed Projects	6	11
		Capacity of Licensed Projects	813.7 MW	108 MW
		Capacity of Licensed Projects under Construction	930.8 MW	98 MW
2	Customer / Stakeholder	Quality of Service Compliance	9/10 Licensees reviewed	5/10 Licensees reviewed
		GET-FIT Projects under Construction	7	6
		Customer Connections	1,104,093	925,597
		UETCL Energy Purchases	3,588.8 GWh	3,422.6 GWh
		UETCL Energy Sales	3,582 GWh	3,295 GWh
		Energy Sales by Distribution Utilities	2,692.4 Gwh	2,534.7 Gwh
		Complaints resolution	346/380 complaints resolved	213/231 complaints resolved
3	Financial	Cost to Income ratio	77.3%	88.6%
		Budget absorption	92.2%	92.4%
		Investments approved	US \$201.3 Million	US\$193.2 Million
4	Internal Business Processes	Number of Tariff Reviews	10 Licensees	9 Licensees
5	Human Resources	Total staff numbers	54	54
		Recruitments	12	6

# Key performance highlights

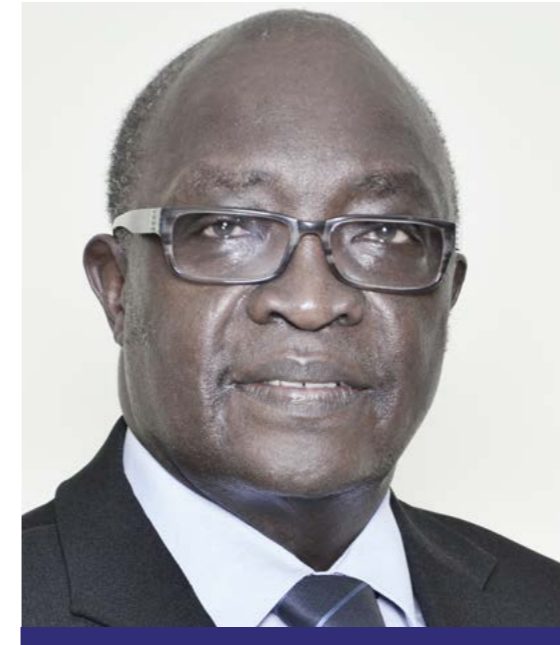
## Supply Security

Item	2016/17	2015/16
 Installed Generation Capacity	 <b>914</b> MW	 <b>863.6</b> MW
 Capacity of Licensed Projects under Construction	 <b>930.8</b> MW	 <b>98</b> MW
 Customer Connections	 <b>1,104,093</b>	 <b>925,597</b>
 UETCL Energy Purchases	 <b>3,588.8</b> GWh	 <b>3,422.6</b> GWh
 UETCL Energy Sales	 <b>3,582</b> GWh	 <b>3,295</b> GWh
 Energy Sales by Distribution Utilities	 <b>2,692.4</b> GWh	 <b>2,534.7</b> GWh
 Cost to Income ratio	 <b>77.3%</b>	 <b>88.6%</b>
 Budget absorption	 <b>92.2%</b>	 <b>92.4%</b>

## Human Resources

 Total staff numbers	 <b>54</b>	 <b>54</b>
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# Members of the Electricity Regulatory Authority



**Chairman**  
Mr. Richard Santo Apire  
October 2011 to-date



**Member**  
Eng. Fabian  
Rwamwema Tibeita  
October 2011 to-date



**Member**  
Eng. Joseph Oteng Otogo  
July 2014 to-date



**Member**  
Amb. Joan Rwabyomere  
October 2015 to-date



**Member**  
Dr. Sarah  
Wasagali Kanaabi  
October 2015 to-date

# The Management Team



**Eng. Ziria Tibalwa Waako**

Chief Executive Officer from March 2017 to-date;  
Ag. CEO from November 2016 to February 2017;  
and Director Technical Regulation from July 2012  
to October 2016.



**CPA Edward Iruura**

Director Financial Services from  
December 2015 to-date



**Dr. Benon M. Mutambi**

Chief Executive Officer from 2011 to November 2016



**Mr. Harold Obiga**

Director Legal and Authority Affairs from  
February 2017 to-date



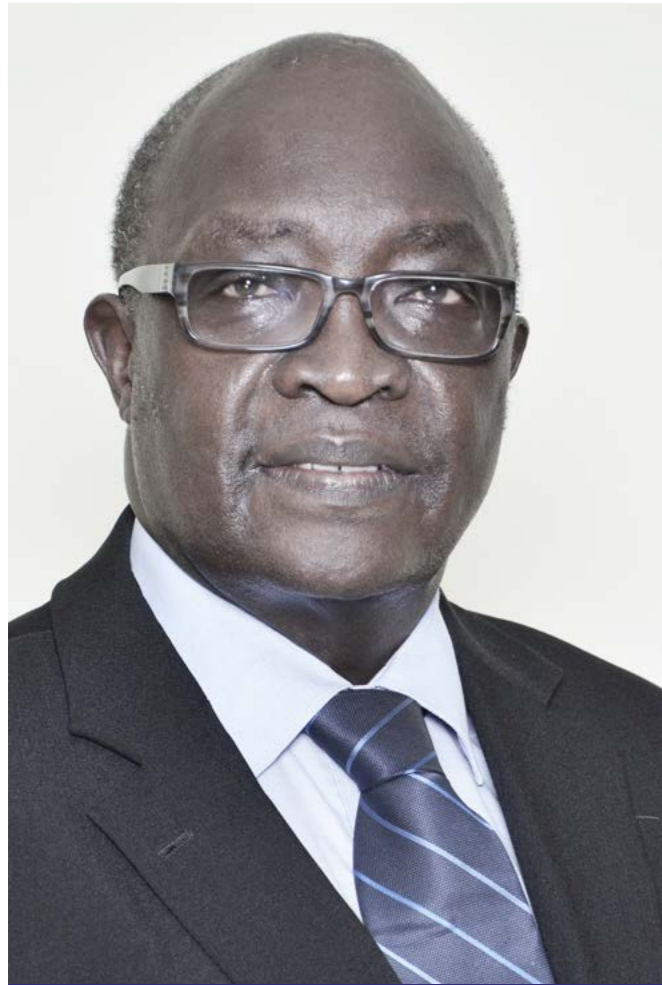
**Dr. Geoffrey Okoboi**

Director Economic Regulation  
from August 2013 to-date



**Mr. Peter Kityo**

Ag. Director Technical Regulation  
November 2016 to-date



## Statement by the Chairman

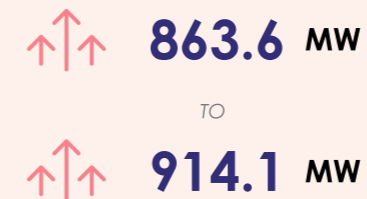
Richard Santo Apire  
**Chairman**

It is my privilege and honor to present the Annual Report for the financial year 2016/17 on behalf of the Electricity Regulatory Authority.

During the period under review, ERA steadily progressed along its trajectory of becoming an “effective regulator that promotes Safe, Efficient, Reliable and Sustainable Electricity Supply”. In

the execution of its mandate as provided for under the Electricity Act, 1999, the Authority undertook various initiatives to boost generation capacity as well as technical, commercial, and operational efficiency in the generation, transmission and distribution segments.

The Authority registered an increase in the country's installed generation capacity, from



and licensed six (6) projects with a proposed generation capacity of 813.7 MW to further boost the generation capacity.



In another significant development, in December 2016, Uganda's Electricity Supply Industry through GET FIT support achieved yet another major milestone, with the commissioning of the first Grid-connected Solar Photo Voltaic Plant in the country. The 10 MW Plant is located in Soroti District and was developed by Access Uganda Solar Limited.

The Authority intensified compliance monitoring through off-site reviews and on-site visits (statutory inspection) of licensees to ascertain performance levels with regard to technical, financial, economic, and environmental parameters. This not only provided the Authority with relevant information for regulatory purposes but also enabled the licensees to remedy areas of non-compliance.

In an effort to maintain the favorable Renewable Energy Investment climate created by the Electricity Regulatory Authority, ERA with support from the GET FIT program revised the Renewable Energy Feed-in Tariffs in July 2016. This is expected to sustain the level of financial viability of potential power generation projects to ensure that the country remains one of the best investment destinations on the African continent.

In recognition of the invaluable contribution that ERA's stakeholders make towards the Authority's decision-making process, ERA extensively consulted its stakeholders on several regulatory issues to arrive at fair, reasonable decisions. We pledge to continue executing the mandate of the Authority in a transparent manner.

As we progress into the new financial year with renewed commitment to maintaining a favorable regulatory environment that caters for the interests of ERA's diverse stakeholders, I wish to extend my sincere appreciation to all the stakeholders that have continuously supported the Authority. To the Government of Uganda in general, the Minister of Energy and Mineral Development and the Minister of Finance, Planning and Economic Development in particular, Development Partners and the other stakeholders, we say thank you. To my colleagues - the Members of the Authority, the Management and Staff, thank you for your commitment to serving ERA and the Electricity Supply Industry as a whole.

**Richard Santo Apire**  
**Chairman**



## Chief Executive Officer's Report

Eng. Ziria Tibalwa Waako  
Chief Executive Officer

I am pleased to present the Electricity Regulatory Authority's Annual Report for financial year 2016/17.

Following the celebrated performance and milestones during the previous financial year, the Authority reinforced the solid foundation established over years of regulation and continued on the journey of constant improvement and innovation that will enable us to achieve our vision of being an "effective regulator that promotes Safe, Efficient, Reliable and Sustainable Electricity Supply".

The Authority carried out financial and commercial performance reviews of licensed companies to determine their performance in comparison to the targets set by ERA. The licensees generally performed well in respect of meeting demand for energy but had challenges with meeting the targets on Energy Losses and Operation and Maintenance expenditure. Regardless of the challenges, the entities remain going concerns for the foreseeable future.

US\$ 201.3 Million

In an effort to advance efficiency in the Distribution segment, the Authority approved investments worth over US\$ 201.3 Million for projects aimed at improving Quality of Supply and Quality of Service.

Due to these investments, the Industry registered reduced Energy Losses of 17.5%, from 21% in the last financial year. This subsequently increased the Energy Sales by Distribution Utilities from 3,295 Gwh to 3,582 Gwh.

As mandated by the Electricity Act, 1999, ERA timely reviewed structures of Electricity Tariffs and set Tariffs to be charged by various licensees as per the applicable Tariff Methodologies. The resultant End-User Tariffs were largely dependent on changes in the Exchange rate, inflation rate and the price of fuel on the international market.

The Distribution segment registered growth in the number of new connections. The year ending 2016/17 had 1,104,093 customer connections, signifying a 19% increment from the 925,597 customers connected in the year ending 2015/16.

In another significant development, the Authority, through a consultative process, developed guidelines for the design, manufacture, installation and use of Ready Boards. The Ready Boards are intended for use as a low cost, affordable, portable, safe and easy-to-use solution for electricity installation by low income earners, especially in rural areas.

I take this opportunity to thank the various stakeholders whose support has been pivotal to the achievement of ERA's goals during the financial year 2016/17. I am especially grateful to the Minister of Energy, the Development Partners, the Members, Management and Staff of the Authority; and look forward to more of your cooperation and commitment to the development of the Electricity Supply Industry during the coming year.

Eng. Ziria Tibalwa Waako  
Chief Executive Officer

# Governance Statement

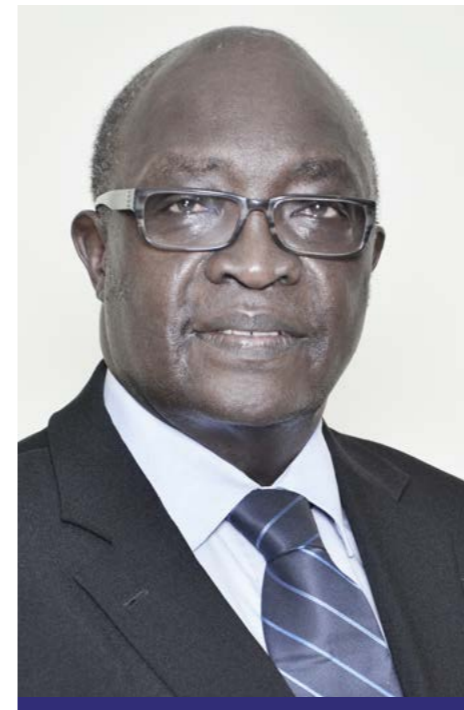
## Governance Statement

### 2.1 Composition of the Authority

The Authority (Board of the Electricity Regulatory Authority) is composed of five (5) Members appointed by the Minister of Energy and Mineral Development. The tenure of office lasts five (5) years and is renewable once. The Minister further appoints the Chair of the Authority in accordance with Section 5 of the Electricity Act, 1999. The functions of the Authority are laid out in Section 10 of the Electricity Act.

In FY 2016/17, the Authority was composed of five (5) members, namely: Mr. Richard Santo Apire (Chairman), Eng. Fabian Rwamwema Tibeita, Eng. Joseph Oteng Otogo, Ambassador Joan Rwabyomere and Dr. Sarah Kanaabi Wasagali.

### 2.2 Profile of the ERA Authority Members



*Mr. Richard Santo Apire*

#### Chairman (October 2011 to-date)

Mr. Richard Santo Apire is a qualified Financial Specialist and Banker with a Bachelor of Commerce Degree from the University of Nairobi. He was appointed the Chairman of the Authority in September 2011 for a five-year term and re-appointed for another five-year term as Chairman effective September 2015.

Prior to his appointment to the Board of ERA, Mr. Apire had worked as a Member of the Local Government Finance Commission from April 2004 to October 2008. He was a Board Member of the Housing Finance Company of Uganda from 1994 to 2001, and National Housing and Construction Company Limited (NHCC) from 1987 to 1994. He also worked with Bank of Uganda for over 20 years, retiring at the level of Director - Development Finance Department. Following retirement from the Central Bank of Uganda, Mr. Apire worked as a consultant on Risk Management for Tropical Bank for two years.

Mr. Apire brought to the Authority wide, insightful and meticulous analytical acumen that has been very pivotal to the work of the Authority. He is currently serving his second term as Authority Member and Authority Chairman.



### Member (October 2011 to-date)

Eng. Tibeita is a 1<sup>st</sup> class graduate of Bsc. Mechanical Engineering from University of Nairobi. He has served in the Public Sector for over 30 years, with 28 years of this service being in Senior Management positions and directorships. At the time of his retirement from Public Service, Mr. Tibeita had been serving as the Director General of the East African Development Bank for 11 years.

He also served on 19 Boards in Uganda, Kenya and Tanzania in the capacities of Chairman and Member. He was a member of the Board of IPS Limited, Vipingo Plantation (K) Limited, Uganda Cement Industries Limited, Nytil Uganda Limited, Mabati Rolling Mills (K) Limited, and Universal Electronics (Tz) Limited among others. Before joining the ERA Board, he was a chairman of Uganda Coffee Development Authority and a Board Member of Standard Chartered Bank for 13 years.

Currently, he is the Board Chairman of Crest Foam Limited and Hoima Caritas Development Organization. He is a Certified Regulator and a PPP Specialist of the Institute for Public – Private Partnerships USA and the Water Engineering Development centre of Loughborough University, UK.

Eng. Fabian Rwamwema Tibeita



### Member (July 2014 to-date)

Eng. Otogo joined the Authority in July 2014 with over 20 years of experience in Engineering. He holds a Master of Science Degree in Sustainable Electrical Power from Brunel University; a Bachelor's Degree in Electronics and Communication Engineering (University of North London); and a Higher National Certificate in Electronics (City of Westminster College).

For 13 years, Eng. Otogo worked as a Senior Technical Support Engineer at Alcatel-Lucent, between 2000 and 2013. He also worked as Network Engineer with Fibernet UK Ltd (1999 - 2000) and as Testing and Commissioning Engineer with Marconi Communications (1996 - 1998).

Eng. Otogo is fervent about energy economics, power markets, and power generation and transmission security.

Eng. Joseph Oteng Otogo



### Member (October 2015 to-date)

Ambassador Joan Rwabyomere is a qualified lawyer with LL.B (Hons) from Makerere University, Master's Degree in International Trade and Investment and a Masters of Business Administration in Oil and Gas Management. She has a wealth of experience in politics, management, diplomacy, business and leadership both in the private and public sectors, at national, regional and international levels.

She has been Uganda's High Commissioner to London (2006 – 2013), and to Nigeria (2000 – 2005). She has successfully served on the boards of various organizations, including Uganda Electricity Board, Civil Aviation Authority, National Enterprise Corporation, and Women in Diplomatic Service. Ambassador Joan served as a Member of Parliament and as a Junior Minister. She is a mother of Four (4) children.

Ambassador Joan Rwabyomere



### Member (October 2015 to-date)

Dr. Sarah Wasagali Kanaabi is a qualified Economist with varied experience in administration, teaching, research, and policy formulation. She has trained in various fields including economic planning and policy, financial modeling for public - private projects, governance and enterprise risk management.

She has 22 years of University teaching experience gained at the Islamic University in Uganda and Kyambogo University. She has served on the Board of Directors of Private Sector Development Center Mbale and the Eastern Private Sector Development Center Ltd. She has also served on the Board of Governors of various secondary schools.

Dr. Kanaabi has made several academic and professional presentations in the areas of economics, governance, gender, HIV/AIDS, career guidance, project planning, poverty and development.

Dr. Sarah Wasagali Kanaabi

### 2.3 Conduct of Meetings of the Authority

The Electricity Act, 1999, provides for at least one meeting per month by the Members of the Authority to meet upon a request in writing to the Chairperson, by the Secretary to the Authority who also doubles as the Director for Legal and Authority Affairs. Each meeting should be attended by at least three (3) of the five (5) Members to discharge ERA's functions. The Act further provides for meetings of special Committees of the Authority.

### 2.4 Committees of the Authority

In accordance with Section 13 (1) and (2) of the Electricity Act, 1999, the Authority appointed special Committees to offer advice on the specialized areas of Human Resource and Finance and Audit, within

the scope of the functions of the Authority. Each of the Committees is headed by a Chairperson and meets on a quarterly basis to make recommendations to the Authority, in line with the respective areas of specialization.

#### Human Resource Committee

The Human Resource Committee undertakes the human resource responsibilities of the Authority, guided by specified Terms of Reference. The committee is composed of three Non-Executive members. It is chaired by Eng. Fabian Rwamwema Tibeita. Other members of the Committee are Eng. Joseph Oteng Otogo and Dr. Sarah Kanaabi Wasagali. The Human Resource committee held a total of five (5) meetings in the review period as shown in Table 1.

**Table 1: Human Resource Committee Attendance of meetings**

Name	Jul-16	Aug-16	Oct-16	Dec-16	Jan-17
Eng. Fabian Tibeita	1	1	1	1	1
Dr. Sarah Wasagali Kanaabi	1	1	1	1	1
Eng. Joseph Oteng Otogo	1	1	1	-	1

#### Audit Committee of the Authority

Good corporate governance practices require that a specialized committee of the Board is established to comprehensively handle governance issues appropriately. Section 49 of the Public Finance Management Act, 2015, which establishes the role of the Audit Committee of the Board further establishes its functions. The functions of the Committee include to;

- Assist the Chief Executive Officer in carrying out the oversight responsibilities relating to financial practices, internal controls, issues, compliance with laws, ethics and audit matters;
- Review the arrangements established by the Chief Executive Officer for compliance with regulatory and financial reporting requirements;
- Review the financial statements prepared by the Chief Executive Officer to ensure that the disclosure in the financial statements is adequate and that fair representation is achieved;

- Facilitate risk assessment to determine the amount of risk exposure of the assets of the Authority and the possibility of loss that may occur, with a view to mitigating risks; and,
- Consider the reports submitted by the internal auditor to the Chief Executive Officer under Section 48 and make recommendations on the findings of the internal auditor. The Chief Executive Officer shall report to the Audit Committee the actions taken or planned in response to the recommendations of the Committee.

The committee is composed of three (3) members. It is chaired by Amb. Joan Rwabyomere and other members are Eng. Fabian Rwamwema Tibeita, and Eng. Joseph Oteng Otogo.

The decisions of the Audit Committee are recommended to the main Board for consideration. During the review period, the Committee held Five (5) meetings as shown in table 2.

**Table 2: Audit Committee Sitzings**

Name	Oct-16	Jan-17	Apr-17	Jun-17	Jan-17
Amb. Joan Rwabyomere	1	1	1	2	1
Eng. Fabian Tibeita	-	1	1	2	1
Eng. Joseph Oteng Otogo	1	1	1	2	1

#### Technical Committee of the Authority

The Technical Committee undertakes the Technical responsibilities of the Authority, guided by specified Terms of Reference. The committee is composed of Four (4) members and it is chaired by Amb. Joan Rwabyomere. Other members of the Committee are Eng. Joseph Oteng Otogo, Eng. Fabian Rwamwema Tibeita and Dr. Sarah Wasagali Kanaabi.

The function of the technical committee is to:

- Review the effectiveness of ERA's monitoring , enforcement and compliance controls and risks and systems;
- Oversee the reporting and record keeping functions of Licensees to ensure the accuracy, transparency and integrity of sector information;
- Oversee the environmental, engineering and economic compliance of Licensee's.

- Monitor the effectiveness of ERA's compliance function in the ESI;
- Ensure the integrity of the monitoring, enforcement and compliance processes of ERA to ensure efficient supply of electricity.
- Assess the Authority's performance of its inspection, investigation, compliance and enforcement functions.
- Assess the Authority's performance regarding the need for investments in the sector.
- Assess the Authority's performance regarding the technical justifications to inform Investments approval decisions and the verification thereof.
- Ensure that Management procedures and processes are in compliance with policies set by the Authority and propose improvements.

During the review period, the Committee held Four (4) meetings as shown in table 3.

**Table 3: Technical Committee Attendance of meetings**

Name	June -16	Oct -16	Jan -17	May -17	Jan-17
Amb. Joan Rwabyomere	1	1	1	1	1
Dr. Sarah Wasagali Kanaabi	-	1	1	1	
Eng. Fabian Tibeita				1	1
Eng. Joseph Oteng Otogo	1	1	1	1	1



Inspection of Generation Projects



Inaugural ESI Chief Executive Officers' Forum



The 5.54 MW Rwimi HPP in Kasese District



Public Hearing in Bulambuli District

## Installation Permits Committee

The Authority in April 2002 established a special Committee to operationalize the requirements of Section 88 of the Electricity Act. This section of the Act provides that no person shall install any electrical wiring or extension to existing wiring on any premises without first obtaining an Installation Permit issued by the Authority.

The Committee is composed of six (6) members. ERA provides the Chairmanship and Secretarial services to this Committee while the other four (4) members are seconded by key stakeholder groups. The stakeholders on this Committee include Distribution Companies (represented by Umeme Limited), the Engineers Registration Board, Uganda Consumer Protection Association, and Vocational Training Institutes.

The Committee held 18 meetings throughout the review period in which 541 interviews were conducted and 541 applicants met the Committee's panel. A summary of the results is presented below;

- (i) Issuance of 426 new Permits;
- (ii) Renewal of 1,109 Permits;
- (iii) Suspension of five (5) Permits; and,

- (iv) Caution to 10 Permit holders against failure to meet the required wiring standards.

In a bid to improve on the sensitization of the public about the need for use of certified wiremen, the Committee carried out six (6) sensitization programs in Arua, two (2) in Mbale, Kasese, Lira and Mbarara Districts.

## Grid Code Committee

The Grid Code Committee assists the Authority in fulfilling its functional responsibilities with regard to the Electricity Grid Code. This Committee is responsible for regularly reviewing the Grid Code, submitting to ERA recommendations on amendments to the Grid Code, issuing guidance on the interpretation, operationalization, Licensees' performance in line with the Grid Code requirements, and considering desirable or necessary changes to the Grid Code. The Committee that has representatives of the System Operator, generators, distributors, special interest groups and the Uganda Institution of Professional Engineers is chaired by the Director of the Technical Regulation Department of ERA. During the FY 2016/17, the Committee held six (6) meetings and the key area of discussion was to review the existing Grid Code and propose amendments.

