ERA

ELECTRICITY REGULATORY AUTHORITY

ANNUAL REPORT

FY 2019–20

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Tree Planting in Alebtong District as part of ERA's Corporate Social Responsibility.

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Acronyms

AfDB	African Development Bank
BECS	Bundibugyo Energy Cooperative Society
ECP	Electricity Connections Policy
ERA	Electricity Regulatory Authority
ESI	Electricity Supply Industry
ERT	Electricity for Rural Transformation
ENS	Energy Not Served
FY	Financial Year
GETFiT	Global Energy Transfer for Feed-in-Tariff
GoU	Government of Uganda
HFO	Heavy Fuel Oil
HPP	Hydro Power Plant/ Project
IAS	International Accounting Standards
IFRS	International Financial Reporting Standard
JICA	Japan International Cooperation Agency
KIL	Kilembe Investments Limited
KIS	Kalangala Infrastructure Services Limited
KPS	Kiira Power Station
KRECS	Kyegegwa Rural Electricity Cooperative Society
MW	Mega Watts
NEMA	National Environment Management 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
PV	PhotoVoltaic
QoS	Quality of Service
REFiT	Renewable Energy Feed-In Tariff
SPCC	Sector Planning and Coordination Committee
UEDCL	Uganda Electricity Distribution Company Limited
UEGCL	Uganda Electricity Generation Company Limited
UETCL	Uganda Electricity Transmission Company Limited
UGX	Uganda Shillings
UMA	Uganda Manufacturers Association
UNBS	Uganda National Bureau of Standards
URA	Uganda Revenue Authority
USD	United States Dollars
VAT	Value Added Tax
WENRECo	West Nile Rural Electrification Company Limited

don't use a
PAWA

Eskom
Uganda Limited
ERA

SECTION

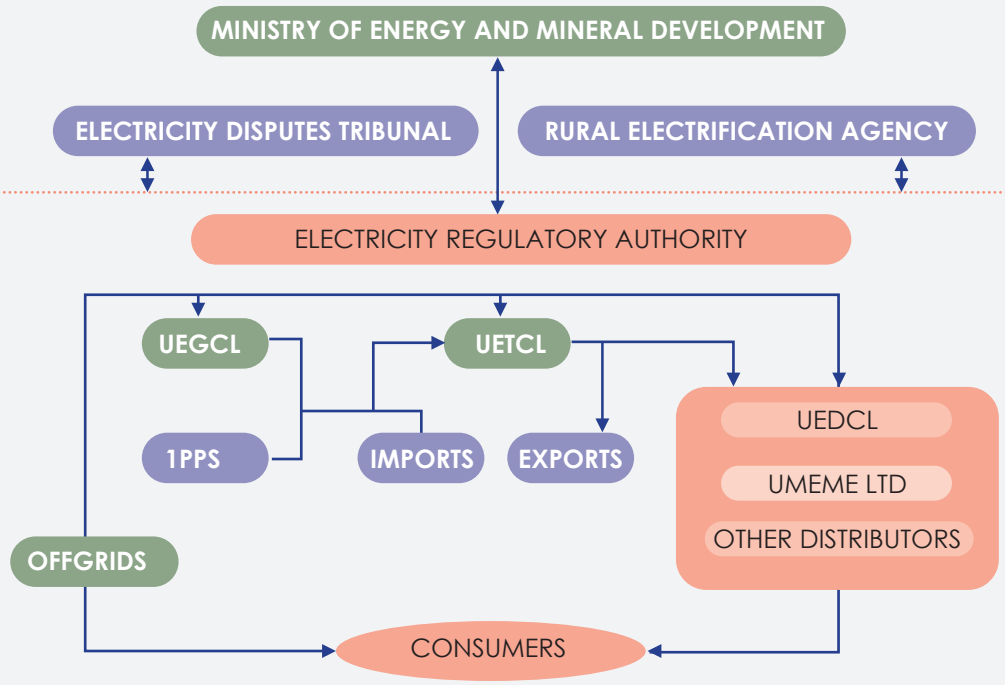
01

WHO WE ARE

01 WHO WE ARE

The Electricity Regulatory Authority 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.

Figure 1: The position of ERA in the Electricity Supply Industry of Uganda



1.1 Our Functions

The Authority is Statutorily Charged with the following functions, as prescribed by 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 Section 10 of the Electricity Act, 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.

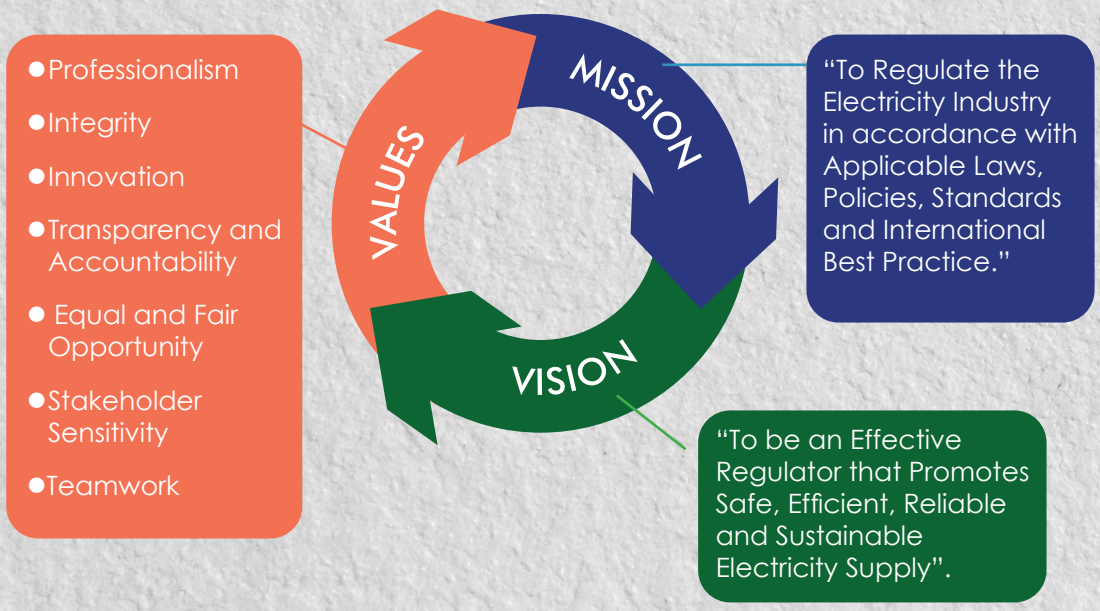
(e) Promote Reasonable and Fair Pricing of Electricity Services.