## 2.5 Authority Meetings and Decisions

In accordance with Section 12 and the First Schedule of the Electricity Act, the Authority conducted meetings at least once in every month to discharge its duties. This was with the exception of the month of January 2017 whose meeting was held in early February 2017 and March 2017 to deliberate on the recruitment process and handover ceremony of the Chief Executive Officer. The Chairman presided over the meetings of the Authority. The attendance of the Authority meetings was as indicated in Table 4:

**Table 4: Attendance of the Authority meetings**

Year	2016						2017					
	Name	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
<b>Ordinary Authority Meetings</b>												
Amb. Joan Rwabyomere	1	1	1	-	1	1	-	1	-	1	1	1
Dr. Sarah Wasagali Kanaabi	1	1	1	1	1	1	-	1	-	1	1	1
Eng. Fabian Tibeita	1	1	1	1	1	1	-	1	-	1	1	-
Eng. Joseph Oteng Otogo	1	1	-	1	1	1	-	1	-	1	1	1
Mr. Richard Santo Apire	-	1	1	1	1	1	-	1	-	1	1	1
<b>Special Authority Meetings</b>												
Amb. Joan Rwabyomere	-	-	-	1	-	-	-	1	-	4	1	-
Dr. Sarah Wasagali Kanaabi	1	-	-	1	-	-	-	1	4	1	-	-
Eng. Fabian Tibeita	1	-	-	1	-	-	-	1	4	1	-	1
Eng. Joseph Oteng Otogo	-	-	-	1	-	-	-	1	4	1	-	1
Mr. Richard Santo Apire	1	-	-	1	-	-	-	1	4	1	-	1

Power Supply  
Security and  
Demand

# Power Supply Security and Demand

In continuing its efforts to increase electricity generation to meet present and future demand, ERA during FY 2016/17 supported both private and public sector investment in the ESI. Mainstreaming of environmental concerns into the operations of the ESI was another priority for the Authority for the period under review. In undertaking these endeavours, the Authority registered the following progress:

## 3.1 Electricity Generation

During the review period, there was a significant increase in the installed generation capacity from 863.6 MW reported during the last financial year to 914.1 MW as represented in Figure 1. Hydro power continued to be the biggest contributor to the generation mix at 77%, with Bagasse Co-generation gaining a slight momentum in the industry at 11%. Thermal and Solar power contributed 11% and 1%, respectively.

Licensed Capacity (MW)

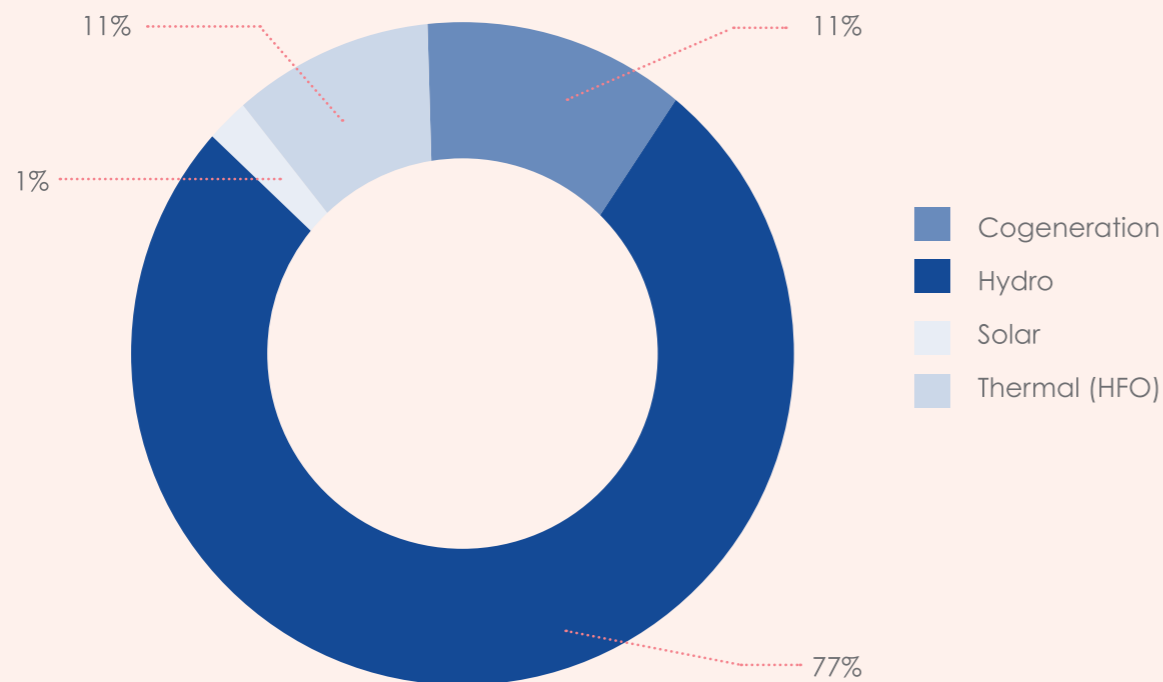


Figure 1: Generation Mix of Uganda

It can be noted that the generation capacity under Co-generation increased from 7% in FY 2015/16 to 11% in the FY 2016/17. This was attributed to the commissioning of the Sugar and Allied Industries Limited and Mayuge Sugar Limited Bagasse Co-generation Plants located in Kaliro and Mayuge Districts.

## 3.2 Projects Licensed in 2016/17

Throughout the financial year 2016/17, the Authority awarded six (6) Licenses for the Generation and Sale of Electricity, amounting to a total installed capacity of 813.7 MW. Five (5) of the projects are currently under construction and are estimated to add 806.7 MW to the National Grid by June 2019.

# UGANDA

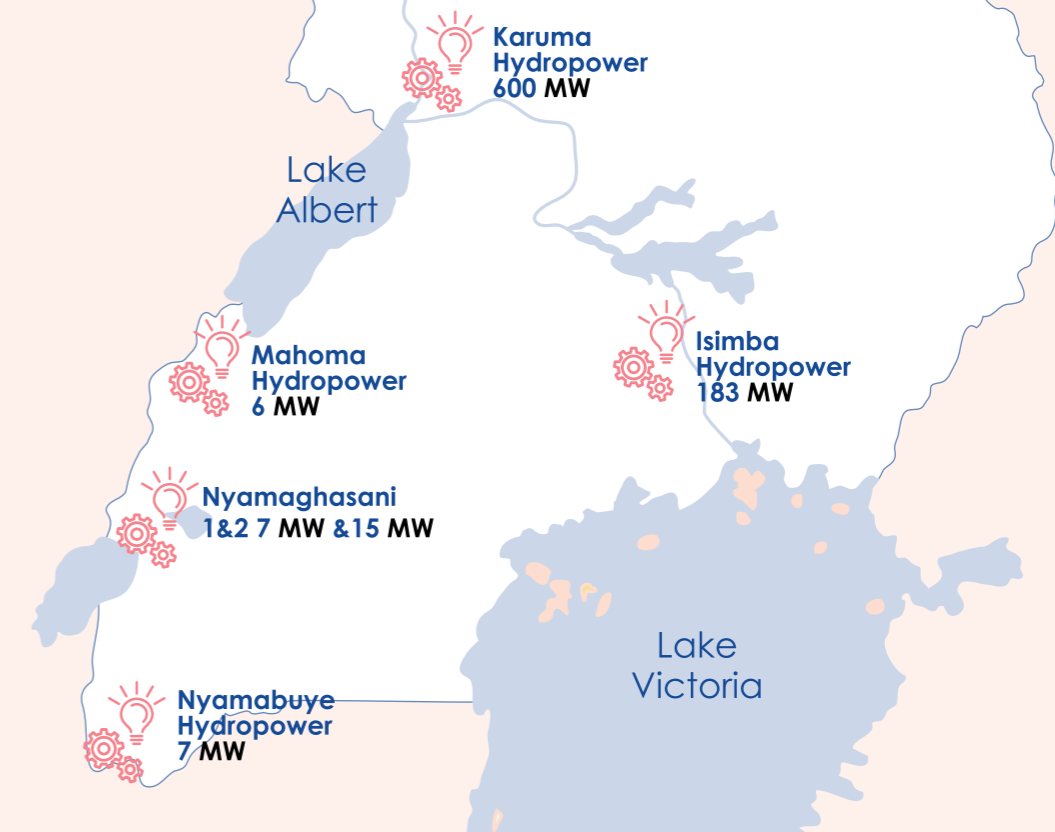


Figure 2: Location of the Licensed Projects in FY 2016/17

**Table 5: Licensed Projects in FY 2016/17**

No	Project Name	Company	Technology	Capacity (MW)	Expected Commissioning date
1	Karuma Hydropower Project	Uganda Electricity Generation Co. Ltd	Hydro	600	April 2019
2	Isimba Hydropower Project	Uganda Electricity Generation Co. Ltd	Hydro	183	December 2018
3	Nyamabuye Hydropower Project	Elemental Energy Ltd	Hydro	7	December 2020
4	Nyamaghasani I Hydropower Project	Rwenzori Hydro Ltd	Hydro	15	December 2018
5	Nyamaghasani 2 Hydropower Project	Nyamaghasani 2 HPP Ltd	Hydro	6	December 2018
6	Mahoma Hydropower Project	Mahoma Hydro Uganda Ltd	Hydro	2.7	August 2018
<b>Total</b>				<b>813.7</b>	

### 3.3 Licensed Projects under Construction

During the review period, seventeen (17) projects with a total installed capacity of 930.85 MW were at various stages of construction. It is notable that some of the projects that commenced construction were licensed before FY 2016/17.

**Table 6: Licensed Projects under Construction**

No.	Project	Technology	Capacity(MW)	Expected Commission date
1	Siti 1 Hydropower Project	Hydro	5	Commissioned May 2017
2	Siti 2 Hydropower Project	Hydro	16.5	October 2018
3	Lubilia Hydropower Project	Hydro	5.4	March 2018
4	Nyamwamba Hydropower Project	Hydro	5.4	January 2018
5	Nkusi Hydropower Project	Hydro	9.6	April 2018
6	Rwimi Hydropower Project	Hydro	5.5	October 2017
7	Muvumbe Hydropower Project	Hydro	6.5	Commissioned February 2017
8	Achwa 2 Hydropower Project	Hydro	42	October 2018
9	Mahoma Hydropower Project	Hydro	2.7	August 2018
10	Karuma Hydropower Project	Hydro	600	April 2019
11	Isimba Hydropower Project	Hydro	183	December 2018
12	Nyamaghasani Hydropower Project	Hydro	15	December 2018
13	Nyamaghasani 2 Hydropower	Hydro	6	December 2018
14	Ndugutu Hydropower Project	Hydro	5.4	June 2019
15	Sindila Hydropower Project	Hydro	5.25	Oct 2019
16	Kyambura Hydropower Project	Hydro	7.6	March 2019
17	Tororo Grid Connected Solar P.V	Solar P.V	10	October 2017
<b>Total</b>			<b>930.85</b>	

### 3.4 Projects at Feasibility Study

During the FY 2016/17, 12 (twelve) Feasibility Study Permits were awarded for the development of the following proposed projects with a total installed capacity of 523.5 MW:

**Table 7: Projects at Feasibility Study**

No.	Project Name	Company	Technology	Capacity (MW)
1	Ririma Hydropower Project	Kametsi Energy Limited	Hydro	1.14
2	Sogahi Hydropower Project	Focus Energy Uganda Limited	Hydro	3.1
3	Ngenge Hydropower Project	R&I Hydropower Limited	Hydro	10
4	Keere Hydropower Project	Keere Power Co. Limited	Hydro	6.3
5	Manafwa Hydropower Project	LTL Projects Limited	Hydro	7
6	Simu Hydropower Project	Rareh Simu Limited	Hydro	5.7
7	Okulacere Hydropower Project	Uganda Electricity Generation Company Ltd	Hydro	4.4
8	Agbinika Hydropower Project	Uganda Electricity Generation Co. Ltd	Hydro	2.02
9	Maziba Hydropower Project	Uganda Electricity Generation Co. Ltd	Hydro	1.18
10	Nengo Bridge Hydropower Project	Jelco Nengo Hydropower Co. Ltd	Hydro	6.7
11	Thermal Power Plant	Total E&P B.V	Thermal	146
12	Kiba Hydropower Project	China Africa Investment and Development Co. Ltd	Hydro	330
<b>Total</b>				<b>523.54</b>

### 3.5 Power Demand

During the reporting period of FY 2016/17, the maximum peak system (including domestic and exports to Kenya and Tanzania) demand was 596.06 MW.

The maximum peak domestic (Uganda) demand in the year was 546.42 MW while the indicative gross energy consumption was 3,300.72 GWh.

Exports to Kenya during the period under review were to support the Kenyan grid when the country had reduced generation capacity in Western Kenya, caused by drought in the region.

### 3.6 Evacuation challenges

For the period under review, a number of projects at different development stages; conception, feasibility, construction and operational stages

experienced various evacuation challenges noted below;

(i) The System Planning and Coordination committee (SPCC) proposed a robust power evacuation plan that would see all power generation projects in the Elgon region evacuated through the proposed UETCL substation in the region. However the commercial operations for the proposed substation is expected at the end of 2021. These projects include; Siti 1 and 2, Kabeywa 1 and 2, Muyembe 1 and 2, Ngenge 1 and 2, Atari 1 and 2, Cheptui 1 and 2, Chebonent, Chesebere, Binyiny and Nyalit.

(ii) The 9.6 MW Nkusi HPP expected to commission in April 2018. REA is constructing a line linking the plant to the national grid at Nyakatojo – Muhororo. However, Power flow studies in mid-2017 showed that the proposed evacuation

through the existing network could only absorb 4.0 MW from the plant to feed into the distribution network of Kagadi, Kyenjojo, Kakumiro, Muntele and Karuguza (Kibaale) and was 6km away from the Nkusi HPP power house.

(iii) The capacity of the 42 MW Achwa HPP was too high to be evacuated through the existing distribution network, which would cause a 70% loss of power.

(iv) A dedicated power line from the 5.54 MW Rwimi HPP to Rugendabara Switching station

was available but the switching station was expected in the first quarter of 2018.

(v) A dedicated power line from the 3.2 MW Nyabuhuka HPP to Kibiito Switching station and after to Rugendabara Switching station was available but both switching stations were expected in the first quarter of 2018.

Despite all these evacuation challenges, REA was committed to construction and refurbishment of power lines to facilitate the linkage of the plants to the national grid.

## The GET FiT Program

Since its inception in 2013, the GET FiT Uganda program has facilitated the implementation of small-scale Renewable Energy projects promoted by the private sector in Uganda. GET FiT was founded with an aim of facilitating small-scale Renewable Energy generation projects in advanced planning stages and with a valid development Permit from the Electricity Regulatory Authority, to apply for top-up premium payments through participation in competitive Request for Proposals and the subsequent evaluation process. In the review period, the Authority saw the impact of the GET FiT program on Uganda's Electricity Supply Industry grow from strength to strength. In addition to the six (6) Hydropower projects that broke ground in 2015, construction works began for six (6) more Hydropower projects and one (1) Solar Project in 2016 and early 2017, bringing the total of the planned installed capacity from the GET FiT projects currently under construction to 111.3 MW of the total planned 157.29 MW.

Six (6) Hydropower Projects commenced full construction activities during the year under review. These are Kyambura, Sindila, Ndugutu, Nyamaghasani 1, Nyamaghasani 2 and Siti 2.

It is notable that the implementation of the GET FiT program saw Uganda become one of the best Renewable Energy investment destinations; and gain international recognition. The Bloomberg ratings of February 2017 rated the country 2<sup>nd</sup> best with regard to Renewable Energy investments in Africa. In an effort to maintain the favorable Renewable Energy Investment climate, the Authority with support from the GET FiT Program revised the Renewable Energy Feed-in Tariffs in July 2016. This was aimed at sustaining the level of financial viability of the potential projects to ensure that the country remains one of the best investment destinations on the African continent beyond the GET FiT program.

### 3.7 Electricity Transmission

#### Projects to Improve Reliability and Availability of the High Voltage (HV) Network

The Electricity Regulatory Authority during the financial year 2016/17 continued to monitor UETCL in the development of the following projects aimed at improving the reliability and availability of the High Voltage network and contributing to improved power supply quality and security in the country:

(i) The 260 km, 132kV Tororo - Opuyo transmission line, funded by the African Development Bank (AfDB). This line will improve reliability and availability of power supply in Northern and Eastern Uganda. Construction works

commenced, the Towers were erected, and the stringing of conductors is ongoing.

(ii) The 234 km, 220kV Nkenda - Fort Portal - Hoima transmission line which is expected to increase transmission capacity and contribute to the evacuation of power plants in Hoima District. This project is jointly funded by the Kingdom of Norway (Transmission Lines) and the French Development Agency (substation works). Construction is underway and the line is expected to be commissioned by December 2018.

(iii) The 160 km, 132kV Mbarara - Nkenda transmission line funded by AfDB. The line will improve reliability and availability of power in the Western part of the country. There have been delays associated with acquisition of way leaves, which has affected the completion of the project. However, this project is expected to be commissioned by August 2017.

(iv) The 100 km, 132kV Opuyo - Moroto transmission line and substation which will extend power to the Karamoja region. Funding for the project was provided by the Islamic Development Bank. This line is expected to be commissioned by June 2019.

#### Projects for Evacuating Power Plants

(i) The 248 km, 400kV Karuma interconnection project. Financing for the project was secured from the China Exim Bank. Sino Hydro was contracted to construct this transmission line, with works expected to be completed in June 2018. The line will evacuate power from the proposed 600 MW Karuma Hydropower Project, which is currently under construction.

(ii) The 42 km, 132kV Isimba interconnection project for which financing has been sourced from the China Exim Bank will evacuate the proposed 183 MW Isimba Hydropower Project. Construction works are being undertaken by China CAMC Engineering Co. Limited; and are expected to be completed by June 2018.

(iii) The 10 km, 400kV Ayago interconnection project. This project is currently under feasibility study with funding from the China Exim Bank. The line is expected to evacuate the proposed 680 MW Ayago Hydropower plant.

(iv) UETCL has initiated power evacuation projects that will evacuate the 83 MW Achwa I and II Hydropower Projects in Gulu District, the 54 MW Hydropower Projects in Isingiro District, and an estimated 40 MW expected to be generated from projects in the Mt. Elgon region. These

projects are under feasibility study and are expected to be completed by June 2018.

### Regional Interconnections

UETCL is undertaking the following projects to promote power trading and improve security of supply within the region:

(i) Karuma - Nimule (Uganda) - Juba (South Sudan) 400kV line of 190 km to Nimule. This will interconnect Uganda and South Sudan. UETCL is currently sourcing financing for the project and a grant is being processed for procurement of a consultant for feasibility study.

(ii) Masaka - Mutukula (Uganda) - Mwanza (Tanzania) 220kV transmission line of 82 km. The project is still under feasibility study and will be funded through the East African Community (EAC). This will interconnect Uganda and Tanzania. Procurement of the implementation contractor is on-going with works expected to be completed by December 2019.

(iii) Nkenda - Mpondwe (Uganda) - Beni (Democratic Republic of Congo) 220 kV of 72 km. Feasibility study was completed through funding by the Kingdom of Norway. The project is currently sourcing financing for the Engineering Procurement and Construction (EPC) works. It will interconnect Uganda with the Democratic Republic of Congo.

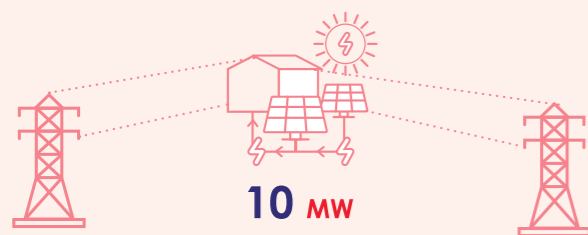
(iv) Mbarara - Mirama (Uganda) - Birembo (Rwanda) 220kV transmission line of 66 km. This project is funded by JICA and AfDB and will interconnect Uganda and Rwanda. The completion of the project has delayed due to procurement challenges. Completion of the project is expected by December 2019.

(v) Bujagali - Tororo (Uganda) - Lessos (Kenya) 220kV transmission line of 127 km length. The line is financed by AfDB and JICA. Works on the line are being undertaken by Jyoti Limited and Isolux. This line will interconnect Uganda and Kenya and is expected to be completed by December 2018.

### 3.8 Energy Efficiency

As part of its Demand Side Management (DSM) strategy, the Authority, in partnership with the Ministry of Energy and Mineral Development and Umeme Limited, embarked on the second phase of distribution of Light Emitting Diode (LED) bulbs to electricity consumers in Kampala and surrounding areas. A total of 310,000 bulbs was distributed under phase two. The distribution under phase 1 and 2 was expected to reduce electricity consumption at peak time by 30 MW.

Furthermore, in December 2016, the Electricity Supply Industry achieved yet another milestone, with the commissioning of the first Grid-connected Solar Photo Voltaic Plant in the country. The 10 MW Plant located in Soroti District was developed by Access Uganda Solar Limited.



Other initiatives under the DSM strategy include Time of Use pricing for commercial/industrial consumers, energy audits of industrial operations, and creating consumer awareness on energy efficiency measures.

In the review period, the Authority issued a Request for Proposals (RfP) for the procurement of consultancy services for the evaluation of the impact of the distribution of the LED bulbs by Umeme Limited. The contract for undertaking the evaluation was awarded to Enclude/AOT Consulting consortium in August 2017. The study is expected to be completed in the next financial year.

### 3.9 Development of Ready Board Guidelines

Pursuant to the provisions of Section 10 of the Electricity Act, 1999, the Electricity Regulatory Authority is mandated to encourage the development of uniform Electricity Industry Standards and Codes of Conduct.

The Authority, through a consultative process, developed guidelines for the design, manufacture, installation and use of Ready Boards. The guidelines provide detailed technical designs, manufacturing information, installation details and responsibilities of stakeholders and circumstances that necessitate use of Ready Boards. The Ready Boards are intended for use as a low cost, affordable, portable, safe and easy-to-use solution for electricity installation by low income earners, especially in rural areas.

#### CBI Electric Ready Board



# Monitoring and Enforcement of Compliance

# Monitoring and Enforcement of Compliance

## 4.1 Statutory Inspections

The Authority reviewed four (4) quarterly reports for each of the 20 (twenty) generation licensees and carried out 20 (twenty) on-site statutory inspections in the four quarters of 2016/17. Feedback on the outcomes of the inspections was provided to each licensee.

Under the Transmission segment, the Authority reviewed four (4) quarterly reports from UETCL and carried out one (1) on-site statutory inspection of the transmission lines and substations to ascertain the network status. The Authority further verified investments for the Multi-Year Tariff (2014 – 2016) and the status of the System Operator's compliance with the license terms and conditions. A report was issued and feedback on the outcome provided to UETCL.

Under the Distribution segment, the Authority carried out on-site statutory inspections for UEDCL, WENRECO, KIS and KRECS. Monitoring and review of performance by licensees was based on quarterly and annual reports submitted to ERA. The licensees in breach of the license conditions were directed to ensure full compliance.

## 4.2 Improvement of the Distribution Network

Following the approval of the investment plan of Umeme Limited by the Authority, the licensee commenced projects to improve the reliability and quality of electricity supply, address load growth requirements and provide for evacuation of Hydropower Plants. Below are some of the major projects that were executed during the reporting period.

Table 8: Major Projects executed during FY 2016/17

Item	Project	Approved Investment Plan (US\$)	Submitted 2016 Actuals (US\$)
1	<b>Reliability and Quality of Supply</b>		
	Comprehensive Distribution Automation	2,700,000	2,690,196
	Substation Access Control and Fire Protection	1,000,000	684,515
2	<b>Load Growth</b>		
	Namugongo Substation and Integration lines	936,865	2,580,582
	Kawanda UETCL-Bombo Industrial Park	146,407	146,314
	Transformer upgrade (Portbell)	600,000	602,471
	Namanve 33kV Industrial Ring	3,836,099	1,127,076
	New Hima Cement Factory at Tororo	692,198	
	Dedicated Line to BMTS Factory Mbarara	571,549	2,899,289
	New 33kV line to Nyakaka, Nyamba, Rwimi, Rugendabara	5,622,947	548,999
	New Switchyard Rugendabara	940,738	
	New 33kV line from Hima to Rugendabara		692,744
	New 33kV line from Nsongya to Nyabuhuka	1,069,405	1,088,659
	New 33kV line from Nyamwamba HPP to Nkenda Substation	1,085,513	
33kV double circuit from Mbale Industrial to Mbale Substation	1,000,000	6,804,889	
New Moniko Substation	7,950,000		
3	<b>Loss Reduction and Customer Service</b>		
	Prepayment infrastructure and Government of Uganda Time of Use	2,000,000	
	Automated Meter Reading	4,000,000	7,479,458
	Lugogo - Kibuli MV Distribution Line	1,482,114	1,409,056
	Lugogo- kibuli ABC Zone 2	353,123	573,726
	Nkenda-Kabale MV Network	60,913	
	Mukono-Nakifuma MV Network	454,711	554,329
	Bulangira-Pallisa MV Network	1,573,321	
	Roofings Namanve QoS	4,550,000	
<b>Total</b>		<b>42,625,903</b>	<b>29,882,303</b>

### 4.3 Environmental Monitoring and Compliance

The Authority during the reporting period conducted environmental reviews for applications for Permits and Licenses. Environmental analysis of 12 (twelve) Permit and 11 (eleven) License applications was conducted. The analysis formed part of the basis for the Authority's award of the respective instruments. All the six (6) applications for License complied with the environmental requirements and were subsequently cleared by the National Environment Management Authority (NEMA).

In addition, the Authority monitored licensees' compliance to environmental requirements at the development and operation stages of power projects/plants. During the year under review, the Authority received and reviewed the following reports:

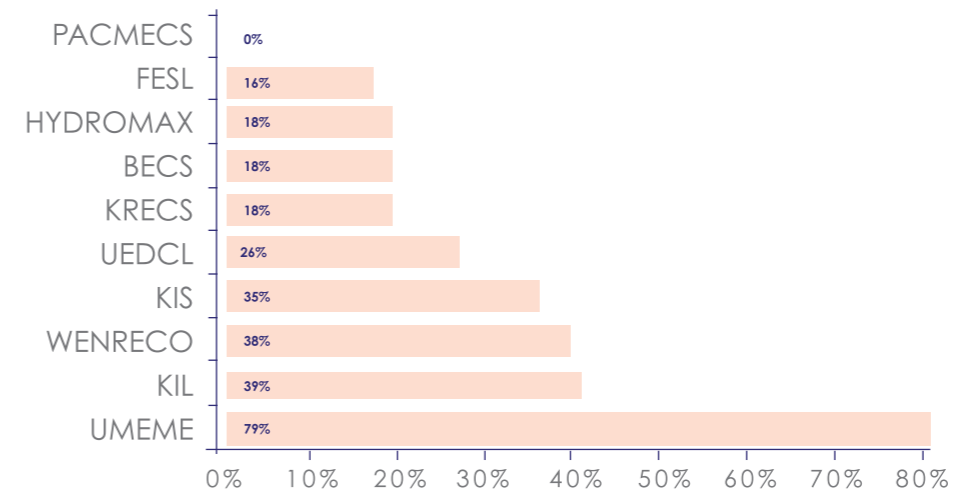
**Table 9: Compliance Monitoring and Enforcement Reviews**

Environmental compliance report	No. received	No. reviewed
Environmental impact assessment scoping reports and terms of reference statements from NEMA	6	6
Environmental Impact assessment study reports from NEMA	12	12
Offsite quarterly monitoring reports	20	20
Annual environmental audit reports	12	12

The Authority's good performance on environmental issues was enabled by strong collaboration between ERA and NEMA and the Directorate of Water Resources Management (DWRM). On 21<sup>st</sup> July 2016, the Electricity Regulatory Authority signed a Memorandum of Understanding (MoU) with the National Environment Management Authority aimed at further strengthening collaboration between the two Government Agencies. A similar MoU is expected to be signed with the Directorate of Water Resources Management.

### 4.4 Quality of Service

During the period under review, the Authority reviewed two (2) quarterly reports on Quality of Service indicators for Nine (9) operational distribution licensees out of the 10 (ten) licensees. From the review, the overall average compliance levels of the Distribution Licensees were; Umeme Limited (79%), KIL (39%), WENRECO (38%), KIS (35%), UEDCL (26%), KRECS (18%), BECS (18%), Hydromax (18%), FESL (16%) and PACMECS (0%).



*Figure 3: Licensees' compliance with QoS*

The low compliance levels for some licensees were attributed to: lack of remote monitoring and control systems such as SCADA, poor inventory management, dual management of network assets, incomplete and inaccurate QoS data records, inadequate knowledge and governance, and insufficient staff levels.

As a corrective measure, the Authority conducted trainings for the distribution licensees with the aim of clarifying on some of the QoS reporting challenges/issues raised. A revised reporting template was approved and disseminated to the distribution licensees by the Authority. Further efforts to bridge QoS reporting inadequacies are being implemented gradually as the Tariff profile allows, to avoid hiking of electricity prices.

# Performance of the Electricity Supply Industry

# Performance of the Electricity Supply Industry

## 5.1 Loss Reduction

For the financial year 2016/17, Umeme Limited reported distribution losses of 17.5% against the set target of 15.7%.

In comparison to the FY 2015/16 where the reported losses were 21%, a 3.5% reduction in distribution losses was realized in FY 2016/17. The Authority continues to approve investments into the network aimed at further reducing losses.

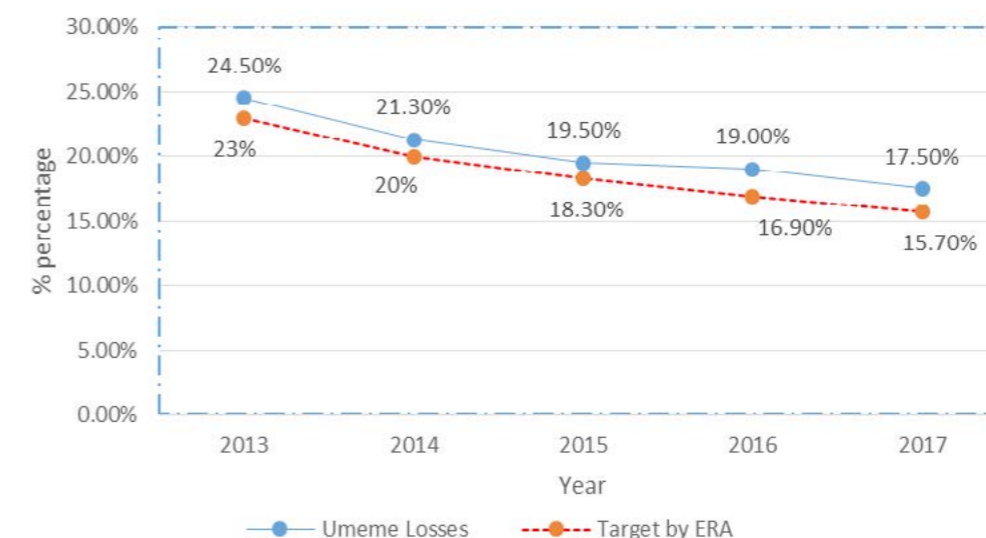
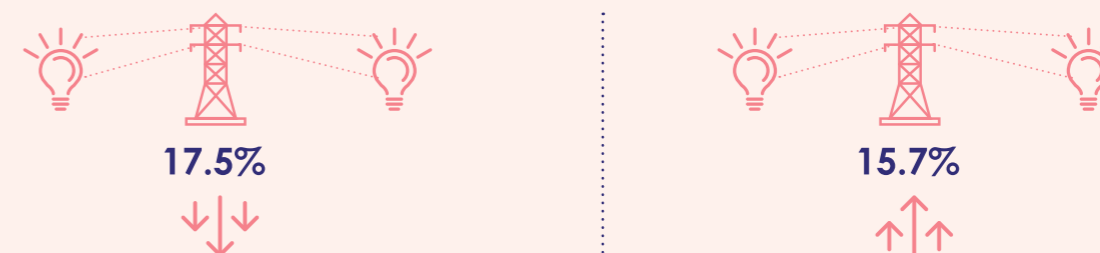


Figure 4: Umeme Loss reduction

The Authority continues to approve investments onto the network aimed at reducing losses. The Authority approved Umeme's seven-year Tariff parameters including losses, collection rate and operating costs. This is an incentive-based framework where the licensee is financially penalized for not meeting targets. ERA has commenced the review of Umeme's Tariff parameters for the period 2019-2025.

## 5.2 Energy Purchases and Sales by UETCL

UETCL had a steady increment in the amount of energy purchased. During the reporting period, the System Operator purchased 3,588.80 GWh, signifying a 5% increment from the 3,422.61 GWh purchased during the period 2015/16 and a 10% increment from the 3,273 GWh purchased in the FY 2014/15.

**3,588.80 GWh**  
↑↑ 5%

**3,422.61 GWh**  
2015/16

**3,273 GWh**  
↑↑↑ 10%  
FY 2014/15

Bujagali Energy Limited (BEL) and Eskom Uganda Limited were the main suppliers of electricity to UETCL, contributing up to 45% and 42% respectively, of the electricity purchased. Electromaxx contributed about 4% while the other electricity generators combined contributed the remaining 9%.

UETCL purchased the highest number of electricity units from the generation companies during quarter three of the FY 2016/17 (969 GWh) as indicated in Figure 5.

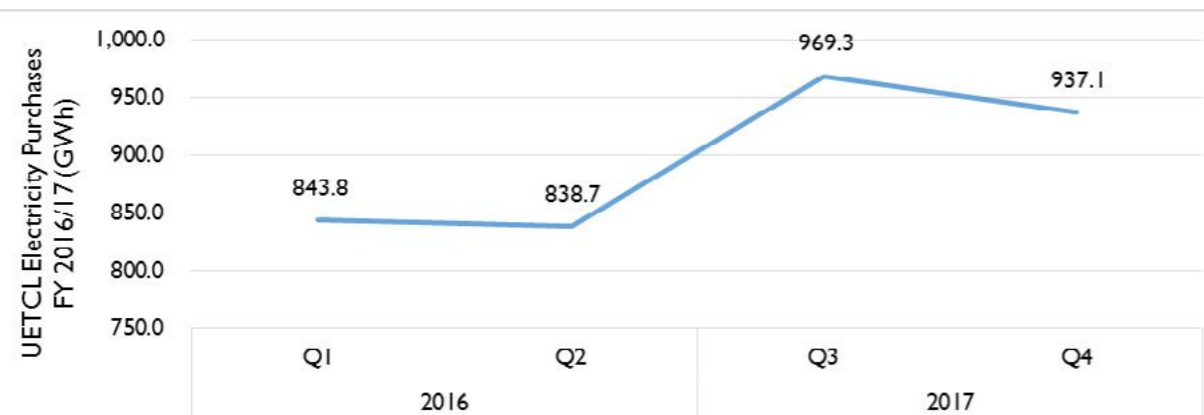


Figure 5: UETCL Energy Purchases in FY 2016/17 (GWh)

## UETCL Energy Sales

**3,582.7 GWh**  
FY 2016/17

**3,295 GWh**  
FY 2015/16

**3,168 GWh**  
2014/15

UETCL sold 3,582.7 GWh during the FY 2016/17, increasing from 3,295 GWh in 2015/16 and 3,168 GWh in 2014/15. The units sold in FY 2016/17 signify a 9% increment from the number of units sold in 2015/16. Umeme Limited was the main buyer of energy transmitted by UETCL with a purchase of 91% of the total energy. The electricity exported constituted about 7%, with the remaining 2% sold to other distribution utilities based in rural Uganda. Export of electricity was largely due to the need to support Kenya and the cost of the increased generation was fully met by KPLC.

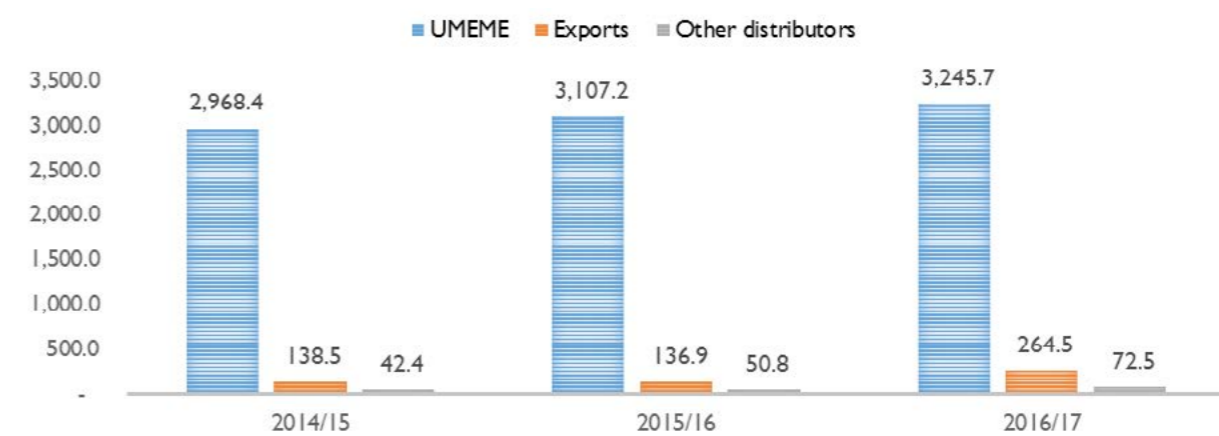
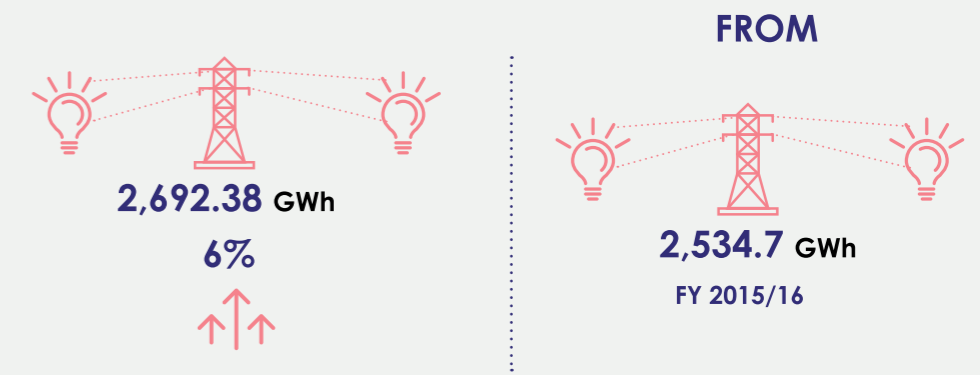


Figure 6: UETCL Energy sales in FY 2016/17 (GWh)



Inspection of Distribution Infrastructure in Western Uganda

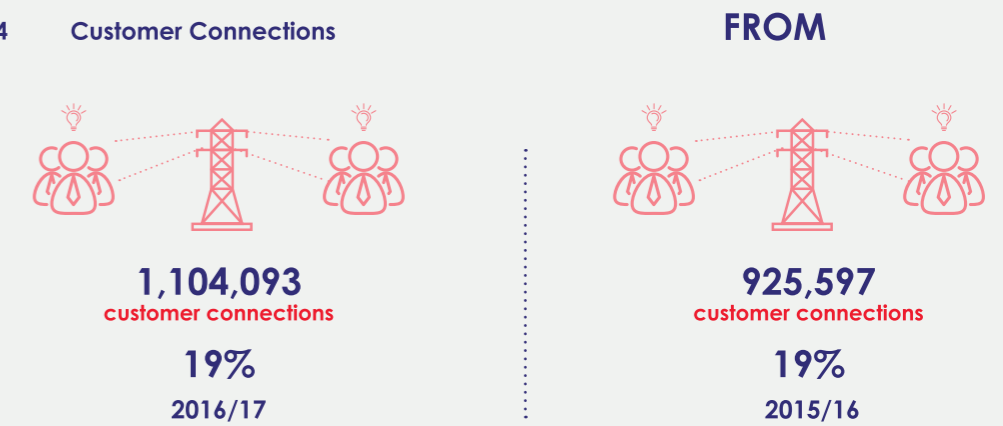
### 5.3 Energy Sales by Distribution Companies



During the period under review, the end-user energy sales by distribution companies amounted to 2,692.38 GWh, which indicates a 6% increase from the 2,534.7 GWh for FY 2015/16. Umeme Limited sold 2,658.8 GWh, accounting for 98% of the total sales to end-users.

The sales by other distribution licensees, including PACMECS, KIL, BECS, WENRECO, UEDCL, FESL, KRECS, and KIS) in 2016/17 amounted to 33.58 GWh, accounting for 2% of the total sales to end-users.

### 5.4 Customer Connections



The year ending 2016/17 had 1,104,093 customer connections, signifying a 19% increment from the 925,597 customers connected in the year ending 2015/16. Umeme Limited had 92% of the total customer connections for FY 2016/17. In comparison with FY 2015/16, the customer connections for Umeme Limited increased by 18% (from 860,563 to 1,019,453).

### 5.5 Termination of Ferdusult Engineering Services Limited's Licenses

In December 2016, the Electricity Regulatory Authority terminated Licenses No. 066, 086 and 087 that had been issued in 2007, 2008 and 2011, respectively, to Ferdusult Engineering Services Limited to distribute and sell electricity in the areas of Kakumiro, Kibaale, Kagadi, Rukungiri, Kanungu, Masaka, Bukakata, Kyotera, Mutukula, Kasensero, Mbarara, Kikagati and Ntungamo for a period of 10 years.

The termination followed Ferdusult's notification to ERA of its intention to relinquish all the three licenses with effect from 28<sup>th</sup> February 2017, citing various reasons. The Authority subsequently took a decision to terminate all the three Licenses of Ferdusult Engineering Services Limited; and to appoint Uganda Electricity Distribution Company Limited to take over the concession areas formerly managed by Ferdusult in order to protect the interests of consumers by ensuring continuity of electricity supply.

The termination of Ferdusult's Licenses saw a reduction in the number of distribution licensees from 10 (ten) to nine (9).

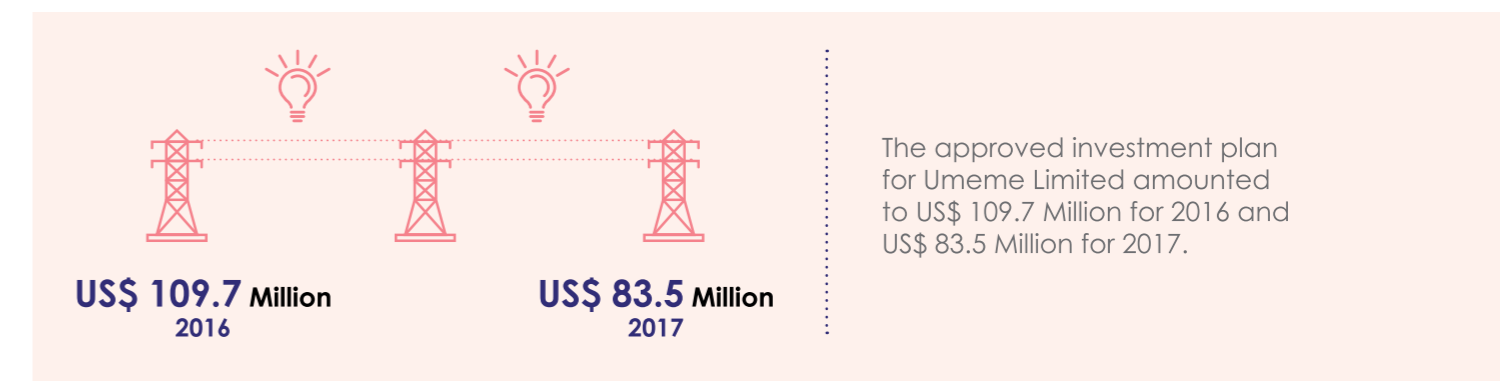
# Sector Investments



## Sector investments

### 6.1 Approved Investment Plans

The Authority in FY 2016/17 reviewed investment plans for Umeme Limited and Eskom Uganda Limited. Umeme Limited's investments targeted critical and emergency areas that covered load growth, loss reduction, and systems improvements to be carried out in 2016 and 2017.



It should be noted that much as the financial year of the Authority is July to June, the licensees operate by the calendar year (January to December). The investment plans are therefore annual as compared to the ERA financial year.

Umeme Limited's investment plan for the year 2016 was approved in three parts (23<sup>rd</sup> December, 2015, 6<sup>th</sup> May, 2016 and 12<sup>th</sup> August, 2016) based on the original submission of US\$ 133.1 Million made by the licensee. The approved amount includes non-network assets of US\$ 3.3 Million. The approved investments were in the categories as shown in Table 10:

**Table 10: Approved Investment Plan for Umeme Limited in 2016**

S/N	Project Category	Total Requested	Total approval (US\$)
1	2016 Carryover Investments	41,818,069	41,818,069
2	Load Growth	59,250,000	39,190,269
3	Restoration Projects	13,034,581	2,530,945
4	Distribution Loss reduction	29,488,967	16,655,779
5	Reliability and Quality of Supply improvements	15,375,942	6,264,490
6	Non-Network Assets	17,467,150	3,289,997
<b>TOTAL</b>		<b>176,434,709</b>	<b>109,749,549</b>

The completed investments from the 2016 investment plan were audited in 2017 to confirm their existence, accuracy and workmanship in order to award a return on Investment. In January 2016, the Authority approved an investment plan of US\$ 79.1 Million for 2017, excluding the non-network assets amounting to US\$ 1.7 Million.

The approved investment plan for 2017 was US\$ 83.5 Million (including non-network assets) and is summarized in the categories shown in Table 11.

**Table 11: Approved Investment Plan for Umeme Limited in 2017**

S/N	Project category	Total Requested	Total approval (US\$)
1	Work in Progress	25,129,193	25,914,681
2	New Connections	20,000,000	21,375,000
3	Integration Projects	55,451,064	12,755,775
4	Load Growth Projects	43,689,841	21,951,235
5	Non-network Assets	6,410,896	1,670,896
<b>TOTAL</b>		<b>150,680,994</b>	<b>83,667,587</b>

Verification of the completed investments for the 2017 investment plan has not yet been completed. This verification will be undertaken in Quarter Four of the financial year 2017/18 of the Authority.

The approved plan for Eskom Uganda Limited for implementation in 2016 amounted to US\$ 6,771,620. The plan included investments to earn a return upon verification amounting to US\$ 3,789,220 and capital expenditure whose funds were provided for in the already approved Generation Operation and Maintenance Costs (GOMC) amounting to US\$ 2,982,400 as detailed in Table 12.

**Table 12: Approved Investment Plan for Eskom Uganda Limited in 2016**

No.	Project Description	Category	Total Requested	Amount (US\$)
<b>NPS INVESTMENTS</b>				
1	Inter-bus transformer – Procurement and Installation	Investment	1,445,842	1,445,842
2	NPS Power House crane refurbishment	Investment	115,629	115,629
3	Unit 3 Blade Servomotor refurbishment	Investment	985,205	985,205

4	NPS Generator Fire protection upgrade.	Investment	438,844	438,844
<b>KPS INVESTMENTS</b>				
5	KPS Circuit breaker upgrade (Unit 11, 12 and 13).	Investment	600,000	600,000
6	KPS excitation System Controller upgrade (from AC 110).	Investment	203,700	203,700
<b>Sub Total Investments</b>			<b>3,789,220</b>	<b>3,789,220</b>
<b>CAPEX</b>				
7	Meridian server upgrade	capex	286,900	286,900
8	Unit 10 overhaul spares	capex	450,000	450,000
9	KPS underwater inspection	capex	500,000	500,000
10	Online transformer condition monitoring	capex	300,000	300,000
11	Fire protection system in Archive room	capex	130,000	130,000
12	New air conditioners	capex	174,400	174,400
13	NPS 110V batteries	capex	100,000	100,000
14	Motor vehicles	capex	70,000	70,000
15	NPS Governor air compressor replacement - 1 unit	capex	140,000	140,000
16	Blasting and painting Equipment	capex	831,100	831,100
<b>Sub Total Capex</b>			<b>2,982,400</b>	<b>2,982,400</b>
<b>Grand Total</b>			<b>6,771,620</b>	<b>6,771,620</b>

Furthermore, in 2017, the Authority approved investments amounting to US\$ 4.14 Million for Eskom Uganda Limited targeted towards the refurbishment and replacement of obsolete equipment at both Kiira and Nalubaale Power Stations. The approved investments exclude the work in progress from the 2016 un-completed investments.

**Table 13: Approved Investment Plan for Eskom Uganda Limited in 2017**

No.	Description	Total Requested	Amount (US\$)
1	NPS Underwater repairs	480,000	480,000
2	KPS Water ways repairs under Unit 15	700,000	700,000
3	NPS Hydraulic Governor Upgrade	960,000	960,000
4	Main Dam Refurbishment	2,000,000	2,000,000
<b>TOTAL</b>		<b>4,140,000</b>	<b>4,140,000</b>

The other licensee whose License allows for investments through the Tariff is WENRECO. However, in the year under review, there were no approvals issued to WENRECO with respect to investments. There was no submission made with respect to the 2015 approved plan to refurbish the Thermal Power Plant. The Authority is following up with the licensee and will report on this matter in the next financial year.

# Stakeholder Management



# Stakeholder Management

## 7.1 Stakeholder Engagement Framework

Stakeholder sensitivity is one of ERA's core values. Therefore, the Authority believes that regulatory decisions on matters concerning the Electricity Supply Industry in Uganda affect individuals, communities, businesses, and organizations. Stakeholder engagement is thus critical as ERA interfaces with its stakeholders including licensed entities, potential sector investors, policy makers, peers, electricity consumers and the public in general.

Engaging stakeholders with diverse experience, knowledge and opinions delivers strong outcomes beyond what ERA could achieve single-handedly. The goal of the Authority's engagement framework is for the stakeholders to participate in ERA's decision-making process to support the development of a sound national Electricity Supply Industry.

The Authority's Stakeholder Engagement Framework has the following objectives:

- To define a technically and culturally appropriate approach to engagement, consultation and disclosure between ERA and its stakeholders.
- To guide ERA to build mutually respectful, beneficial and lasting relationships with stakeholders.
- To provide sufficient opportunity to stakeholders to voice their opinions and make them acquainted with ERA's operations with an aim of turning them into advocates and strategic partners.

ERA's key stakeholder categories and their interests are illustrated below:

**Table 14: Key stakeholder categories**

Stakeholder category	Stakeholders	Interests
Government	Executive, Parliament, Ministry of Energy and Mineral Development, Ministry of Finance, Local governments	Low Tariffs, Loss reduction, increased Investment, Reliable and quality power supply
Operators in the Electricity Supply Sector	Generators, Distributors, REA, UETCL	Transparent, predictable investment climate. Sustainable Electricity Supply Industry, loss reduction, Sector security, investment opportunities
Collaborative Regulatory and oversight Government Agencies and Ministries	NEMA, NPA, UBOS, UIA, UNBS, DWRM, URA	Advocating for supportive power investment policies, Sustainable ESI
Public	Consumers, consumer groups and Civil society agencies	Increased awareness of ERA and her mandate, Affordable Tariffs, Safe and secure supply
Media	Print, Electronic and digital	Information about the sector
Development Partners	Development Partners	Sector financing, Return on investment, sustainable and predictable ESI
Regional and International Partners	Collaborative international and regional agencies	Sector performance and Regulatory independence
Internal Stakeholders	ERA Board and staff	Governance, Risk management, Performance, stakeholder satisfaction, sustainability

## 7.2 Consumer Protection

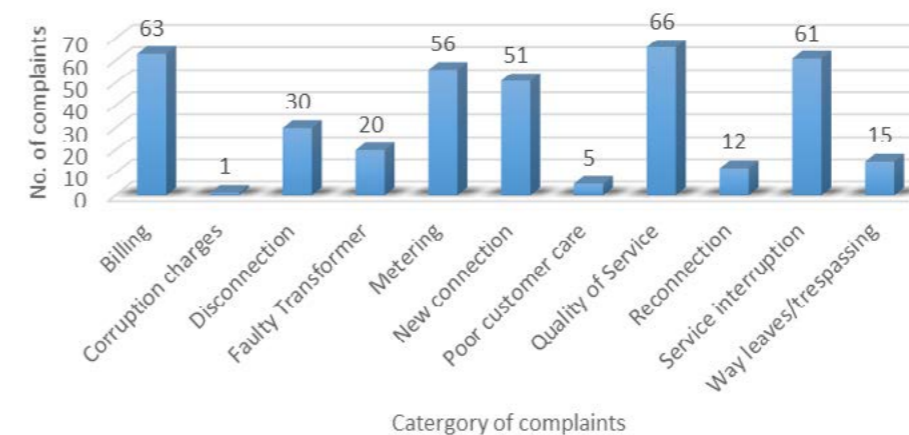
The Electricity Act, 1999, gives ERA the mandate to handle complaints with emphasis on efficiency, effectiveness, objectivity, fairness, consistency and transparency.

In FY 2016/17, the Authority received a total of 380 unresolved complaints from electricity customers served by the eight (8) distribution companies. Compared to FY 2015/16, there was an increment in the complaints received from 231 to 380. This was attributed to the awareness and sensitization drives conducted by ERA among the Local leaders, Business communities and students in the Central, Western, Eastern and Northern regions of Uganda. These drives aimed at signposting customers to the Authority's services and educating masses about various Electricity Supply Industry-related issues.

**Table 15: Customer Complaints received in FY 2015/16 and FY 2016/17**

No.	Description	No. of complaints	
		FY 2015/16	FY 2016/17
1	Total number of complaints received from electricity customers	231	380
2	Total number of complaints resolved within the year	213	346
3	Total number of complaints that were not resolved by the end of the year (resolution in progress)	18	34
<b>% Resolution of complaints</b>		<b>92.2%</b>	<b>91.1%</b>

## 7.3 Complaints Received Per Category



**Figure 7: The complaints received per category**

The Quality of Service category registered the highest number of complaints, with 66 complaints. From the Authority's observation, the key issues complained about under Quality of Service include:

- a. Prolonged unplanned and planned outages;
- b. Unstable electricity supply;
- c. Ineffective communication about power outages; and,
- d. Low voltage.

#### 7.4 Strategies on effective complaints handling for FY 2017/18

The Authority has made significant improvements with regard to the complaints management processes. In the FY 2017/18, the Authority will focus on:

- a) Effective implementation of ERA's internal Complaints Handling procedures;
- b) Monitoring the implementation of the Consumer Protection Guidelines and Regulations through enforcement of compliance;
- c) Intensive monitoring of licensees' compliance with the Standardized Complaints Handling Guidelines for the ESI;
- d) Periodic review of distribution licensees' reports on Quality of Service; and,
- e) Review of the annual compliance statements of distribution licensees.

The Authority is further planning to intensify outreach programs that will deepen customers' knowledge of ERA as a complaints redress avenue. This will include regional consumer parliaments, radio and television talk shows, trade fairs and exhibitions.

#### 7.5 Public Outreach

The Authority carried out a number of outreach activities in different Districts of Uganda with the aim of sensitizing stakeholders on pertinent issues in the ESI. The activities are highlighted as follows:

- a) The launch of the Peri-Urban Electrification Program by Ministry of Energy and Mineral Development held on 8<sup>th</sup> September 2016, at Lwadda Primary School in Matugga, Wakiso District.
- b) The 24<sup>th</sup> UMA International Trade Fair held at the UMA show grounds in Lugogo from 3<sup>rd</sup> to 10<sup>th</sup> October 2016.

- c) The Youths Forum on consumer protection organized by the Common Wealth Peoples Association of Uganda held in Mbale at Nkoma Senior Secondary School on 27<sup>th</sup> October 2016.
- d) The 2016 Independence day celebrations held in Luuka District, in October 2016.
- e) The 2016 Energy Week held from 31<sup>st</sup> October to 5<sup>th</sup> November 2016, at KCCA grounds in Lugogo. The Authority interacted with over 500 stakeholders who got to know about ERA's services and how they could benefit from the services.
- f) The Integrated Efforts for Youths and Women Empowerment conference held at St. Thomas Primary School in Kyegegwa District from 12<sup>th</sup> to 16<sup>th</sup> December 2016.
- g) Outreach to vendors in Owino, Nateete and Kalerwe markets from 20<sup>th</sup> February to 2<sup>nd</sup> March 2017.
- h) The World Bank Open Day on 30<sup>th</sup> May 2017, at Kololo Airstrip.

#### 7.6 Awareness Drives

The Authority carried out awareness drives in the Districts of Kasese, Bundibugyo, Masaka, Kalangala, Mbarara, Masindi, Arua, Adjumani, Gulu, Lira and Mbale. Over 500 local leaders and over 100,000 students from different schools benefited from the drives.

#### 7.7 Stakeholder Engagement Activities

In the FY 2016/17, the Authority heightened its engagement with stakeholders through a range of consultative fora. The consultations provided a platform for the public to participate in the decision-making processes of the Authority.

##### 7.7.1 Public Hearings

In December 2016, the Authority held a Public Hearing in respect of the 2016 Tariff Review applications by Umeme Limited, Eskom Uganda Limited, Uganda Electricity Generation Company Limited, Uganda Electricity Transmission Company Limited, and Uganda Electricity Distribution Company Limited. The Hearing provided the general public with an opportunity to provide comments on the applications of the licensees. Other Public Hearings conducted in respect of applications for Licenses are noted as thus:

**Table 16: Public Hearings in respect of License Applications**

No.	Developer	Project and Location
1.	Rwenkuba Electricity Company Limited	3.2 MW HPP on River Nsongya and Yerya in Mujunju and Nyabuhuka Villages in Kabarole District
2.	SM Hydro Limited	6.9 MW HPP on River Mbigi and Sirimitiyo in Muyembe Village in Bulambuli District
3.	Absolute Energy Limited	100KW of Electricity from an isolated Grid Solar P.V. System on Bukasa Island in Kalangala District
4.	Nyamaghasani II HPP Ltd	6 MW HPP across River Nyamaghasani in Kasese District
5.	Rwenzori Hydro Private Ltd	15 MW HPP across River Nyamaghasani in Kasese District

In addition to the above Public Hearings, the Authority hosted Members of the Natural Resources Committee of Parliament for a Symposium in October 2016. The Symposium was attended by 33 members of the Committee and aimed at acquainting the Members with developments in Uganda's Electricity Supply Industry.

##### 7.7.2 Consultative Meetings

The Authority hosted the inaugural Forum on Electricity Supply in Uganda in June 2017. The Forum provided a platform for Chief Executives of the companies operating in the Electricity Supply Industry to deliberate on achieving a synergized contribution to Government of Uganda's aspiration of transforming the Country from a peasantry to an industrialized nation, through accelerating access to clean, reliable and affordable energy sources. The Industry Leaders addressed the social-economic transformation 'propellers' highlighted as: Accelerated Access, Absorption capacity, and Delivery of affordable electricity.

The Authority also held quarterly engagements with the media and key stakeholder groups such as Uganda Manufacturers Association and Uganda National Chamber of Commerce and Industry to deliberate on electricity End-User Tariffs.

##### 7.7.3 Corporate Social Responsibility

The 3-year CSR plan established in 2014 was officially completed in the FY 2016/17 with a project in the Education sector. The Authority undertook to support three underprivileged schools in three distribution concessions of Pader-Abim Community Multi-purpose Electricity Co-operative Society (PACMECS), Bundibugyo Electricity Co-operative Society (BECS) and Kalangala Infrastructural Services Limited (KIS). The schools were selected through a process that involved the concerned licensees to identify the most suitable schools to benefit from the project.

The project involved provision of scholastic materials that included Exercise books, text books and sanitary towels to the pupils in Primary Six and Seven of the selected schools (Adilang Kulaka, Bumadu, and Bumangi).

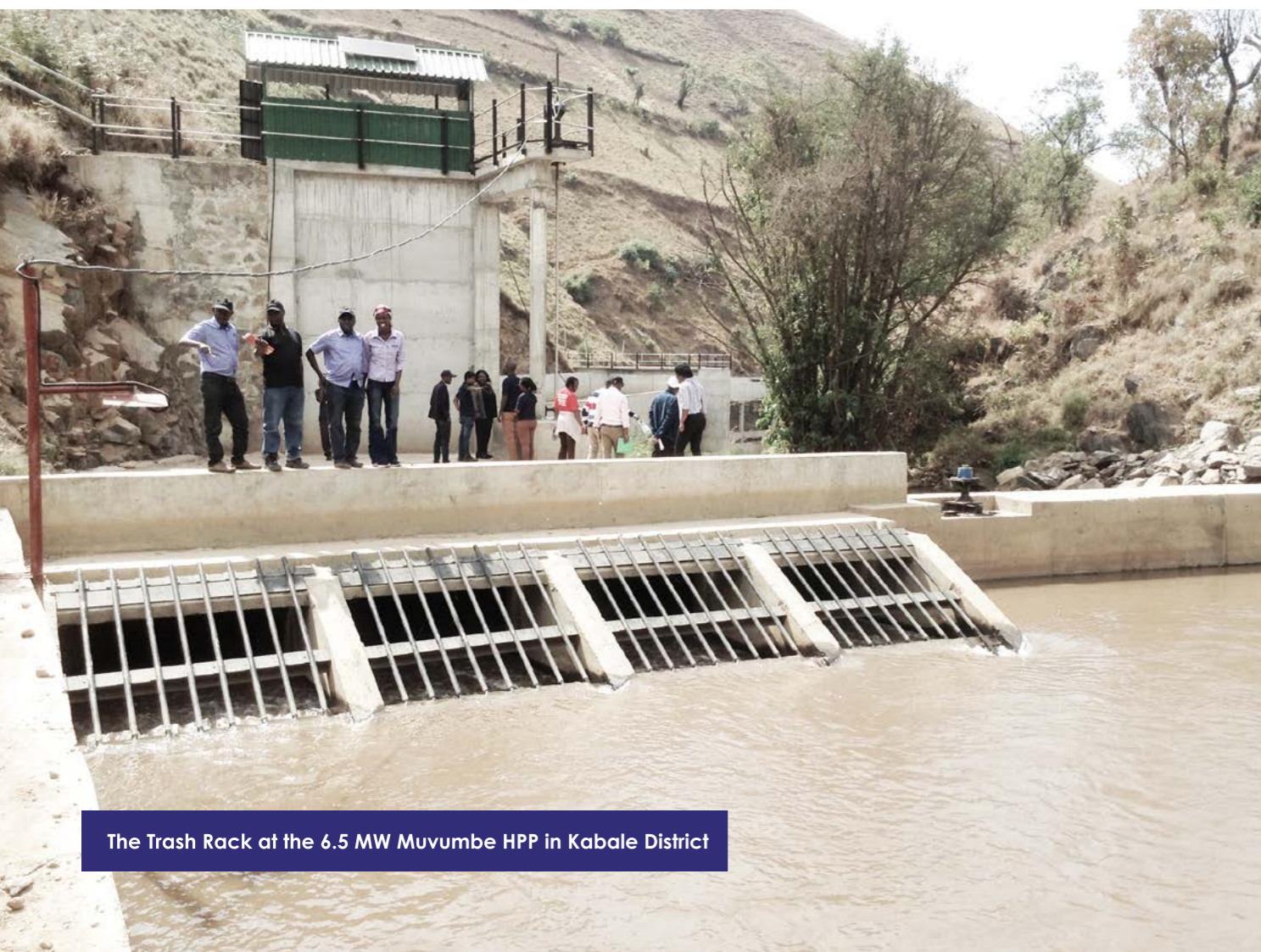
The Ministry of Education and Sports was engaged to determine the appropriate Primary Six and Seven curriculum text books for distribution to the pupils.



Symposium with Members of Parliament



The 9.6 MW Nkusi HPP in Hoima District



The Trash Rack at the 6.5 MW Muvumbe HPP in Kabale District



The Surge Tank at the 5 MW Siti 1 HPP in Bukwo District

**SITI 1 HYDROPOWER PROJECT**

**OWNER**  
ELGON HYDRO SITI LIMITED

**FRONTIER**  
Investment Management

**DI FRONTIER**  
Market Energy & Capital Funds

**OWNERS ENGINEER**  
WSP PARTNERS BRUNNENBERG

**EPC CONTRACTOR**  
VS VS HYDRO

**SURGE TANK**

**HIGH PRESSURE PIPE**

**PENSTOCK SAFETY VALVE**

**SUPPORTED BY**  
GET FIT UGANDA

**IMPLEMENTED BY**  
ERA KFW

**DONORS**  
EU UKaid



Staff Retreat

# Human Resource And Administration

During FY 2016/17, the Chief Executive Officer headed the Secretariat, and was responsible for the day-to-day management of the affairs of the Authority and implementation of the decisions of the Board. The Secretariat employed 53 (fifty three) full time staff and one (1) Graduate Trainee within the five departments, namely: Economic Regulation, Financial Services, Legal and Authority Affairs, Technical Regulation, and the Chief Executive Office.

The review period saw a change of leadership at the ERA Secretariat, with the appointment of Eng. Ziria Tibalwa Waako as Chief Executive Officer. This followed the departure of Dr. Benon M. Mutambi to the Ministry of Internal Affairs as Permanent Secretary.

## 8.1 Training and Staff Development

The Authority is a knowledge-based organization whose performance mostly depends on the expertise, professionalism, efficiency and effectiveness of its staff. ERA, therefore, ensures that its staff compliment has the required knowledge and competencies to undertake its mandate. The Authority further closely monitors its staff to ensure staff motivation through proper remuneration and other efforts in order to retain its key staff.

### 8.1.1 Training of Staff

During FY 2016/17, the Authority trained its staff across the different departments in the following areas:

1. Procurement
2. Executive Chauffeuring
3. Power Sector Reform and Regulation
4. Utility Regulation and Strategy
5. Leadership for Senior Management
6. International Public Sector Accounting Standards
7. Strategy Execution
8. Electricity Sector Regulators' roles and responsibilities
9. Renewable Energy solutions
10. Power Systems Analysis
11. Financial Analysis
12. Ethical Hacking

### 8.1.2 Recruitments in FY 2016/17

During the financial year 2016/17, the Authority enhanced its staff compliment through recruitment of 12 (Twelve) additional staff as reflected in Table 15. The Authority had a total staff compliment of 53 and one (1) Graduate Trainee as indicated in Table 17:

**Table 17: Staff recruited in 2016/17**

No.	Designation	Department	Reporting Date
1	Chief Executive Officer	Chief Executive Office	23 <sup>rd</sup> Mar 2017
2	Records Clerk	Legal and Authority Affairs	23 <sup>rd</sup> Mar 2017
3	Assistant Expenditure Accountant	Financial Services	23 <sup>rd</sup> Mar 2017
4	Transport Facilitator	Chief Executive Office	3 <sup>rd</sup> April 2017
5	Manager Corporate Planning	Financial Services	2 <sup>nd</sup> May 2017
6	Project Engineer	Technical Regulation	15 <sup>th</sup> May 2017
7	Secretary	Chief Executive Office	10 <sup>th</sup> April 2017
8	Legal Officer	Legal and Authority Affairs	1 <sup>st</sup> Feb 2017
9	Principal Stakeholder Engagement Officer	Consumer Affairs	1 <sup>st</sup> Feb 2017
10	Manager Technical Compliance and Monitoring	Technical Regulation	7 <sup>th</sup> Oct 2016
11	Manager Pricing	Economic Regulation	7 <sup>th</sup> Oct 2016
12	Graduate Trainee	Legal and Authority Affairs	2 <sup>nd</sup> Jan 2017

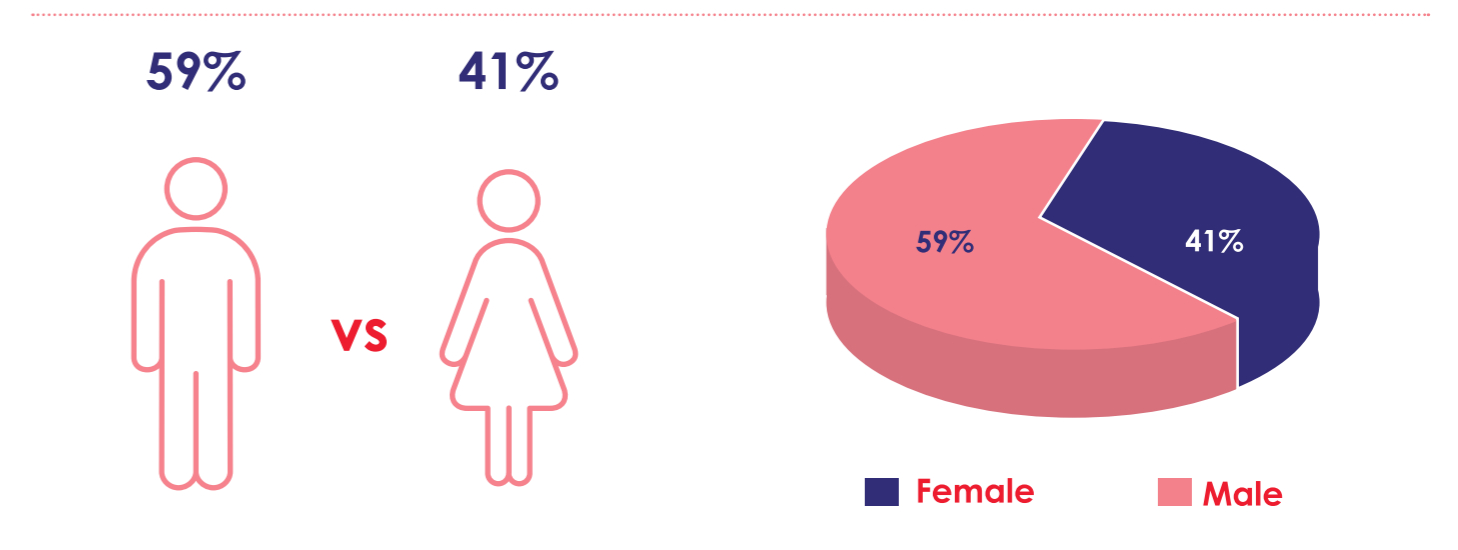
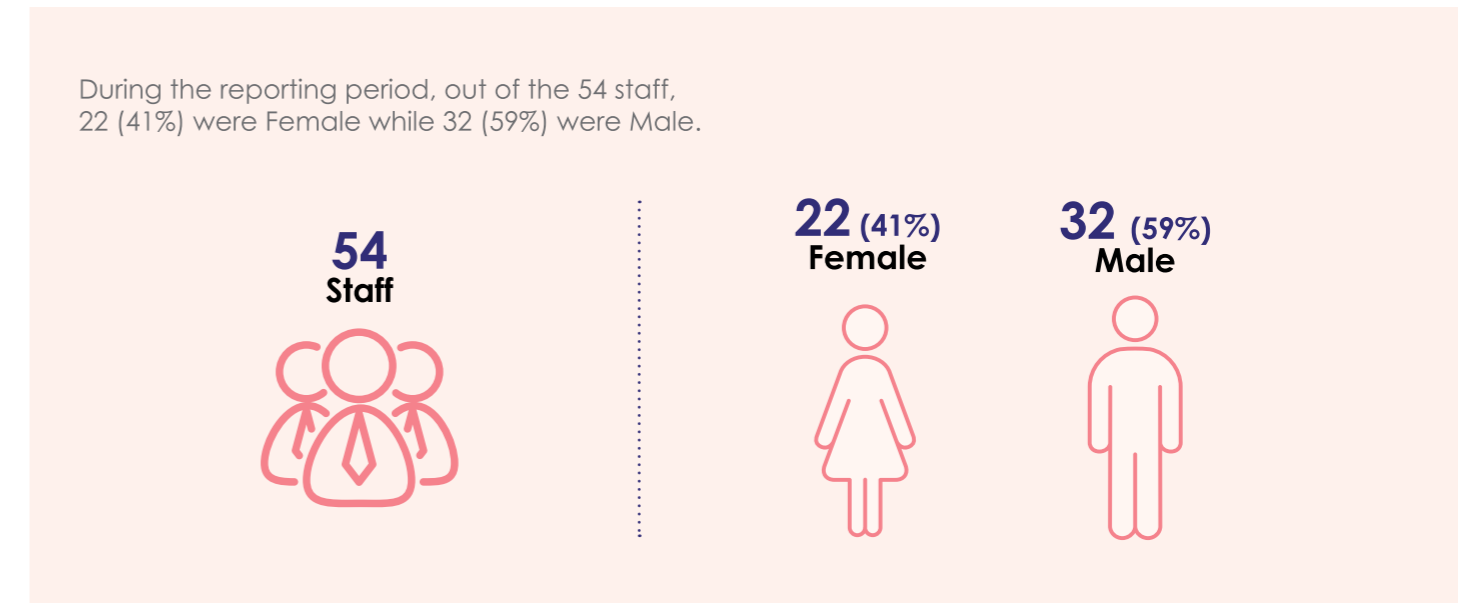
**Table 18: ERA Staff Compliment in FY 2016/17**

No.	Department/Unit	No. of Staff
1	Economic Regulation	5
2	Financial Services	6
3	Human Resource and Administration	10
4	Internal Audit	1
5	Legal and Authority Affairs	10
6	Office of the CEO	13
7	Technical Regulation	9
	<b>Total</b>	<b>54</b>

**8.1.3 Staff Diversity**

The Authority is committed to open, transparent and equal opportunity recruitment processes that conform to the law in all matters of employment.

All employees are given an equal opportunity and have the same rights, are treated in the same manner without prejudice to race, tribe, religion, disability, sex/gender or any other protected status.



**8.1.4 Promotions**

During FY 2016/17, six (6) staff were promoted based on their performance appraisals for the financial year 2015/16.

following a competitive recruitment process are highlighted:

- (i) Eng. Ziria Tibalwa Waako was appointed Chief Executive Officer after the departure of Dr. Benon M. Mutambi to the Ministry of Internal Affairs in the capacity of Permanent Secretary. Before this appointment, Eng. Waako served as Chief Executive Officer in acting capacity for a period of four (4) months; and as Director Technical Regulation for four (4) years.

**8.1.5 Succession Planning**

In the period under review, various staff were appointed to different positions through implementation of ERA's Succession Plan. The staff who emerged as the best evaluated candidates

(ii) Following the resignation of the Manager Technical Compliance and Monitoring (MTCM), Mr. Paul Kagaba Mukibi, the then Principal Projects Engineer, Mr. Peter Kakeeto was appointed MTCM in acting capacity. Mr. Kakeeto later applied for the position, emerged the best candidate and was substantively appointed to the position of MTCM.

(iii) The position of Manager Pricing was filled internally by the then Principal Financial Analyst, Mr. Vianney Mutyaba.

(iv) The position of Director Legal and Authority Affairs was filled internally by the then Manager Legal Services, Mr. Harold Obiga.

accessed facilities for gymnastics, aerobics, and sports, among other services in order to ensure a healthy, revitalized workforce.

Furthermore, the Authority held a three-day retreat for staff at the Lake Victoria Hotel Entebbe in May 2017. The retreat run under the theme "To Inspire Trust among ERA Management and Staff and to acquire practical advice on team effectiveness through Inspiring Trust, Attitude change, Mindset change, Personal Competitiveness and a Team Code of Honor". It was aimed at encouraging a positive attitude towards work, building team work, and rejuvenation of staff.

### 8.1.9 Occupational Safety and Health

The Authority is committed to the highest standards of Health and Safety for its employees and other stakeholders, through provision of a safe work place. Some of the general Occupational Health and Safety measures implemented by the Authority during the reporting period include: Lighting and Ventilation, Storage Facilities, Safety Signs and Warning Notices, General Safety Management, Electrical Safety, Gas cylinders for fighting fire, and Personal Protective Equipment/Gear.

The measures were implemented through the highlighted activities:

1. Training of all staff in Occupational Health and Safety, including ergonomics.
2. Training of the Occupational Health and Safety Committee in safety, fire and first aid.
3. Enhancing the signage/warning notices at ERA House.
4. Provision of protective gears to staff especially while in the field.
5. Procurement of flicker control filters for all computers.
6. Medical check-ups for staff.
7. Periodical tests/drills on the fire detection system.

### 8.2 Capital Development (New ERA House)

The Electricity Regulatory Authority procured the services of M/S Archtech Consults Limited to undertake the design of the proposed new ERA House at Plot 5C, Lugogo-Industrial area. However, the Authority is also considering the option of purchasing a finished modern office block that can accommodate all its staff.

### 8.1.6 Remuneration Policy

The objective of the Authority's remuneration policy is to attract and retain a motivated competent workforce. ERA's remuneration packages are competitive and sufficiently attractive to draw suitably qualified personnel from the market. Packages are based on comprehensive, unambiguous and transparent systems which are fair, non-discriminatory, and non-exploitative and applicable to all staff. Equal work for equal pay is the guiding principle of the Authority's staff compensation and is competitive within the local labor market.

### 8.1.7 Resignations

Eight (8) staff resigned from the Authority during the review period, as follows:

1. Principal Corporate Planning Officer
2. Financial Analyst
3. Statistician
4. Chief Executive Officer
5. Transport Facilitator (2)
6. Manager Technical Compliance and Monitoring
7. Executive Assistant

### 8.1.8 Staff Welfare

In the review period, the Authority organized the annual wellness and sensitization day for staff, focusing on stress management and cancer. Health checkups were conducted on Blood count, Body

Mass Index, sugar level, body aging and HIV. As part of ERA's staff Wellness Program, the Authority continued to subscribe to health clubs where staff

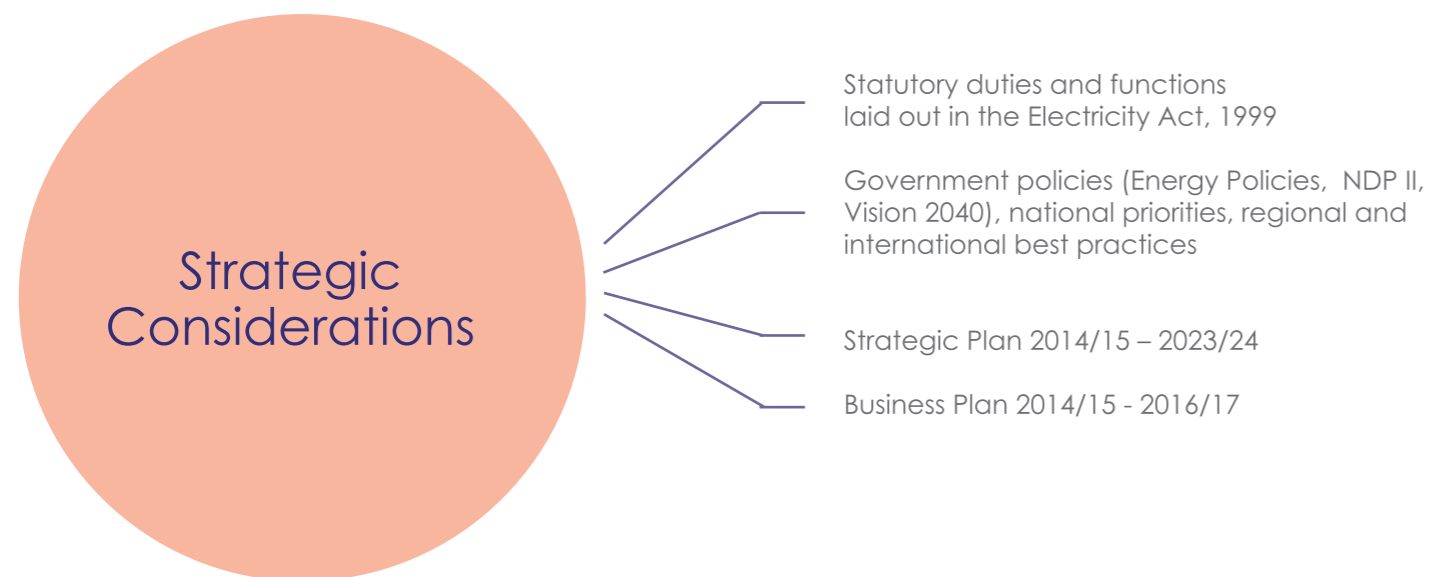
# Strategic Outlook



# Strategic Outlook

## 9.1 Strategic Considerations

In 2014, ERA developed a Ten-Year Strategic Plan covering the period 2014/15 to 2023/24. The Plan is being delivered through Three-Year Business Plans. The first Three-Year Business Plan covered the period 2014/15 to 2016/17. It is against this background that the second Three-Year Business Plan for the period 2017/18 to 2019/20 was developed with the following strategic considerations:



## 9.2 Key trends affecting the Authority

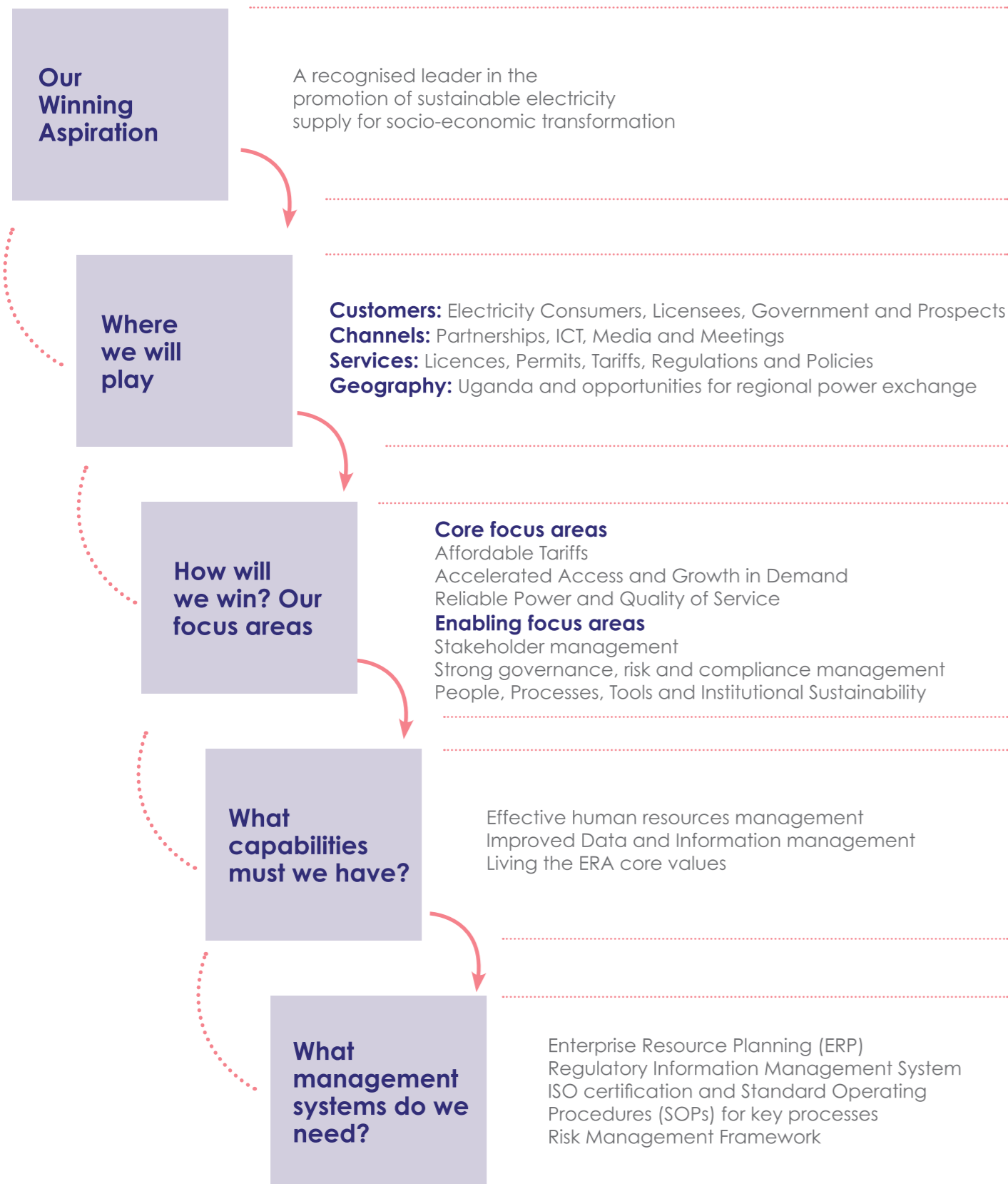
In formulating ERA's Three-Year Business Plan for the period 2017/18 to 2019/20, the Authority identified several key trends that were considered to be most influential on the Electricity Supply Industry over the next three (3) years as highlighted in Table 19.

**Table 19: Key trends for the next Three Years**

Key trend	What it means for ERA	ERA's Strategic response
Global drive to Renewable Energy	Optimize Energy Mix to focus on renewables among other sources of generation.	Increased licensing of Renewable Energy Projects among other sources of generation.
Electricity Tariffs – Government's commitment to reduce Electricity prices (Tariffs) to enhance industrialization	Increased need to improve sector effectiveness and reduce sector costs along the whole value chain.	Improve sector efficiencies, increase access and demand, optimize sector costs.
Amendment of the Electricity Act	Changes in Legal and Regulatory framework. Increased institutional revenues.	Increase stakeholder engagement with Government to enable favorable legal framework.
Increased sector investments – Karuma and Isimba	Risk of un-utilized plant capacity. Increased sector costs.	Accelerate access to electricity and grow industrial demand.
Electricity access – Government's commitment to increase access to 30% by 2020	Increased sector costs; need to explore other funding options. Need to use a multi-pronged approach; including off-grids, mini-grids and solar home systems.	Implement enabling policy environment and regulatory framework to promote access.
Changing customer expectations – power 24/7, social media	Focus on sector efficiencies and strengthen monitoring and compliance framework.	Focus on reliable power and quality of service.

### 9.3 ERA's Strategic Outlook for the Next Three Years

The Authority's overall winning aspiration in the next three years is to be "a recognized leader in the promotion of sustainable electricity supply for socio-economic transformation." ERA shall achieve this by focusing on three core focus areas of: Affordable Tariffs, Accelerated Access and Growth in Demand, and Reliable Power and Quality of Service.



### 9.4 ERA's Performance Aspirations

The following Key Performance Indicators for the next financial year have been extracted from the detailed Balanced Scorecard in the Authority's Three-Year Business Plan.

**Table 20: Key Performance Indicators**

Focus area	Performance areas	Measure	2017/18 Target
Affordable Tariffs	Reduce distribution + transmission Losses	Energy Loss % (energy lost/energy purchased)	16%
	Optimize Generation Mix	Weighted average Generation Tariff (US cents/ kWh)	7.4
Accelerated Access and Growth in Demand	Increase customer numbers	Number of new connections	200,000
	Increase national electricity access rate	% of households connected to Grid	22.4%
Reliable Power and Quality of Service		SAIDI, SAIFI	
	Reduce frequency and duration of outages	% compliance with Quality of Service Standards	To be determined
	Improve Quality of Service Encourage productive use of energy	Industrial customer demand growth through implementation of the Energy Rebate Policy and other initiatives	100% 6% Growth
Stakeholder Management	Improve management of stakeholder expectations	Stakeholder satisfaction index	60%
Governance, Risk and Compliance	Monitor and enforce compliance with applicable Standards, Policies and Laws	% level of compliance	100%
People, Processes and Tools	Increase Employee Satisfaction	Employee satisfaction score	85%
	Attain Financial sustainability Increase process automation	Income to cost ratio Process automation rate	>1.0 30%

## 9.5 Risk Management

The Authority recognizes the importance of Risk Governance and thus a comprehensive analysis of the necessary framework to enable the Regulator to competently manage its risk portfolio has been undertaken and awaits approval by the Board of ERA.

The Authority is exposed to risks that can have an impact on achievement of its goals and objectives. For that reason, it is obliged to mitigate threats and optimize opportunities in order to realize its objectives sufficiently and successfully implement its mandate.

As such, a policy is being developed aimed at enabling the organization to institute a system that encourages an appropriate risk culture, and to form an effective Risk Management Framework.

The Authority plans to use the Risk Management Policy and Framework continuously through seeking new ways of building stakeholder value, recognizing a connection between value creation and risk management in an organizational environment where risks are not just hazards to be avoided, but events to be managed.

Some of the Authority's key risks identified and their mitigation measures are identified in Table 21.

**Table 21: Risk Identification and Mitigation**

Risk Caption	Risk Description	Mitigation
Unstable macro-economic factors	Inflation, exchange rates, and fuel prices which have an impact on the Tariff may be unstable in the long run.	Quarterly Tariff Adjustment mechanism to adjust for changes in exchange rate, inflation and fuel prices. Implementation of measures to compensate and/or manage the movements in macro - economic factors.
Non-technical losses	Non-technical losses Increased sector costs Low Energy Demand	Determine Energy Loss trajectories for distribution and transmission companies. Implement an incentive-based Tariff regime.
Increased sector costs	In the short run, capacity outstrips demand since major projects such as Karuma and Isimba are expected online within the next two (2) years. This implies that the unit price of electricity will be higher.	Consider other sources of financing which do not adversely impact the Tariff, such as concession financing.
Low Energy Demand	Increase in access and demand requires a lot of funding. The sector may be unable to raise the required capital at the right time.	Develop connection policies to increase access and grow productive use of energy.
Inadequate Sector funding	Increase in access and demand requires a lot of funding. The sector may be unable to raise the required capital at the right time.	Consider other sources of financing which do not adversely impact the Tariff, such as concession financing.

Risk Caption	Risk Description	Mitigation
Inadequate Sector funding	Increase in access and demand requires a lot of funding. The sector may be unable to raise the required capital at the right time.	Consider other sources of financing which do not adversely impact the Tariff, such as concession financing.
Low stakeholder awareness levels	Low awareness levels may cause ERA to lose influence among its key stakeholders.	Implement the Stakeholder Management Strategy.
Failure of licensees to comply with applicable laws	Licensees may fail to comply with applicable laws.	Standardize reporting requirements. Regular monitoring and inspection of licensees. Enforcement framework for non-compliance.
Resource constraints	Lack of adequate resources to undertake all ERA's activities. The Authority is currently dependent on the Tariffs for most of its revenues. There is a risk that policy directives aimed at reducing the Tariffs may lead to reduction in revenues.	Develop and implement funding strategy
High turnover of key human resources	The private sector has the ability to offer high salaries to attract the key competent resources, which could affect ERA's performance.	Timely implementation of Staff Motivation, Retention and Succession Plans.

# Financial Performance

The financial outlook of the Authority in the financial year 2016/17 aimed at continuing to grow the institution towards financial sustainability. The Authority realized more revenues by 24 per cent against the planned budget. The realization was on account of three factors, including: the licensing of the two (2) Government Power Projects (Isimba HPP - 183 MW and Karuma HPP - 600 MW) five months earlier than initially anticipated. The second contributing factor was the realization of rental and interest incomes not initially included in the budget, and investing project funds in treasury bills and fixed deposits.

The depreciation of the Uganda Shilling over the past 12 (twelve) months also contributed to the growth in revenues. Depreciation affected the revenues which were denominated in United States Dollars (stronger foreign currency). The Uganda Shilling depreciated by at least 6% over the 12-months period under review against the United States Dollar. The year's budget had assumed an exchange rate of UGX 3,403/US\$; and the financial year, at UGX 3590.9/US\$. The other factors are discussed within the individual revenue stream performance.

In terms of expenditure, the Authority spent in line with the approved budget and the availability of funds. To a great extent, the planned activities were undertaken as highlighted in the previous sections. A few activities were initiated and are still being implemented. These activities include the consultancies for Verification of Umeme Limited's Prepaid Meters, International Organization for Standardization (ISO) Certification, development of Structural Designs as well as procurement of the contractor for the new ERA House, and recruitments for some positions. Key among the planned expenditure funds that were not committed was funding meant for the purchase of four (4) station wagons. Despite such challenges, the Authority implemented its activities in accordance with Section 10 of the Electricity Act.

The overall financial performance of the Authority in the review period was a net surplus of UGX 5,939,067,369 attributed to the planned saving on the new ERA House and a saving on the implemented activities. These in addition to the net exchange gains arising from revaluation of receivables, payables and bank balances contributed to the realization of revenues beyond the approved budget.

# Audited Financial Statements

## 10.2 Management Responsibility

The Public Finance Management Act, 2015, Section 51 (3) and the Electricity Act, 1999, Cap 145 Section 28 (1) require the Authority to keep proper books of accounts for each financial year. These should give a true and fair view of its financial position at the year-end, results of performance (income and expenditure) and cash flows. Accordingly, the Directors of ERA are responsible for the preparation and presentation of the Financial Statements in accordance with the International Financial Reporting Standards (IFRSs).

The Directors are further responsible for ensuring that internal control policies and practices are put in place. This responsibility is ultimately delegated to the ERA Management.

The Directors have put in place internal controls, policies and procedures that enable preparation of Financial Statements that are free from material misstatements whether due to fraud or error. The Directors, therefore, accept responsibility for this year's Financial Statements, which have been prepared based on the reasonable estimates and are in conformity with the International Financial Reporting Standards.

The assessment made by the ERA Directors shows that the Authority will remain a going concern in the foreseeable future. Nothing material has come to the attention of the Directors of the Authority or its Management that would hinder the company's ability to remain a going concern.

13 and 19 of the National Audit Act, 2008 is to audit and express an opinion on the statements based on the audit. I conducted the audit in accordance with the International Standards on Auditing. Those standards require that I comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatements.

An audit involves performing audit procedures to obtain evidence about the amounts and disclosures in the Financial Statements as well as evidence supporting compliance with the relevant laws and regulations. The procedures selected depend on the Auditor's judgement including the assessment of risks of material misstatement of the Financial Statements whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of Financial Statements in order to design audit procedures that are appropriate in the circumstances but not for purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management as well as evaluating the overall presentation of the Financial Statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis of our opinion.

## 10.4 Opinion

In my opinion, the Financial Statements of the Electricity Regulatory Authority for the year ended 30<sup>th</sup> June 2017 are prepared, in all material respects in accordance with the International Financial Reporting Standards and Section 51 (1) of the Public Finance Management Act, 2015.

CHAIRMAN, ERA  
Date: 24<sup>th</sup> November 2017

SECRETARY  
Date: 24<sup>th</sup> November 2017

## 10.3 Auditor's Responsibility

The responsibility as stated under Article 163 of the Constitution of the Republic of Uganda and Sections

  
John F. S. Muwanga  
AUDITOR GENERAL

# Electricity Regulatory Authority

Statement of Financial Position as at 30<sup>th</sup> June, 2017

		2016-17	2015-16
		UGX	UGX
<b>ASSETS</b>			
Non-Current Assets			
Non-Current Assets	3	9,119,291,104	9,087,758,720
Current Assets			
Cash and Bank balances	4	4,564,846,544	4,514,836,032
Prepayments and Advances	5	605,326,897	1,478,944,102
Short-term Investments	6	10,947,405,396	1,410,503,147
Receivables	7	3,572,351,286	1,697,155,049
		<b>19,689,930,123</b>	<b>9,101,438,329</b>
<b>Current Liabilities</b>			
Payables	8	1,744,131,940	1,612,015,944
Deferred Income	9	10,137,413,037	5,205,096,304
Payroll and Gratuity Accruals	10	329,794,488	451,573,124
		(12,211,339,465)	(7,268,685,372)
<b>Net Current Assets (Liabilities)</b>		<b>7,478,590,658</b>	<b>1,832,752,958</b>
<b>NET ASSETS</b>		<b>16,597,881,763</b>	<b>10,920,511,679</b>
<b>EQUITY AND RESERVES</b>			
Government of Uganda Equity		280,000,000	280,000,000
General Reserves	20	10,825,351,306	4,903,466,579
Revaluation Reserves	20	5,492,530,456	5,737,045,100
<b>TOTAL EQUITY AND RESERVES</b>		<b>16,597,881,763</b>	<b>10,920,511,679</b>

# Electricity Regulatory Authority

Statement of Comprehensive Income for the period ended 30<sup>th</sup> June, 2017

	Notes	2016-17	2015-16
		UGX	UGX
<b>REVENUE</b>			
License fees		15,716,956,897	10,362,434,264
Levy Charges		4,473,011,674	3,863,761,979
Application Fees		913,673,209	682,279,647
Installation Permits		174,034,850	152,527,839
Rental Income		119,105,754	91,547,085
Other Income		665,311,433	144,943,373
<b>REVENUE</b>		<b>22,062,093,817</b>	<b>15,297,494,187</b>
<b>OPERATING EXPENSES</b>			
Personnel Expenses	13	(9,645,025,056)	(7,212,085,521)
Board Expenses	11	(1,235,079,347)	(1,059,066,150)
General Administration	17	(1,358,400,605)	(1,223,511,652)
Promotion and Advertisements	16	(329,959,994)	(258,752,841)
Training, Workshops and Conferences	12	(1,199,634,779)	(1,043,142,192)
Monitoring and Compliance	15	(590,053,960)	(477,455,020)
Consultancy Fees	14	(444,642,891)	(464,429,692)
Stakeholder Programmes	19	(1,009,136,570)	(796,013,039)
Depreciation	3	(483,761,206)	(365,212,489)
<b>TOTAL OPERATING EXPENSES</b>		<b>(16,295,694,409)</b>	<b>(12,899,668,596)</b>
TOTAL OPERATING EXPENSES		5,766,399,408	2,397,825,591
Foreign Exchange Gain	18	172,667,961	225,908,572
Operating Surplus for the Year		5,939,067,369	2,623,734,163
<b>OTHER COMPREHENSIVE INCOME</b>			
Revaluation Surplus	3	-	5,104,510,123
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR</b>		<b>5,939,067,369</b>	<b>7,728,244,286</b>

# Electricity Regulatory Authority

## Cash Flow Statement as at 30<sup>th</sup> June, 2017

	No	2016-17	2015-16
		UGX	UGX
<b>Cash flows from Operating activities</b>			
Operating Surplus for the period		5,939,067,369	2,623,734,163
Bad Debts Expense	17	-	288,760,105
Write-off of books and journals	3	-	-
Depreciation and software amortization	3	483,761,206	365,212,489
Interest received	21	-616,593,315	-52,713,155
Profit on disposal of Non-current Assets	21	-	-6,770,000
		<b>5,806,235,260</b>	<b>3,218,223,602</b>
<b>Changes in Working Capital</b>			
Movement in prepayments and advances	5	873,617,205	22,224,571
Movement in Receivables	7	-1,875,196,237	-786,418,501
Movement in Payables	8	132,115,997	124,971,290
Movement in Deferred Income	9	4,932,316,733	189,649,759
Increase in Payroll and Gratuity Accruals	10	-121,778,636	-39,715,068
<b>Net Movement in Working Capital</b>		<b>3,941,075,061</b>	<b>-489,287,950</b>
<b>Net Cash in-Flows from operating activities</b>		<b>9,747,310,321</b>	<b>2,728,935,653</b>
<b>Cash flows from Investment Activities</b>			
Interest on Fixed Deposits and Treasury Bills	21	616,593,315	52,713,155
Prior Year Adjustment-General Reserves		-17,699,001	-
Proceeds from disposal of Non-current Assets	21	-	6,770,000
Purchase of Fixed Assets	3	-759,291,874	-659,282,426
<b>NET CASH FLOW</b>		<b>9,586,912,761</b>	<b>2,129,136,379</b>
Cash and Cash Equivalents at beginning of the year		5,925,339,179	3,796,202,800
<b>Cash and Cash Equivalents at end of period</b>		<b>15,512,251,940</b>	<b>5,925,339,179</b>
Represented by:			
<b>CASH AND BANK BALANCE AS AT 30<sup>th</sup> JUNE, 2017</b>	4, 6	<b>15,512,251,940</b>	<b>5,925,339,179</b>

# Electricity Regulatory Authority

## Statement of Changes in Equity as at 30<sup>th</sup> June, 2017

	Government Equity	General Reserves	Revaluation Reserve	Total
	UGX	UGX	UGX	UGX
Balance at July 01, 2016	280,000,000	4,903,466,579	5,737,045,100	10,920,511,679
Prior year adjustment	-	-17,699,001	-243,998,284	-261,697,285
Surplus during the period	-	5,939,067,369	-	5,939,067,369
<b>BALANCE AT 30<sup>th</sup> JUNE, 2017</b>	<b>280,000,000</b>	<b>10,824,834,947</b>	<b>5,493,046,816</b>	<b>16,597,881,763</b>

# Notes to the Financial Statements for the Financial Year Ended 30<sup>th</sup> June, 2017

## GENERAL

The Electricity Regulatory Authority ("the Authority") is a statutory body established as an agency of the Government of Uganda under the Electricity Act, 1999, Chapter 145 of the Laws of Uganda.

For purposes of the Electricity Act, 1999, and the Public Finance Management Act, 2015, the balance sheet has been named as the Statement of Financial Position in these Financial Statements, and the Revenue and Expenditure account is represented by the Statement of Comprehensive Income.

## SIGNIFICANT ACCOUNTING POLICIES

### BASIS OF PREPARATION

#### (a) Basis of Accounting

The Financial Statements have been prepared in accordance with and comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). The Financial Statements have been prepared on the historical cost basis, adjusted for fair values of some classes of assets.

#### (b) Functional and presentation currency

The Financial Statements are presented in Uganda Shillings, which is the Authority's functional currency. All financial information presented in Uganda Shillings has been presented in absolute terms (UGX) except when otherwise indicated.

## RECENTLY ISSUED ACCOUNTING STANDARDS/NEW ACCOUNTING PRONOUNCEMENTS

### (a) Newly Effective Standards

Standards	Detailed requirements
IFRS 16 - Leases  Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	Issued in January 2016, IFRS 16 replaces the previous Leases Standard, IAS - 17 Leases, and related Interpretations.  IFRS 16 is effective from 1 January 2019 and an entity can choose to apply IFRS 16 before that date but only if it also applies IFRS 15 - Revenue from Contracts with Customers. Consolidation relief for investment funds
IFRS 14 - Regulatory Deferral Accounts (Issued: 30 January 2014)	IFRS 14 permits an entity which is a first-time adopter of the International Financial Reporting Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRSs and in subsequent Financial Statements.
Offsetting Financial Assets and Financial Liabilities (Amendments to IAS 32)	The standard amends IAS 32 - Financial Instruments: Presentation to provide clarifications on the application of the offsetting rules.
Recoverable Amount Disclosures for Non-Financial Assets (Amendments to IAS 36)	The IASB issued amendments to reverse the unintended requirement in IFRS 13 - Fair Value Measurement to disclose the recoverable amount of every cash-generating unit to which significant goodwill or indefinite-lived intangible assets have been allocated. Under the amendments, recoverable amount is required to be disclosed only when an impairment loss has been recognized or reversed. The amendments apply retrospectively for annual periods beginning on or after 1 January 2014.
Novation of Derivatives and Continuation of Hedge Accounting (Amendments to IAS 39)	Providing relief from discontinuing an existing hedging relationship when a novation that was not contemplated in the original hedging documentation meets specific criteria.
IFRIC 21 - Levies	A new interpretation has provided more clarity as to when a liability for a levy should be recognized.

**Effective for the financial year commencing 1<sup>st</sup> January, 2018**

**IFRS 9 Financial Instruments**

All Standards and Interpretations will be adopted at their effective date, except for those Standards and Interpretations that are not applicable to the entity. IFRS 14, IAS 41, IAS 27, IFRS 10, IAS 28, IFRS 11 and IFRS 12 are not applicable to the business of the entity and will therefore have no impact on future financial statements. The Authority is of the opinion that the impact of the application of the remaining Standards and Interpretations will be as follows.

**Defined Benefit Plans: Employee Contributions (Amendments to IAS 19)**

The amendments introduce relief that will reduce the complexity and burden of accounting for certain contributions from employees or third parties. Such contributions are eligible for practical expedient if they are:

- i. Set out in the formal terms of the plan;
- ii. Linked to service; and,
- iii. Independent of the number of years of service.

When contributions are eligible for the practical expedient, an entity is permitted (but not required) to recognize them as a reduction of the service cost in the period in which the related service is rendered. This Standard will not have a significant impact on the Authority as it does not have a defined benefit scheme.

The amendments apply retrospectively for annual periods beginning on or after 1<sup>st</sup> July 2014 with early adoption permitted. Effective the financial year commencing 1<sup>st</sup> January, 2021, IFRS 17 - Insurance Contracts supersedes IFRS 4 - Insurance Contracts as of 1<sup>st</sup> January 2021.

IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts.

**ANNUAL IMPROVEMENTS TO IFRS STANDARDS 2014–2016 CYCLE**

**IFRS 1** - Deletes the short-term exemptions in paragraphs E3–E7 of IFRS 1, because they have now served their intended purpose.

**IFRS 12** - Clarifies the scope of the Standard by specifying that the disclosure requirements in the

Standard, except for those in paragraphs B10–B16, apply to an entity's interests listed in paragraph 5 that are classified as held for sale, held for distribution or as discontinued operations in accordance with IFRS 5: Non-current Assets held for Sale and Discontinued Operations.

IAS 28 - Clarifies that the election to measure at fair value through profit or loss an investment in an associate or a joint venture that is held by an entity that is a venture capital organization, or other qualifying entity, is available for each investment in an associate or joint venture on an investment-by-investment basis, upon initial recognition.

**RECENTLY ISSUED ACCOUNTING STANDARDS/ NEW ACCOUNTING PRONOUNCEMENTS**

**IFRS 15 - Revenue from Contracts with Customers (Effective date: 1<sup>st</sup> January 2018)**

IFRS 15 provides a single, principles-based five-step model to be applied to all contracts with customers. The five steps in the model are as follows:

- i. Identify the contract with the customer;
- ii. Identify the performance obligations in the contract;
- iii. Determine the transaction price;
- iv. Allocate the transaction price to the performance obligations in the contracts; and recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point at which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.

**Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)**

The amendments to IAS 16 - Property, Plant and Equipment explicitly state that revenue-based methods of depreciation cannot be used for property, plant and equipment.

The amendments to IAS 38 - Intangible Assets introduce a rebuttable presumption that the use of revenue-based amortization methods for intangible assets is inappropriate. The presumption can be overcome only when revenue and the consumption of the economic benefits of the intangible asset are 'highly correlated', or when the intangible asset is expressed as a measure of revenue.

The Authority currently has (but not significant) property, plant and equipment and or intangible assets. These amendments are thus not anticipated

to cause a significant impact in the near future. The Authority will, however, adopt these standards on the effective date. The amendments apply prospectively for annual periods beginning on or after 1 January 2016 and early adoption is permitted.

**Disclosure Initiative (Amendments to IAS 1)**

The amendments provide additional guidance on the application of materiality and aggregation when preparing Financial Statements.

**IFRS 15 Revenue from contracts with customers**

This Standard replaces IAS 11 - Construction Contracts, IAS 18 - Revenue, IFRIC 13 - Customer Loyalty Programmes, IFRIC 15 - Agreements for the Construction of Real Estate, IFRIC 18 - Transfer of Assets from Customers and SIC 31 – Revenue Barter of Transactions Involving Advertising Services.

The Standard contains a single model that applies to contracts with customers and two approaches to recognizing revenue: at a point in time or over time. The model features a contract-based five-step analysis of transactions to determine whether, how much and when revenue is recognized.

This new Standard will most likely have a significant impact on the Authority, which will include a possible change in the timing of when revenue from licensees is recognized and the amount of revenue recognized. The Authority will perform a more detailed assessment of the impact of this Standard. The Standard is effective for annual periods beginning on or after 1<sup>st</sup> January 2017, with early adoption permitted under IFRS.

**IFRS 9 - Financial Instruments**

On 24<sup>th</sup> July 2014, the IASB issued the final IFRS 9 - Financial Instruments Standard, which replaces earlier versions of IFRS 9 and completes the IASB's project to replace IAS 39 - Financial Instruments.

**Recognition and Measurement**

This Standard will have a significant impact on the Authority, which will include changes in the measurement bases of the Authority's financial assets to amortized cost, fair value through other comprehensive income or fair value through profit or loss. Even though these measurement categories are similar to IAS 39, the criteria for classification into these categories are significantly different.

In addition, the IFRS 9 impairment model has been changed from an "incurred loss" model from IAS 39 to an "expected credit loss" model, which is expected to increase the provision for bad debts recognized. The Standard is effective for annual periods beginning on or after 1<sup>st</sup> January 2018, with retrospective application or early adoption permitted.

**REVENUE RECOGNITION**

Revenue is measured at the fair value of the consideration received or receivable from provision of goods and services. Revenue is reduced for estimated customer returns, rebates and other similar allowances. Fees and commissions are recognized on an accrual basis on delivery of the related service.

Interest income is recognized on an accrual basis by reference to the principal outstanding and at the effective interest rate applicable. Grant revenue is recognized when received by the entity and when the conditions for the grant are met.

**PROPERTY, PLANT AND EQUIPMENT**

Equipment are stated at the cost of bringing the assets to their present location and condition, less accumulated depreciation and any accumulated impairment losses.

**DEPRECIATION**

Depreciation is calculated to write off the cost of property, plant and equipment on a straight line basis using the following annual rates.

	Rate	Asset Life Estimate
Buildings	2%	50 Years
Motor vehicles	25%	5 Years
Computer equipment	30%	3 1/3 Years
Furniture and Fittings	12.5%	8 Years
Tools	10%	10 Years
Software/Intangibles	30%	3 1/3 Years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate. Gains and losses on disposal of equipment are determined by reference to their carrying amount and are taken into account in determining operating surplus/deficit.

## INTANGIBLE ASSETS

### Software

Software acquired by the Authority is measured at cost, less accumulated amortization and any accumulated impairment losses. Expenditure on internally developed software is recognized as an asset when the Authority is able to demonstrate its intention and ability to complete the development and use the software in a manner that will generate future economic benefits, and can reliably measure the costs to complete the development. The capitalized costs of internally developed software include all costs directly attributable to developing the software and capitalized borrowing costs, and are amortized over its useful life. Internally developed software is stated at capitalized cost less accumulated amortization and impairment.

Subsequent expenditure on software assets is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is expensed as incurred. Software is amortized on a straight line basis over its estimated useful life, from the date that it is available for use. The estimated useful life of software for the current and comparative periods is three years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

## CAPITAL GRANTS

Grants related to the acquisition of assets are recognized in the Statement of Comprehensive Income on a systematic basis over the useful lives of the assets acquired as per IAS 20. The Authority, however, neither received any grants for the year ended 30<sup>th</sup> June 2017 nor had any running grant.

## SUBSIDIARY

A subsidiary is a company in which the Authority either directly or indirectly has an interest of more than 50% of the voting rights or otherwise has power to exercise control over the operations of the entity when it is exposed to or has rights to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Authority does not currently have direct or indirect interest or voting rights in any company

and therefore, its Financial Statements were not impacted by performance of another company.

## WORK IN PROGRESS

The Authority took a decision during the financial year ended 30<sup>th</sup> June 2015 to construct new premises at the ERA property in Lugogo Industrial Area. In the FY 2015/16, two consultants were procured; one successfully carried out the environmental impact assessment of the premises, while the other was tasked with development of structural designs for the building and supervision, sourcing for the contractor and supervision of the contractor's works when construction commences in financial year 2017/18.

All the project costs incurred to-date are currently reported as work in progress under the Property, Plant and Equipment and will be capitalized upon completion. Other remaining work in progress relates to a new Human Resource software which was under development/customization at the date of reporting.

## IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, the Authority reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Authority estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually; and, Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that

the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

## FINANCIAL INSTRUMENTS

### Financial Assets

Financial assets are recognized initially at cost using settlements date accounting. Held to maturity investments are subsequently measured at amortized cost while financial assets held for trading and available for sale are measured at fair value.

### (a) Financial Assets and Financial Liabilities

#### (i) Recognition

The Authority initially recognizes loans and receivables on the date that they are originated. Regular way purchases and sales of financial assets are recognized on the trade date at which the Authority commits to purchase or sell the assets. All other financial assets and liabilities (including assets and liabilities designated at fair value through profit or loss are recognized initially on the trade date, which is the date that the Authority becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is measured initially at fair value plus, for an item not at fair value through profit or loss, transaction costs that are directly attributable to its acquisition or issue.

### Financial Assets

The Authority classifies its financial assets in one of the following categories:

- (i) Loans and receivables;
- (ii) Held to maturity;
- (iii) At fair value through profit or loss; and,
- (iv) Held for trading; or designated at fair value through profit or loss.

### Financial Liabilities

The Authority classifies its financial liabilities as measured at amortized cost or fair value through profit or loss.

#### (ii) Derecognition

### Financial Assets

The Authority derecognizes a financial asset when the

contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred; or in which the Authority neither transfers nor retains substantially all the risks and rewards of ownership and it does not retain control of the financial asset.

Any interest in such transferred financial assets that qualify for Derecognition that is created or retained by the Authority is recognized as a separate asset or liability. On de-recognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset) transferred and the sum of:

- (i) The consideration received (including any new asset obtained less any new liability assumed); and,
- (ii) Any cumulative gain or loss that had been recognized in other comprehensive income is recognized in profit or loss.

### Financial Liabilities

The Authority derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

### Offsetting

Financial assets and liabilities are offset and the net amount presented in the Statement of Financial Position when, and only when, the Authority has a legal right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

If there is no quoted price in an active market, then the Authority uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

### Amortized Cost Measurement

The amortized cost of a financial asset or liability is the amount at which the financial asset or liability is measured at initial recognition, minus principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount recognized and the maturity amount minus any reduction for impairment.

## Fair Value Measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Authority has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the Authority measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Authority uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price, that is, the fair value of the consideration given or received. If the Authority determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price. Subsequently, that difference is recognized in the Statement of Comprehensive Income on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

## Identification and Measurement of Impairment

At each reporting date, the Authority assesses whether there is objective evidence that financial assets not carried at fair value through profit or loss are impaired. A financial asset or a group of financial assets is impaired when objective evidence demonstrates that a loss event has occurred after the initial recognition of the asset(s) and that the loss event has an impact on the future cash flows of the asset(s) that can be estimated reliably.

Impairment losses on assets measured at amortized cost are calculated as the difference between the

carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate.

## (b) Investment Securities

Investment securities are initially measured at fair value plus, in case of investment securities not at fair value, through profit or loss, incremental direct transaction costs, and subsequently accounted for depending on their classification as either held-to-maturity, fair value through profit or loss, or available for sale.

## Held-to-Maturity

Held-to-maturity investments are non-derivative assets with fixed or determinable payments and fixed maturity that the Authority has the positive intent and ability to hold to maturity, and which are not designated as at fair value through profit or loss or as available for sale.

Held-to-maturity investments are carried at amortized cost using the effective interest method, less any impairment losses. A sale or reclassification of a more than insignificant amount of held-to-maturity investments would result in the reclassification of all held-to-maturity investments as available for sale, and would prevent the Authority from classifying investment securities as held to maturity for the current and the following two financial years. However, sales and reclassifications in any of the following circumstances would not trigger a reclassification:

- i) Sales or reclassifications that are so close to maturity that changes in the market rate of interest would not have a significant effect on the financial asset's fair value;
- ii) Sales or reclassifications after the Authority has collected substantially all of the asset's original principal; and, sales or reclassifications attributable to non-recurring isolated events beyond the Authority's control that could not have been reasonably anticipated.

## Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. Loans and receivables are recognized when cash is advanced to borrowers; and are initially recognized at fair value plus any directly attributable transaction cost.

Subsequent to initial recognition, trade receivables are carried at an amortized cost using the effective interest method. An estimate is made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off

during the year in which they are identified. Specific provision is made for all known bad debts. Bad debts are written off when all reasonable steps to recover them have been taken without success.

## PROVISIONS

Provisions are recognized when the Authority has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and a reliable estimate of the amount can be made.

## RETIREMENT BENEFIT OBLIGATIONS

### National Social Security Fund

The Authority makes contributions to the National Social Security Fund (NSSF) which is a statutory retirement benefit scheme established under the NSSF Act. This is a defined contribution scheme into which the Authority contributes 10% of the employees' gross cash emoluments. The Authority's contribution is charged to the Revenue and Expenditure account as it falls due.

## CASH AND CASH EQUIVALENTS

For the purposes of the Statement of Cash Flows, cash and cash equivalents comprise cash on hand, deposits held at call with banks, excluding other short-term highly liquid investments or fixed deposits.

## COMPARATIVES

Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

## TRANSLATION OF FOREIGN CURRENCIES

Assets and liabilities at the end of the reporting period which are expressed in foreign currencies are translated into Uganda Shillings at the rate of exchange ruling at the reporting date. Foreign currency transactions during the year are translated into Uganda Shillings at the rates ruling at the transaction dates. The resulting differences are dealt with in the Statement of Comprehensive Income in the year in which they arise.

## 1. FIXED ASSETS SCHEDULE

COST	Land	Buildings	Motor Vehicles	Furniture & Fixtures	Office Equipment	Computers & Accessories	Intangibles	W.I.P	Investment Property	Total
Balance b/fwd at 1 July 2016	1,394,648,760	3,952,112,418	1,565,281,073	425,905,186	498,173,003	513,666,959	362,531,983	13,560,627	2,547,860,000	11,273,740,009
Capitalisation of Buildings	-	-	-	-	-	-	-	-	-	-
Additions during the period	-	-	150,064,326	48,301,973	294,147,763	66,617,876	22,781,000	177,378,936	-	759,291,874
Prior year adjustments	-	(159,036,178)	-	70,274,253	3,576,144	480,000	(18,543,590)	-	(72,800,000)	(176,049,371)
Balance c/fwd at JUNE 30, 2017	1,394,648,760	3,793,076,240	1,715,345,399	544,481,412	795,896,910	580,764,835	366,769,393	190,939,563	2,475,060,000	11,856,982,513
<b>ACCUMULATED DEPRECIATION</b>										
Balance b/fwd at 1 July 2016	-	159,036,177.50	692,919,786	299,844,630	254,948,391	425,287,899	281,144,407	-	72,800,000	2,185,981,290
Depreciation adjustment	-	-	-	-	-	-	-	-	-	-
Depreciation charge for the period	-	40,954,500	243,516,440	33,912,535	69,624,138	64,880,518	23,581,875	-	7,291,200	483,761,206
Prior Year Adjustments	-	10,987,265	(10,862,859)	37,362,521	32,677,739	(144,000)	(3,762,954)	-	1,691,201	67,948,913
<b>Balance c/fwd at JUNE 30, 2017</b>	<b>-</b>	<b>210,977,942</b>	<b>925,573,367</b>	<b>371,119,686</b>	<b>357,250,268</b>	<b>490,024,417</b>	<b>300,963,328</b>	<b>-</b>	<b>81,782,401</b>	<b>2,737,691,409</b>
<b>Net Book Value at JUNE 30, 2017</b>	<b>1,394,648,760</b>	<b>3,582,098,298</b>	<b>789,772,032</b>	<b>173,361,726</b>	<b>438,646,642</b>	<b>90,740,418</b>	<b>65,806,065</b>	<b>190,939,563</b>	<b>2,393,277,599</b>	<b>9,119,291,104</b>
<b>Net Book Value at 30 June 2016</b>	<b>1,394,648,760</b>	<b>3,793,076,240</b>	<b>872,361,287</b>	<b>126,060,556</b>	<b>243,224,612</b>	<b>88,379,060</b>	<b>81,387,576</b>	<b>13,560,627</b>	<b>2,475,060,000</b>	<b>9,087,758,717</b>

	Description		2016-17	2015-16
<b>4</b>	<b>CASH AND BANK</b>		<b>UGX</b>	<b>UGX</b>
	Standard Chartered US\$		3,828,717,963	3,816,837,504
	Standard Chartered UGX		663,007,504	15,597,113
	Stanbic Bank UGX		27,850,673	93,209,529
	Stanbic Bank US\$		45,270,404	589,191,885
	Petty Cash		-	-
			<b>4,564,846,544</b>	<b>4,514,836,032</b>
<b>5</b>	<b>PREPAYMENTS AND ADVANCES</b>			
	Project Cash Advances		-	2,146,890
	Accrued Income		-	988,093,625
	Prepayments		112,043,596	124,756,977
	Staff Loans and advances		493,283,301	363,946,611
			<b>605,326,897</b>	<b>1,478,944,102</b>
<b>6</b>	<b>SHORT-TERM INVESTMENTS</b>			
	Fixed Deposits		3,252,964,603	1,410,503,147
	Treasury Bills		7,694,440,793	-
			<b>10,947,405,396</b>	<b>1,410,503,147</b>
<b>7</b>	<b>RECEIVABLES</b>			
	Albatros Energy (U) Limited		258,401,164	288,760,105
	Kametsi Energy (U) Ltd		-	12,041,647
	S.M. Hydro Ltd		-	(13,469,409)
	Butama Hydro Electricity Company Ltd		30,522,650	40,820,640

	Description	2016-17	2015-16
		<b>3,572,351,286</b>	<b>1,701,348,799</b>
	<b>Details</b>	<b>2016-17</b>	<b>2015-16</b>
<b>8</b>	<b>PAYABLES</b>	<b>UGX</b>	<b>UGX</b>
	Trade creditors	5,435,770	26,313,465
	Provision for bad debts	288,760,105	288,760,105
	VAT Payable (Claimable)	187,577,750	(59,938,582)
	WHT Payable	103,528,957	105,184,463
	Sundry suppliers	1,141,706,563	1,218,204,716
	Prepaid/Deferred rent	17,122,795	33,491,777
		<b>1,744,131,940</b>	<b>1,612,015,944</b>
<b>9</b>	<b>DEFERRED INCOME</b>		
	Africa EMS Mpanga	45,495,375	41,937,500
	Albatros Energy (U) Limited	-	145,866,777
	ARPE LTD	256,520,513	242,985,666
	Bundibugyo Energy Cooperative Society	6,241,375	5,912,060
	Bujagali Energy Limited	1,851,846,563	-
	Electro-Maxx Uganda Limited	62,413,750	145,866,777
	Elgon Siti (U) Limited	107,743,800	106,959,289
	Eskom Uganda Limited	1,604,925,000	1,520,244,000
	Ferdsult Engineering Uganda Limited	-	14,357,860
	Greenewus	39,506,060	-
	Hydromax (Nkusi) Ltd	14,367,280	17,248,400
	Hydromax Limited	14,367,280	22,137,400
	Kakira Sugar Ltd	128,260,256	120,651,310

	Description	2016-17	2015-16
	Ndugutu Power Company Ltd	-	40,820,640
	Jelco Nengo Hydro Power Company Ltd	-	40,820,640
	Sugar and Allied Industries Ltd	-	60,210,444
	Bundibugyo Energy Cooperative Society	14,830,417	14,049,104
	Uganda Electricity Transmission Company Ltd	12,554	-
	Rwenzori Hydro (Private) Limited	35,909	-
	Access Uganda Solar Limited	71,818	-
	Africa EMS Nyamwamba	71,818	-
	Eskom Uganda Limited	140,000	-
	Muvumbe Hydro (U) Ltd	644,363	-
	Kilembe Investments Limited	(12,567,540)	-
	Kyegegwa Rural Electricity Cooperative Society	6,355,893	4,193,750
	Uganda Electricity Distribution Company Ltd	-	-
	Jacobsen Uganda Power Plant Co. Ltd	38,372,645	-
	Uganda Electricity Generation Company Ltd	1,835,270,740	-
	Electro-Maxx Uganda Limited	-	84,605,879
	Tororo Solar North Limited	(2,262,267)	-
	Mahoma Uganda Limited	12,568,150	-
	Timex Bukinda Hydro (U) Ltd	43,090,800	-
	MSS Xsabo Power Ltd	53,945,911	-
	Uganda Energy Credit Capitalization Co. Ltd	113,113,350	-
	Umeme Limited	1,191,403,336	1,128,495,360

	Description		2016-17	2015-16
	Genmax Nyagak Limited		10,699,500	20,252,580
	Bugoye Hydro Ltd		40,620,263	37,973,588
	Nyamwamba		21,399,000	20,252,580
	PACMECS		6,241,375	5,912,060
	Rwimi HPP		47,100,434	41,769,055
	Sugar Corporation of Uganda Limited		21,399,000	20,269,920
	Tibet Hima Mining Co. Ltd		21,399,000	20,224,860
	Uganda Electricity Distribution Company Ltd		76,442,649	52,656,880
	Uganda Electricity Generation Company Ltd		2,988,961,138	42,229,000
	Uganda Electricity Transmission Company Ltd		802,462,500	760,122,000
	Umeme Limited		1,471,181,250	1,350,887,850
	West Nile Rural Electrification Company Limited		14,266,000	16,333,710
			<b>10,137,413,037</b>	<b>5,205,096,304</b>
	<b>Details</b>		<b>2016-17</b>	<b>2015-16</b>
<b>10</b>	<b>PAYROLL, GRATUITY AND OTHER ACCRUALS</b>		<b>UGX</b>	<b>UGX</b>
	Payroll - Clearing Account		-	-
	URA - PAYE Payable		108,390,654	98,875,585
	NSSF Payable		-	99,220,567
	Accrued Gratuity		221,517,289	245,931,763
	Insurance Premium		(113,456)	7,545,208
			<b>329,794,488</b>	<b>451,573,124</b>

	Description		2016-17	2015-16
<b>11</b>	<b>BOARD EXPENSES</b>			
	Chairman's Retainer		40,800,000	40,800,000
	Members' Retainer		139,200,000	142,695,000
	Per Diem Allowance		378,758,323	325,976,613
	Travel Abroad/Tickets		244,870,839	175,274,573
	Training and Conference fees		256,451,419	221,550,709
	Communication and Travel costs		40,579,885	45,230,664
	Meeting Costs		134,418,883	107,538,590
			<b>1,235,079,347</b>	<b>1,059,066,150</b>
<b>12</b>	<b>TRAINING, CONFERENCES AND WORKSHOPS</b>			
	<b>Staff:</b>			
	Air tickets		262,258,388	183,823,385
	Per Diem		399,163,833	406,597,521
	Tuition		375,335,031	352,243,404
	Local Training		-	-
	Professional Subscription		49,134,571	18,887,082
	ERA Strategy/Business Planning workshops		113,742,956	81,590,801
	<b>Total on Training and Conferences</b>		<b>1,199,634,779</b>	<b>1,043,142,192</b>
	<b>Details</b>		<b>2016-17</b>	<b>2015-16</b>
<b>13</b>	<b>PERSONEL AND RELATED EXPENSES</b>		<b>UGX</b>	<b>UGX</b>
	Staff Salaries		5,425,230,119	4,525,490,287
	NSSF Contribution 10%		755,135,884	620,871,465
	Gratuities		1,248,306,710	1,110,150,713
	Leave allowances		561,533,348	322,294,122

	Description	2016-17	2015-16
	Staff Medical Expenses	387,001,038	267,524,246
	Staff Welfare/Temporary	29,530,000	23,524,688
	Acting/Responsibility Allowances	285,426,673	250,214,513
	Terminal Benefits	826,623,285	
	Work Life Balance and HIV at Work programme	25,493,000	20,565,345
	Staff Insurance	100,745,000	71,450,142
		<b>9,645,025,056</b>	<b>7,212,085,521</b>
<b>14</b>	<b>CONSULTANCY SERVICES</b>		
	Local Consultancy	88,188,966	87,152,995
	International Consultancy	319,677,925	304,152,812
	Local Consultancy Studies	-	-
	Legal Fees	11,655,000	73,123,885
	Audit and Related costs	25,121,001	63,211,864
		<b>444,642,891</b>	<b>527,641,556</b>
<b>15</b>	<b>MONITORING AND COMPLIANCE</b>		
	Fuel and Travel costs	-	-
	Accommodation and Subsistence	93,186,218	77,508,865
	Other Expenses	496,867,742	399,946,155
	Installation and Grid Code Committee costs	-	-
		<b>590,053,960</b>	<b>477,455,020</b>
<b>16</b>	<b>PROMOTIONS AND PUBLIC PROFILE</b>		
	Advertisement	-	6,198,644
	Promotions and Publications	329,959,994	252,554,197
		<b>329,959,994</b>	<b>258,752,841</b>

	Description	2016-17	2015-16
<b>17</b>	<b>GENERAL ADMINISTRATIVE EXPENSES</b>	-	
	Bank Charges	14,074,861	21,059,480
	Impairment Losses - Bad debts	-	288,760,105
	Communication - Telephone/Internet and E-mail	152,543,047	145,108,168
	Interest Expense	45,220,790	73,337,155
	Supplies - Computer	23,304,094	15,899,396
	Supplies - Stationery	90,021,206	49,410,927
	Supplies - Office Equipment	6,766,562	1,266,495
	Supplies - General	212,639,228	155,925,880
	Maintenance - Furniture/Equipment	47,073,000	15,803,968
	Insurance of Office and Equipment	60,454,357	31,524,965
	Motor Vehicle Expenses	329,977,375	146,688,477
	Office maintenance (General up-keep)	3,900,000	22,770,000
	Utilities - Water, Power, Rates	62,030,155	50,974,828
	Staff Welfare - Meals and Others	239,836,914	168,471,810
	Office Security/Cleaning	70,559,017	36,509,998
		<b>1,358,400,605</b>	<b>1,223,511,652</b>
	<b>Details</b>	<b>2016-17</b>	<b>2015-16</b>
<b>18</b>	<b>FOREX TRANSLATION GAINS/(LOSSES)</b>	<b>UGX</b>	<b>UGX</b>
	Foreign Exchange Gain/(Loss)	(172,667,961)	(225,908,572)
<b>19</b>	<b>STAKEHOLDER PROGRAMMES</b>	-	-
	Workshops/Consumables	507,457,753	208,487,506
	Radio and TV Programmes	101,821,695	232,096,113
	Regional Programmes (AFUR/EREA)	78,450,282	64,061,897

	Description		2016-17	2015-16
	Advertisements and Notices		1,525,424	28,627,119
	Venue/Accommodation/Subsistence		175,292,233	142,033,183
	Publications/Materials		-	-
	Conference Charges		25,668,368	15,884,143
	Membership Subscriptions		67,860,000	77,229,859
	Special Projects + Other		51,060,816	27,593,221
			<b>1,009,136,570</b>	<b>796,013,039</b>
<b>20</b>	<b>GENERAL AND REVALUATION RESERVES</b>		-	
	General Reserves at Start of year		4,886,283,937	2,279,732,416
	Post Audit Adjustments during the year		-	
	Revaluation Reserves		5,492,530,456	5,737,045,100
	Surplus/(Deficit) for the year		5,939,067,369	2,623,734,163
	Balance as at 30 <sup>th</sup> June		<b>16,317,881,763</b>	<b>10,640,511,679</b>
<b>21</b>	<b>OTHER INCOME</b>			
	Interest Income from Fixed Deposits and Treasury Bills		616,593,315	52,713,155
	Fines		45,168,118	85,460,219
	Disposal of Non-Current Assets		-	6,770,000
			<b>661,761,433</b>	<b>144,943,373</b>

#### APPENDIX I: AUTHORITY DECISIONS TAKEN IN THE PERIOD JULY 2016 TO JUNE 2017

No.	MINUTE	DECISION
<b>DECISIONS OF THE 263<sup>RD</sup> AUTHORITY MEETING FOR THE MONTH OF JUNE 2016, HELD ON FRIDAY 8<sup>TH</sup> JULY 2016 AT THE ERA HOUSE BOARDROOM</b>		
1	MIN. 809/263/2016	Resolved to grant a No Objection to Uganda Electricity Transmission Company Limited to execute a Power Sales Agreement with Rwanda Energy Group for a term of three (3) years at a Tariff of US¢ 8.25 per kWh subject to UETCL submitting to the Authority a copy of the signed Power Sales Agreement within 30 days of execution.
2	MIN. 810/263/2016	Resolved to grant a No Objection for the execution of the Power Sales Agreement between UETCL and UEDCL for the sale by UETCL and purchase by UEDCL of power for distribution and sale in the Lira Service Territory.
2	MIN. 810/263/2016	Resolved to grant a No Objection for the execution of the Power Sales Agreement between UETCL and UEDCL for the sale by UETCL and purchase by UEDCL of power for distribution and sale in the Lira Service Territory.
4	MIN. 812/263/2016	Approved the standardized Electricity Wheeling Agreement for adoption by UETCL and all distribution companies engaged in the wheeling of electricity in Uganda.
5	MIN. 813/263/2016	Resolved that the Authority withholds its "No Objection" for the execution of the Power Purchase Agreement between the Uganda Electricity Transmission Company Limited and Tororo PV Power Company Ltd, until the Parties adopt and effect the recommended capacity and Tariff approved by the Authority.
6	MIN. 814/263/2016	Resolved to grant a No Objection for the execution of the PPA between UETCL and Emerging Power (U) Limited relating to the generation and sale of power at Bufulubi Village in Mayuge District subject to the parties revising the same in line with the decision of the Authority and submitting to ERA a copy of the signed Power Sales Agreement within 30 days of execution.
7	MIN. 815/263/2016	Approved Tariffs of UGX 674.7/kWh for Domestic and UGX 786.6/kWh for Commercial consumers in the Kalangala Infrastructure Services Limited License area for the period July to September 2016.
8	MIN. 816/263/2016	Approved the renewal of the Licence issued to Tibet Hima Mining Co. Limited for a period of one (1) year subject to the Licensee addressing the omissions identified by the Authority during the term of the Licence.
9	MIN. 817/263/2016	Approved the transfer of 49.75% (46,750) class 'A' shares and 65.78% (1,117,510) class 'B' shares held by SG Bujagali Holdings Limited in the Licensee, to SN Power AS in accordance with Section 46 of the Act and Regulation 12 of the Electricity (Application for Permit, License and Tariff Review) (Regulations), 2007.

No.	MINUTE	DECISION
10	MIN. 819/263/2016	Approved the following; <ul style="list-style-type: none"> <li>i. The Policy for provision for bad and doubtful debts and write-off of irrecoverable debts, and;</li> <li>ii. To amend the ERA Financial Accounting and Regulations Manual accordingly.</li> </ul>
11	MIN. 820/263/2016	Approved the issuance of a Generation and Sale Licence to Mahoma Uganda Limited for a 2.7 MW Hydropower Project across River Mahoma in Kabarole District.
12	MIN. 822/263/2016	Approved the application for grid extension No. UMEME 070/2016 submitted by Umeme Limited.
13	MIN. 823/263/2016	Approved the Capacity Price of UGX 43,759 per MW per hour for Eskom (U) Limited, the Bulk Supply Tariff (BST) of UGX 341.1/kWh, UGX 262.4/kWh, and UGX 159.5/kWh at Peak, Shoulder and Off-peak respectively, the Adjustment Factors and the resultant End-User Tariff to be charged by Umeme Limited for the period July to September 2016.
14	MIN. 825/263/2016	Approved the annualized Tariff parameters for the period 1 <sup>st</sup> July 2016 to 30 <sup>th</sup> June 2017 for Kilembe Investments Limited.
15	MIN. 826/263/2016	Approved the End-User Tariffs for WENRECO of UGX 603.3/kWh for Domestic Consumers, UGX 568.2/kWh for Commercial and Industrial Consumers for the period July 2016 to September 2016.
16	MIN. 827/263/2016	Approved the following:- <ul style="list-style-type: none"> <li>i. Operation and Maintenance costs of UGX 556,929,400.</li> <li>ii. A Distribution Loss Factor of 15% and a Wheeling Loss Factor of 5.68%.</li> <li>iii. Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited of UGX 354/kWh, UGX 272.3/kWh and UGX 165.6/kWh for Peak, Shoulder and Off-peak respectively.</li> <li>iv. Retail End-User Tariffs of UGX 590.5/kWh for Domestic consumers and UGX 544.9/kWh for Commercial consumers.</li> </ul>
17	MIN. 828/263/2016	Approved the annualized Tariff parameters for the year July 2016 to June 2017 for Bundibugyo Electricity Cooperative Society.
18	MIN. 829/263/2016	Approved the following; <ul style="list-style-type: none"> <li>i. Investments undertaken By Umeme Limited in 2014.</li> <li>ii. Report on the Authority's Performance for the Financial Year 2015/16.</li> <li>iii. The ERA Work-Plan for FY 2016/17.</li> <li>iv. Report on ERA Standard Operating Procedures.</li> </ul>

No.	MINUTE	DECISION
<b>DECISIONS OF THE 264<sup>TH</sup> (SPECIAL) AUTHORITY MEETING HELD AT THE GOLF COURSE HOTEL ON MONDAY 11<sup>TH</sup> JULY 2016 AT 2.30PM</b>		
19	MIN. 836/264/2016	Resolved that all the entities should work towards the efficiency of the sector and the parties to the Project Agreements would support the process of licensing Karuma and Isimba Hydropower Projects.
<b>DECISIONS OF THE 265<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF JULY 2016, HELD ON WEDNESDAY 3<sup>RD</sup> AUGUST 2016 AT THE ERA HOUSE BOARDROOM</b>		
20	MIN. 844/265/2016	Approved the extension of the period within which Lubilia Kawembe Hydro Limited was required to achieve Financial Close, from 420 days after the Effective Date of the Licence to 720 days from the Effective Date of the License.
21	MIN. 845/265/2016	Resolved to ratify its decision of modifying Licence No. ERA/LIC/DIS/015/129 issued to Kyegegwa Rural Electricity Cooperative Society Limited to include the Central Service Territory.
22	MIN. 846/265/2016	Approved the application for renewal of Licence No. ERA/LIC/GEN/015/131 issued to Sugar Corporation of Uganda Limited, for a further period of one (1) year effective 1 <sup>st</sup> January 2016 to 31 <sup>st</sup> December 2016.
23	MIN. 847/265/2016	Approved US\$ 3,354,643 as investments completed in 2014 and US\$ 1,648,497 as investments completed in 2015 qualifying to earn a Return on Investment by Eskom Uganda Limited.
24	MIN. 848/265/2016	RESOLVED as follows:-  In respect of the application for the amendment to the Power Purchase Agreement between the Uganda Electricity Transmission Company Ltd and Elgon Hydro Siti (PVT) relating to the Siti II Hydro power project at Chesoweri Village, Tulel, Sub County, Bukwo District :-  (i) To reject the proposal to reduce the energy Tariff from US Cents 8.5 per kWh, but instead; (ii) To approve that for the period from Commercial Operations Date until the earlier of 1 <sup>st</sup> October 2021 and the commissioning of the Related Infrastructure, the Metered Energy shall be reduced by 2.67% to reflect additional losses of evacuating power over the Interim Related Infrastructure, and; (iii) That the parties finalize and execute the amendment to the PPA and submit an executed copy within 30 days of execution.
25	MIN. 849/265/2016	Approved the issuance of a Generation and Sale License for a 6.0 MW Hydropower Project across River Nyamaghasani in Kasese District to Nyamaghasani 2 HPP Limited.

No.	MINUTE	DECISION
26	MIN. 850/265/2016	Resolved to Adopt the Renewable Energy Feed-in-Tariff Review Report, including the Cost Benchmark Database, Tariff Model and Technical Manual; and, To Approve and Adopt the revised Renewable Energy Feed-in-Tariff Phase 3 Guidelines.
27	MIN. 851/265/2016	Approved the issuance of a Generation and Sale Licence for the proposed 7.0 MW Nyamabuye Hydro Power Plant along River Kaku in Kisoro District to Elemental Energy Limited.
28	MIN. 852/265/2016	Approved the application by Tororo Solar North Limited for consent to transfer the 50 shares held by Simba Telecom Limited in the Licensee, to Building Energy S.p.A ( 46 shares) and Charles Muhumuza ( 4 shares) respectively.
29	MIN. 853/265/2016	Approved additional Capex and Investments worth US\$ 1,708,346, with revised scope in respect of the Umeme Ltd 2016 Investment Plan.
30	MIN. 854/265/2016	Approved and Adopted the Internal Audit Report for the Quarter ending 30 <sup>th</sup> June 2016 relating to the period April 2016 to June 2016; and, To Approve and Adopt the ERA Internal Audit Plan for financial year 2016/17.
<b>DECISIONS OF THE 266<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF AUGUST 2016, HELD ON FRIDAY 2<sup>ND</sup> SEPTEMBER 2016 AT THE ERA HOUSE BOARDROOM</b>		
31	MIN. 865/266/2016	Approved the modification of License by Hydromax Nkusi Ltd.
32	MIN. 866/266/2016	Rejected R&I Hydro Power Limited's Notice of Intended Application for a License for the proposed 10 MW Hydropower Project based on the identified legal deficiencies and the failure to demonstrate the company's legal linkage to the Project Sponsors - Shaker Holding Limited LLC.
33	MIN. 867/266/2016	Rejected the Notice of Intended Application for a License by ECL Nsongya Power Company Uganda Limited for the proposed 4.2 MW Hydropower Project, in consideration of Regulatory Notice ERA/003/2015 to the effect that the applicant had neither achieved Financial Close nor achieved 70 % of the development of the Mahoma HPP for which it was awarded a License.
34	MIN. 868/266/2016	Took Note of the Annual Complaints Report for the Financial Year 2015/16; and advised that Management presents to the Authority Consumer Complaints Reports on a quarterly basis in order to enhance issues related to consumers.

No.	MINUTE	DECISION
35	MIN. 869/266/2016	Approved the modification of Licence No. ERA/LIC/GEN/015/132 to extend the Commercial Operations Date from 13 (thirteen) months after the Effective Date to 15 (fifteen) months thereof; and accordingly to Reject the Licensee's request for extension of the Licence Term from 20 years and 11 months to 21 years and 3 months.
36	MIN. 871/266/2016	Approved payment of a sum of US\$ 1,373,592.14 by Uganda Electricity Transmission Company Limited to Hydromax Limited for deemed energy for the period July 2015 to April 2016.
37	MIN. 872/266/2016	Approved the applications by Umeme Limited for extension of its distribution network pursuant to grid extension applications Nos. UMEME 069/2016, UMEME 078/2016, UMEME 079/2016 and UMEME 080/2016.
38	MIN. 873/266/2016	Approved the issuance of a License for the Generation and Sale of electricity from the proposed 15 MW Nyamaghasani 1 Hydropower Project along River Nyamaghasani in Kasese District to Rwenzori Hydro Private Limited.
39	MIN. 874/266/2016	Rejected the application for modification of License by Jelco Hydro Power Company Limited.
40	MIN. 875/266/2016	Approved the modification of Clauses 1.2 and 1.3 of License No. 053 issued to UEDCL to authorize and enable the Licensee to own the West Nile grid extension.
41	MIN. 876/266/2016	Approved the modification to extend the Fuel Supply Date and Financial Close of the License issued to Albatros Energy (U) Limited to Financial Year 2019/20.
42	MIN. 877/266/2016	Approved the Tariffs and other charges for the period 1 <sup>st</sup> September 2016 to 31 <sup>st</sup> October 2016 for Ferdsult Engineering Services Limited.
43	MIN. 878/266/2016	Resolved to Rescind the Authority Decisions vide MIN. 799/262/2016; MIN. 800/262/2016 and MIN. 801/262/2016 and Reject UEGCL's Notices of Intended Application for Licenses for the development of a 4.4 MW Hydropower Project on River Anyau, Odupi Sub-County, Arua District, a 2.02 MW Hydropower Project on River Kochi, Kochi Sub-County, Yumbe District, and a 4.2 MW Hydropower Project on River Aswa, Purongo Sub-County, Nwoya District.

No.	MINUTE	DECISION
44	MIN. 879/266/2016	Resolved to take note of the status of the Consent Judgement in respect of EDT Appeals No. 3 and 9 of 2012 and the Letter of No Objection from the Ministry of Energy and Mineral Development dated 11 <sup>th</sup> July 2016.
<b>DECISIONS OF THE 267<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF SEPTEMBER 2016, HELD ON WEDNESDAY 5<sup>TH</sup> OCTOBER 2016 AT THE ERA HOUSE BOARDROOM</b>		
45	MIN. 887/267/2016	Reviewed the Tariff review report for the Fourth Quarter of 2016 and approved the End-User Retail Tariffs as follows; Domestic Customers at UGX623.6/kWh, Commercial Customers at UGX565.1/kWh, Medium Industrial Customers at UGX523.0/kWh, Large Industrial Customers at UGX347.1/kWh and Street Lighting at UGX606.2/kWh.
46	MIN. 888/267/2016	Approved the End-User Retail Tariffs for WENRECO for Domestic Customers at UGX 605.8/Kwh, Commercial Customers at UGX 570.6 Kwh and Industrial Customers at UGX 570.6 Kwh for the period October to December 2016.
47	MIN. 889/267/2016	Approved the following annualized End-User Electricity Tariffs and other charges by Kyegegwa Rural Electricity Cooperative Society Limited (KRECS) for the period 1 <sup>st</sup> October 2016 to 20 <sup>th</sup> September 2017:- <ul style="list-style-type: none"> <li>i. Operation and Maintenance costs of UGX 468,447,700;</li> <li>ii. Distribution Loss factor of 20% and Wheeling Loss factor of 5.68%;</li> <li>iii. Bulk Supply Tariff to be applied by UETCL of UGX 354.0/kWh, 272.3/kWh and 165.4/kWh for peak, shoulder and off peak respectively;</li> <li>iv. End-User Tariff of UGX 615.3/kWh for Domestic, and UGX 552.3/kWh for Commercial consumers;</li> </ul>
48	MIN. 890/267/2016	Approved the Tariffs for Kalangala Infrastructure Services Limited of UGX 667.4/kWh for Domestic Customers and UGX 841.3/kWh for Commercial Customers for the period October to December 2016.
49	MIN. 891/267/2016	Resolved to defer the consideration of the Licence application by Uganda Electricity Generation Company Limited for development of the proposed 44.7 MW Muzizi Hydro Power Project pending further consultations by the Authority with the affected stakeholders and public agencies and reporting back to the Authority on the outcome of the stakeholder consultations at the next Authority meeting.
50	MIN. 892/267/2016	Approved the Renewal of Jacobsen Uganda Power Plant Company Limited's Licence No. 061A on the same terms and conditions for a further period of one (1) year.
51	MIN. 893/267/2016	Approved the third amendment to the Power Purchase Agreement between Uganda Electricity Transmission Company Limited and Jacobsen Uganda Power Plant Company Limited subject to the parties submitting to the Authority a signed PPA within 30 days of executing the amendment.

No.	MINUTE	DECISION
52	MIN. 894/267/2016	Approved the modification of ARPE Limited's License to extend Financial Close from 463 days to 707 days after the Effective Date.
53	MIN. 895/267/2016	Approved the modification of the License by Kikagati Hydro power project to upsize the installed capacity from 10 MW to 14 MW.
54	MIN. 896/267/2016	Took note of the status of litigation against the Electricity Regulatory Authority as at 29 <sup>th</sup> September 2016.
55	MIN. 897/267/2016	Resolved to defer the review of the development of skills in the Electricity Supply Industry for further consideration by the Technical Committee of the Authority.
56	MIN. 898/267/2016	Approved the application for modification of the Licence by Tororo Solar North Limited, by amending the timeline for achievement of Financial Close from 352 days from the Effective Date to 443 days thereof and the Commercial Operations Date from 594 days from the Effective Date to 655 Days.
57	MIN. 900/267/2016	Resolved to issue MSS Xsabo Power Limited with a notice to show cause why Licence No. ERA/LIC/GEN/015/135 should not be revoked, owing to the Licensee's breach of Condition 4.1 of the Licence and Section 47 of the Electricity Act.
58	MIN. 901/267/2016	Took note of and Adopted the Report of the Tour and Inspection by the Members of the Authority and the Natural Resources Committee (NRC) of Parliament of Power Project sites and electricity installations in Western and Eastern Uganda.
<b>DECISIONS OF THE 268<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF OCTOBER 2016, HELD ON WEDNESDAY 26<sup>TH</sup> OCTOBER 2016 AT THE ERA HOUSE BOARDROOM</b>		
59	MIN. 910/268/2016	Ratified the Authority decision by Circulation, approving the period within which Access Uganda Solar Limited was required to achieve the Commercial Operations Date for the 10 MWp Solar Photovoltaic Power Plant in Soroti District, from 13 months after the Effective Date to 15 months after the Effective Date.
60	MIN. 911/268/2016	Resolved to ratify the Authority decision by Circulation, to approve the period within which Hydromax (Nkusi) Limited was required to achieve Financial Close in respect of Licence No. 118 from 580 days after the Effective Date to 702 days from the effective date.

No.	MINUTE	DECISION
61	MIN. 912/268/2016	Took note of and Adopted the Electricity Regulatory Authority's Complaints Report for Quarter One (July, August and September) of the Financial Year 2016/17.
62	MIN. 913/268/2016	Took note of the status of the review of the legal, technical, financial and economic assessments under Section 37 of the Act of UEGCL's application for a Licence for the development of the 600 MW Karuma Hydropower Plant.
63	MIN. 914/268/2016	Took note of the status of the review of the legal, technical, financial and economic assessments under Section 37 of the Act of UEGCL's application for a License for the development of the 183 MW Isimba Hydropower Plant.
64	MIN. 915/268/2016	Deferred the consideration of the application for extension of Permits ERA/PER/GEN/015/081 by Achwa Hydro 3 Ltd, ERA/PER/GEN/015/082 by Achwa Hydro 4 Ltd and ERA/PER/GEN/015/083 by Achwa Hydro 5 Ltd pending the site inspection by Management.
65	MIN. 916/268/2016	Resolved to Consent to the application by Tororo Solar North Limited to transfer 50 shares held by Simba Telecom Limited in the Licensee, to Building Energy S.p.A (46.66%) and Charles Muhumuza (3.34%) respectively.
66	MIN. 917/267/2016	Approved the Issuance of a "No Objection" for the extension of the Energy Exchange Agreement between UETCL and KPLC for a period of 12 months effective 1 <sup>st</sup> November 2016 subject to UETCL submitting a copy of the executed Energy Exchange Agreement to the Authority within 30 days after execution of the Agreement.
67	MIN. 918/268/2016	Took note of the technical operational status of the UETCL Power System Network for the financial year 2015/16.
68	MIN. 919/268/2016	Approved and Adopted the Internal Audit Report for the Quarter ending 30 <sup>th</sup> September 2016.
69	MIN. 920/268/2016	Approved the issuance of a Permit to Kametsi Energy Uganda Limited, to enable the company undertake feasibility studies and other activities necessary for the development of the proposed 1.14 MW Lirima Hydropower Project.
70	MIN. 921/268/2016	Approved the Extension of Permit No. ERA/PER/GEN/015/087 issued to Senok Trade Combine (PVT) Limited for a further period of 12 (twelve) months to enable the company complete the feasibility studies and other activities leading to the development of the 20 MW Wind Power Project.

No.	MINUTE	DECISION
71	MIN. 922/268/2016	Approved the application for extension of 10 Permits awarded to the Uganda Energy Credit Capitalization Company Limited to carry out feasibility studies and other activities leading to the development of 10 small Hydropower Projects in Western Uganda.
72	MIN. 923/268/2016	Approved a 12 (twelve) months Permit extension for Kabale Energy Limited.
73	MIN. 924/268/2016	Approved the issuance of a Permit to Focus Energy Uganda Limited for a period of 18 (eighteen) months to conduct feasibility studies and other activities leading to the development of the proposed 3.1 MW Sogahi Hydropower Project, subject to submission of an updated Implementation Time Plan.
74	MIN. 925/268/2016	Approved the recruitment of an additional Legal Officer in the Legal and Authority Affairs Department.
75	MIN. 926/268/2016	Resolved that the Authority writes and provides comments to the Minister of Energy and Mineral Development in respect of the draft Electricity Amendment Bill, 2016.
<b>RESOLUTIONS OF THE 269<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF NOVEMBER 2016, HELD ON FRIDAY 25<sup>TH</sup> NOVEMBER 2016 AT THE ERA HOUSE BOARDROOM</b>		
76	MIN. 934/269/2016	Ratified the Authority decision by circulation, approving the modification of the License No. ERA/LIC/GEN/015/130 issued to Butama Hydro Electricity Company Limited, by modifying the obligation to achieve Financial Close from 484 days from the Effective Date of the License to 607 days.
77	MIN. 935/269/2016	Ratified the Authority decision by circulation, to effect the modification of the period within which Tororo Solar North Limited was required to achieve Financial Close, from 352 days to 443 days and Commercial Operations date from 594 days to 655 days.
78	MIN. 936/269/2016	Ratified the Authority decision by circulation, to effect the modification of the period within which ARPE Limited was required to achieve Financial Close, from 463 days after the Effective Date of the Licence to 707 days from the Effective Date of the Licence.
79	MIN. 937/269/2016	Resolved to ratify the Authority decision by Circulation, approving the modification of the License obligation to achieve Financial Close from 484 days from the Effective date.

No.	MINUTE	DECISION
80	MIN. 938/269/2016	Approved the award of a Generation and Sale of Electricity License to Uganda Electricity Generation Company Limited for the proposed 600 MW Karuma Hydropower Project.
81	MIN. 939/269/2016	Approved the issuance of a Generation and Sale of Electricity License to Uganda Electricity Generation Company Limited for the proposed 183 MW Isimba Hydropower Project across River Nile in Kayunga and Kamuli Districts.
82	MIN. 940/269/2016	Resolved to effect the modification of Clauses 1.2 and 1.3 of Licence No. 053 authorizing Uganda Electricity Distribution Company Limited to own the West Nile Grid extension.
83	MIN. 941/269/2016	Rejected Network Civil Engineering Contractors Limited's request for an additional 60 (sixty) days' extension period within which to submit a qualifying License application.
84	MIN. 942/269/2016	Resolved to direct Ferdult Engineering Services Limited to develop and share the cost allocation methodology for all shared costs/overheads and the rationale for determination of the different cost allocations.
85	MIN. 943/269/2016	Resolved that the End-User Tariffs per customer category to be charged by Ferdult Engineering Services Limited for the period 1 <sup>st</sup> December 2016 to 30 <sup>th</sup> May 2017, Distribution Operation and Maintenance Costs, Distribution Loss Factors, and Bulk Supply Tariff should remain unchanged pending further review of the licensee's performance and governance.
86	MIN. 944/269/2016	Resolved to Revoke Licence No. ERA/LIC/GEN/015/128 issued to Jelco Nengo Hydro Power Company for the reason that the licensee may not be able to fulfil its obligations under the Licence and the Act.
87	MIN. 945/269/2016	Rejected the application for Permit Extension by Lake Albert Infrastructure Services Limited for the development of a 52 MW gas-fired Power Plant in Hoima District.
88	MIN. 946/269/2016	Approved US\$ 46,224,552 for investments under the 2017 Umeme Investment Plan and non-network asset amount of US\$ 1,670,896 to allow the company to progress with the implementation of its 2017 Investment Plan.
89	MIN. 947/269/2016	Approved Ferdult Engineering Services Limited's grid extension beyond its contracted 1km foot print vide application Ref: FESL/ERA/MODEST/Line_Ext/28092016 to construct 3km of 33kV overhead power line to M/S Buyamba Water Pump and install a 1 x 50kVA transformer at an estimated cost of UGX. 155,300,000.

No.	MINUTE	DECISION
90	MIN. 948/269/2016	Approved Umeme Limited's application for grid extension No. UMEME 081/2016 to construct 8 km of 33 kV overhead power line and install 1 x 1000kVA transformer at an estimated cost of UGX 123,063,290.
91	MIN. 949/269/2016	Took note of the progress of the construction works for the Achwa 2 Hydro Power Project by ARPE Limited.
92	MIN. 950/269/2016	Approved the award of a six (6) months' Permit extension to Achwa Hydro 5 Limited.
93	MIN. 951/269/2016	Approved the award of a six (6) months' Permit extension to Achwa Hydro 4 Limited.
94	MIN. 952/269/2016	Approved the award of a six (6) months' Permit extension to Achwa Hydro 3 Limited.
95	MIN. 953/269/2016	Took note of the proposed creation of the Extra-Large Industrial Tariff category.
96	MIN. 956/269/2016	Approved the appointment of Eng. Ziria Tibalwa Waako, the Director Technical Regulation as Acting Chief Executive Officer with effect from the 28 <sup>th</sup> day of November 2016 for a period of six (6) months or until the position was substantively filled.
97	MIN. 957/269/2016	Reviewed the Tariff Review report for 2017 and took note of the projected 2017 End-User Tariffs for Umeme.
<b>DECISIONS OF THE 270<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF DECEMBER 2016, HELD ON TUESDAY 20<sup>TH</sup> AND WEDNESDAY 21<sup>ST</sup> DECEMBER 2016 AT THE ERA HOUSE BOARDROOM</b>		
98	MIN. 966/270/2016	Took note of the status of litigation against the Electricity Regulatory Authority as at 20 <sup>th</sup> December 2016.
99	MIN. 967/270/2016	Approved a total adjusted budget of UGX 6, 519,676,000 as UEGCL's administrative budget for 2017 and UGX 3,525,464,000 as UEGCL's administrative budget for 2018.

No.	MINUTE	DECISION
100	MIN. 968/270/2016	Approved a total of UGX 5,917,588,000 as UEDCL's administrative budget for the year 2017.
101	MIN. 969/270/2016	Approved a Transmission Energy Loss Trajectory for the Multi-Year Tariff period 2017 – 2019.
102	MIN. 970/270/2016	Approved the creation of the Extra-Large Industrial Tariff category.
103	MIN. 971/270/2016	Approved Umeme Limited's tentative 2016 investments of US\$ 72.5 Million that qualify for return on investment, subject to reconciliation after the conclusion of the verification exercise.
104	MIN. 972/270/2016	Approved a Tariff of UGX 674.7/KWh for Domestic Customers, and UGX 843.7/KWh for Commercial Customers served by Kalangala Infrastructure Services Limited for the period January 2017 to March 2017.
105	MIN. 973/270/2016	Took note of the projected End-User Tariffs for WENRECO of UGX 628.8/kWh for Domestic Customers, UGX 592.1/kWh for Commercial and Industrial Customers for the period January to March 2017.
106	MIN. 974/270/2016	Approved the application for License modification by Emerging Power Uganda Limited by extending the duration for achieving Financial Close to Three Hundred Sixty (360) days from the Effective Date of the Licence.
107	MIN. 975/270/2016	Resolved to effect the modification of Licence No. ERA/LIC/GEN/015/130 issued to Butama Hydro Electricity Company Limited by extending the period within which the Licensee was required to achieve Financial Close from 484 days of the Effective Date of the Licence to 607 days thereof.
108	MIN. 976/270/2016	Approved US\$ 137,400.69 to be paid by Uganda Electricity Transmission Company Limited to Tronder Power Limited for deemed energy for the period July 2015 to December 2015 and April 2016 to June 2016.
109	MIN. 977/270/2016	Approved the Least Cost Generation Plan covering the period 2016-2025 for stakeholder consultations with the Ministry of Energy and Mineral Development and other stakeholders in the ESI.

No.	MINUTE	DECISION
110	MIN. 978/270/2016	Approved the award of a 12 (twelve) months' Permit to Keere Power Company Limited to enable the company to conclude the feasibility studies and other activities necessary for the development of the proposed Keere Hydropower Project.
111	MIN. 979/270/2016	Approved the award of an 18 (eighteen) months Permit to R&I Hydro Power Limited, to enable the company to undertake feasibility studies and other activities leading to the development of the proposed 10 MW Ngenge Hydropower Project on Rivers Ngenge and Emuchoni in Kween District.
112	MIN. 980/270/2016	Rejected Ngoryomwo Small Hydro Limited's request for an additional 10 (ten) months' Permit extension period within which to submit a qualifying License application.
113	MIN. 981/270/2016	Approved Mota Engil Africa Limited's application for a Permit extension for an additional 12 (twelve) months to enable the company to submit a qualifying License application.
114	MIN. 982/270/2016	Deferred the consideration of the brief on Ring Fencing Guidelines and Uniform System of Accounts to the next Authority meeting.
115	MIN. 983/270/2016	Deferred the consideration of the assessment of the Electricity Regulatory Authority's performance during the First quarter of the financial year 2016/17 to the next Authority meeting.
116	MIN. 987/270/2016	Approved the revised License Exemption application form and the developed Business Plan and Feasibility Study templates.
117	MIN. 988/270/2016	Rejected the award of an 18 (eighteen) months Permit to China – Africa Investment and Development Company Limited to enable the company undertake feasibility studies for the development of the proposed 330 MW Kiba Hydropower project on River Nile in Kiryandongo and Nwoya Districts.
118	MIN. 989/270/2016	Approved issuance of a Notice of Revocation/Termination of Ferdult Engineering Services Limited's License following the notice of relinquishment submitted by FESL.
119	MIN. 991/270/2016	Resolved to Consent to the transfer of Licensee No. ERA/LIC/GEN/015/130 issued to Butama Hydro Electricity Company Limited.
120	MIN. 993/270/2016	Rejected the application to modify the License by Kakira Sugar Works and maintain the current license regime, until such a time when the licensee's tariff model will be reviewed by the Authority.

No.	MINUTE	DECISION
<b>DECISIONS OF THE 271<sup>ST</sup> AUTHORITY MEETING FOR THE MONTH OF JANUARY 2017, HELD ON WEDNESDAY 1<sup>ST</sup> FEBRUARY 2017 AT THE ERA HOUSE BOARDROOM</b>		
121	MIN. 1003/271/2017	Approved the applicable Time of Use Tariff for the Industrial consumers served by WENRECO effective Quarter One of 2017.
122	MIN. 1004/271/2017	Took note of the Consumer Complaints Report for Quarter Two (October, November and December) of the financial year 2016/17.
123	MIN. 1005/271/2017	Approved the application for modification of Clauses 3 and 17 of the Licence issued to ARPE Limited to extend Financial Close from 707 days of the Effective Date of the Licence to 777 days thereof.
124	MIN. 1006/271/2017	Approved the renewal of Licence No. ERA/LIC/GEN/016/144 issued to Sugar Corporation of Uganda Limited.
125	MIN. 1007/271/2017	Resolved to Revoke Licence No. ERA/LIC/GEN/015/135 held by MSS Xsabo Power Limited to construct, own and operate a 20 MW Wind Power Plant in Tororo District.
126	MIN. 1008/271/2017	Approved the Authority decision to extend the period within which Emerging Power Limited was required to achieve Financial Close from 180 days of the Effective Date to 360 days; and the Commercial Operations date from 18 months of the Effective Date to 24 months thereof.
127	MIN. 1009/271/2017	Rejected the application by Uganda Electricity Generation Company Limited for an 18 (eighteen) months Permit to enable the company undertake detailed feasibility studies for the proposed 4.4 MW Okulacere Hydropower Project on River Anyau in Arua District.
128	MIN. 1010/271/2017	Rejected the application by Uganda Electricity Generation Company Limited for an 18 (eighteen) months Permit to enable the company undertake detailed feasibility studies for the proposed 4.2 MW Hydropower Project on River Aswa Nwoya District.
129	MIN. 1011/271/2017	Rejected the application by Uganda Electricity Generation Company Limited for an 18 (eighteen) months' Permit to enable the company undertake detailed feasibility studies for the proposed 2.02 MW Hydropower Project on River Koch in Yumbe District.
130	MIN. 1014/271/2017	Approved and adopted the Internal Audit Report of the Electricity Regulatory Authority for the Second Quarter (1 <sup>st</sup> October to 31 <sup>st</sup> December 2016) of the FY 2016/17.
131	MIN. 1016/271/2017	Approved the calendar of Authority activities for the year 2017.

No.	MINUTE	DECISION
132	MIN. 1017/271/2017	Approved the Application for modification of Licence by Albatros Energy (U) Limited for Extension of the Fuel Supply Agreement submission date, and Financial Close to 31 <sup>st</sup> December 2020.
133	MIN. 1018/271/2017	Approved the extension of the period within which Elgon Hydro Siti (Pvt) Limited was required to achieve Financial Close from 900 days of the Effective Date of the Licence to 960 days thereof.
134	MIN. 1020/271/2017	Approved dispatch above 7 MW by the Uganda Electricity Transmission Company Limited of the Jacobsen Uganda Power Plant Company Limited and Electro-Maxx Uganda Limited.
<b>DECISIONS OF THE 272<sup>ND</sup> AUTHORITY MEETING FOR THE MONTH OF FEBRUARY 2017, HELD ON WEDNESDAY 22<sup>ND</sup> FEBRUARY 2017 AT THE ERA HOUSE BOARDROOM</b>		
135	MIN. 1031/272/2017	Approved the modification under Section 43 of the Electricity Act of License No. ERA/LIC/DIS/015/124 to authorize UEDCL to operate the relinquished service territories of FESL.
136	MIN. 1032/272/2017	Approved the renewal of License No. ERA/LIC/GEN/016/145 issued to Tibet Hima Mining Co. Limited for the year 2017.
137	MIN. 1034/272/2017	Approved and Adopted the Stakeholder Engagement Framework 2017/2019 as a standard by which ERA would inform, consult and collaborate with its stakeholders.
138	MIN. 1036/272/2017	Rejected the application by Umeme Limited for the Authority not to publish the 2014 and 2015 Investment Verification Reports.
139	MIN. 1038/272/2017	Approved the bi-annual performance report of the Authority for the half-year period of the financial year 2016/17.
140	MIN. 1039/272/2017	Approved the application for modification of License by Timex Bukinda Hydro (U) Limited.
141	MIN. 1040/272/2017	Approved the application for transfer of shares in Timex Bukinda Hydro (U) Limited.
142	MIN. 1041/272/2017	Approved the application for modification of License by PA Technical Services Limited.
143	MIN. 1042/272/2017	Approved the implementation of the concept for the promotion of consumer education through the conduct of Consumer Awareness Weeks.

No.	MINUTE	DECISION
<b>DECISIONS OF THE 277<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF MARCH 2017, HELD ON WEDNESDAY 5<sup>TH</sup> APRIL 2017 AT THE ERA HOUSE BOARDROOM</b>		
144	MIN. 1076/277/2017	Approved to extend the period within which ARPE Limited was required to achieve Financial Close for HPP2, from 707 days to 777 days from the Effective Date of the Licence.
145	MIN. 1077/277/2017	Approved the award of an 18 (eighteen) months Permit to Uganda Electricity Generation Company Limited to enable the company undertake detailed feasibility studies for the proposed 6.5 MW Okulacere Hydropower Project on River Anyau in Arua District; and the 2.02 MW Agbinika Hydropower Project on River Kochi in Yumbe District.
146	MIN. 1078/277/2017	Approved the modification of Licence No. ERA/LIC/GEN/015/127 issued to Albatros Energy (U) Limited.
147	MIN. 1079/277/2017	Rejected Crane Renewable Energies Limited's Notice of Intended Application for a License to undertake feasibility studies for the proposed 12 MW Biomass Power Project in Kasese District due to limited financial capacity.
148	MIN. 1080/277/2017	Approved the award of a 12 (twelve) months Permit to Jelco Nengo Hydro Power Company Limited to enable the company undertake feasibility studies and other activities leading to the development of the proposed 6.7 MW Nengo Bridge Hydro Power Project.
149	MIN. 1081/277/2017	Approved the application by Genmax Nyagak Limited for modification of Licence No. ERA/LIC/GEN/015/138 by extending the duration for achieving Financial Close from 270 days to 599 days of the Effective Date of the Licence.
150	MIN. 1083/277/2017	Approved the application by Jacobsen Uganda Power Plant Company Limited for modification of Licence No. 061A.
151	MIN. 1086/277/2017	Approved the Modification of Umeme Licence No. 48 under the consent Judgement of EDT Appeals No.3 and 9 of 2012.
152	MIN. 1087/277/2017	Approved the application by Ndugutu Power Company Uganda Limited for modification of License No. ERA/LIC/GEN/016/138 to extend the duration for achieving Financial Close from 28 <sup>th</sup> February 2017 to 30 <sup>th</sup> August 2017.
153	MIN. 1088/277/2017	Approved the End-User Tariffs for the second quarter of 2017 to be charged by Umeme Limited as follows; Domestic Customers at UGX 687.1/kWh, Commercial Customers at UGX 620.9/kWh, Medium Industrial Customers at UGX 569.7/kWh, Large Industrial Customers at UGX 370.2/kWh, Extra-Large Industrial Customers at UGX 366.9/kWh, and Street Lighting at UGX 671.2/kWh.
154	MIN. 1089/277/2017	Approved the End-User Tariffs for WENRECO of UGX 630.4/kWh for Domestic Customers, UGX 593.6/kWh for Commercial and Industrial Customers for the period April to June 2017.

No.	MINUTE	DECISION
155	MIN. 1090/277/2017	Approved the End-User Tariffs to be applied by Kalangala Infrastructure Services Limited for the period April to June 2017 as: UGX 687.1/KWh and UGX 806.2/KWh for Domestic and Commercial Customers, respectively.
156	MIN. 1091/277/2017	Approved the relocation of the 9 Load Break Switches (LBS) to Muvumbe Small Hydro Power Project network reconfiguration.
<b>DECISIONS OF THE 278<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF APRIL 2017, HELD ON WEDNESDAY 26<sup>TH</sup> APRIL 2017 AT THE ERA HOUSE BOARDROOM</b>		
157	MIN. 1004/278/2017	Approved the application for modification of Licence No. 117 issued to Greenewus Energy Africa Limited.
158	MIN. 1005/278/2017	Approved the initialled PPA between UETCL and Greenewus Energy Africa Limited relating to the Hydropower generation complex at Buhati Village, Bwesumbu Sub-County in Kasese District, subject to the parties submitting a copy of the signed PPA to the Authority within 30 days of signing the same.
159	MIN. 1007/278/2017	Approved the extension of the period within which PA Technical Services Limited was required to achieve Financial Close, from 180 days of the Effective Date to 360 days thereof (19 <sup>th</sup> July 2017).
160	MIN. 1008/278/2017	Rejected the application by Pragati Energy Limited for the proposed 10 MW Biomass Project in Lyantonde District.
161	MIN. 1009/278/2017	Approved the award of an 18 (eighteen) months Permit to Uganda Electricity Generation Company Limited to enable the company undertake feasibility studies for the proposed 1.18 MW Maziba Hydropower Project on River Nyakizumba in Kabale District.
162	MIN. 1010/278/2017	Approved the award of an 18 (eighteen) months Permit to Rareh Simu Limited to enable the company undertake detailed feasibility studies and other activities leading to the development of the proposed 5.7 MW Simu Hydropower Project on River Simu in Bulambuli District.
163	MIN. 1011/278/2017	Rejected ECL Nsongya Power Company Uganda Limited's Notice of Intended Application for a License for the development of the proposed 4.2 MW Kajumiro Small Hydropower Project.
164	MIN. 1012/278/2017	Approved the Internal Audit Report of the Electricity Regulatory Authority for Quarter Three of financial year (1 <sup>st</sup> January to 31 <sup>st</sup> March 2017) of the Financial Year 2016/17, the budget performance report, and ERA Annual Report for financial year 2015/16.

No.	MINUTE	DECISION
<b>AUTHORITY DECISION OF THE 279<sup>TH</sup> AUTHORITY MEETING FOR THE MONTH OF MAY 2017, HELD ON WEDNESDAY 31<sup>ST</sup> MAY 2017 AT THE ERA HOUSE BOARDROOM</b>		
165	MIN. 1120/279/2017	Approved by circulation under Rule 5 (1), Schedule 1 of the Electricity Act, 1999, to effect the Authority decision to amend Albatros Energy (U) Limited's License No. ERA/LIC/GEN/015/127.
166	MIN. 1121/279/2017	Approved the application by Ziba Limited for modification of its Licence No. ERA/LIC/GEN/015/136 to extend the duration for achieving Financial Close.
167	MIN. 1122/279/2017	Approved to grant consent to transfer Licence No. ERA/LIC/GEN/015/136 by authorizing the acquisition of a majority shareholding of 51% in Ziba Limited by ECL Energy (Pvt) Limited and Akbar Brothers (Pvt) Limited.
168	MIN. 1123/279/2017	Approved the application by Jacobsen Uganda Power Plant Company Limited for modification of Licence No. 061A.
169	MIN. 1124/279/2017	Approved the application by Genmax Nyagak Limited for modification of Licence No. ERA/LIC/GEN/015/138 to extend the duration for achieving Financial Close from 270 days to 599 days of the Effective Date of the Licence.
170	MIN. 1125/279/2017	Approved the application by Rwenzori Hydro (Private) Limited for modification of Licence No. ERA/LIC/GEN/016/148 and extension of the duration for achieving Financial Close from 210 days after the effective date to 358 days thereof.
171	MIN. 1126/279/2017	Approved the extension of the period within which Ndugutu Power Company Uganda Limited was required to achieve Financial Close, from 28 <sup>th</sup> February 2017 to 30 <sup>th</sup> August 2017 thereof.
172	. 1127/279/2017	Approved the application by Nyamaghasani 2 HPP Limited for modification of Licence No. ERA/LIC/GEN/016/148 and extend the duration for achieving Financial Close from 180 days after the effective Date to 381 days thereof.
173	MIN. 1130/279/2017	Approved the renewal of License No. 067 for the 50 MW Thermal Power Plant operated by Electro-Maxx (U) Limited.
174	MIN. 1131/279/2017	Rejected the application by Kapchorwa Uganda Limited for a Permit to undertake feasibility studies for the proposed 3.0 MW Chesebere Hydropower Project on River Chesebere and Cheptui in Kapchorwa District.
175	MIN. 1132/279/2017	Approved and Adopted 'the Procurement and Disposal Guidelines for the Electricity Supply Industry, 2017.'
176	MIN. 1133/279/2017	Approved Umeme Limited's application for grid extension No. UMEME 084/2017.
<b>DECISIONS FROM 280<sup>TH</sup> AUTHORITY MEETING (SPECIAL), HELD ON WEDNESDAY 21<sup>ST</sup> JUNE 2017 AT SERENA KAMPALA HOTEL</b>		
177	MIN. 1142/280/2017	Approved and Adopted the Electricity Regulatory Authority's Three-Year Business Plan for the period 2017/18 – 2019/20.

### Additional Information

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Stanbic Bank Uganda Limited  
Corporate Branch, Crested Towers  
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