(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 How We Create Value

The Authority creates Value through Diligent Execution of its Mandate as prescribed by Section 10 of the Electricity Act, 1999. ERA is committed to ensuring Sustainable Electricity Supply by considering the interests of all its stakeholders, including Electricity Consumers, Licensees, the Government of Uganda, Investors and Development Partners.

Creating Value for the Community

The Authority's Vision is "to be an *Effective Regulator that Promotes Safe, Efficient, Reliable and Sustainable Electricity Supply.*" Strong relationships, partnerships, and engagement with our stakeholders who possess diverse knowledge, experience, and opinions on pertinent issues are essential to achieving that Vision, delivering strong outcomes beyond what the Authority could have achieved single-handedly.

Stakeholder Sensitivity is one of ERA's Core Values thus the Authority recognizes that Regulatory Decisions on ERA's Core Mandate affect Individuals, Communities, Businesses, and Organizations. ERA is part of a broader community and is committed to improving the quality of engagement with that community.

The Stakeholder Engagement initiatives undertaken by the Authority in the review period include Consultations on Electricity Tariffs and Performance Parameters for Licensees, Consultations with the Government of Uganda, Consumer Education and Awareness, and Corporate Social Responsibility.

Driving the Government Agenda

Through the Three-Year Business Plan, the Authority highlights its Long-term Strategy to the Emerging *Global Energy Developments and* New Government Priorities as articulated in the Second National Development Plan (NDP II); Ministerial Policies; changes in Sector Priorities and the Government of Uganda Short and Medium Term Goals as reflected in the National Budget; and Economic changes occasioned by both Internal and external pressures.

The Electricity Supply Industry is very dynamic and critical for National Development. The Authority's Strategic and Business Plans help to address the pertinent issues in the Industry, while aligning the Authority to contribute to the Country's Vision 2040 and achieve Longer-term Industry Growth.

1.4 Key Performance Highlights

Table 1: Key Performance Highlights

No.	Performance Area	Item	FY 2019/20	FY 2018/19	FY 2017/18	FY 2016/17
1	Supply Security	Installed Generation Capacity	1,248.6 MW	1,176.6 MW	953.8 MW	914 MW
		Number of Licensed Projects	7	5	8	6
		Capacity of Licensed Projects	64.935 MW	29.85 MW	75 MW	813.7 MW
		Capacity of Licensed Projects under Construction	793.9 MW	780 MW	899.7 MW	930.8 MW
2	Customer/ Stakeholder	Customer Connections	1,620,505	1,454,219	1,264,805	1,104,093
		UETCL Energy Purchases	4329.4 GWh	4252 GWh	3947 GWh	3710.1 GWh
		UETCL Energy Sales	4,171.4 GWh	4,097 GWh	3,795 GWh	3,567.4 GWh
		Energy Sales by Distribution Utility	3,220.9 GWh	3,157 GWh	2,923 GWh	2,692.4 GWh
		Complaints Resolution	554 out of 612 Complaints Resolved	331 out of 395 Complaints Resolved	513 out of 519 Complaints Resolved	346 out of 380 Complaints Resolved
3	Financial	Cost to Income Ratio	81%	62%	72%	77.3%
		Budget Absorption	85%	65%	98%	92.2%
4	Internal Business Processes	Number of Tariff Reviews	9 Licensees	9 Licensees	9 Licensees	10 Licensees
5	Human Resources	Total Staff Numbers	63	62	64	54

Members of the Electricity Regulatory Authority

Dr. Sarah Wasagali Kanaabi

In-Coming Chair

Qualified PhD Economist

Appointment Effective: October 2015

Chair, TC, Member, HRC

Has varied experience in Administration, Teaching, Research, Leadership and Policy Formulation.

Has 24 years of University Teaching experience gained at the Islamic University in Uganda and Kyambogo University.

Has trained in various fields including Economic Planning and Policy, Financial Modeling for Public-Private Projects, Quality of Service Standards, Human Resource Management and Development, Regulatory Impact Analysis, Cost Control Management, Anti-Corruption Methods, Utility Regulation and Strategy, Corporate Governance, and Enterprise Risk Management.

Has supervised Research from Undergraduate to PhD Level.

Prior Roles held:

Member, Board of Directors, Private Sector Promotion Center, Mbale; Member, Board of Directors, Eastern Private Sector Development Center Ltd; Member, Boards of Governors of various Secondary Schools.

Dr. Kanaabi has made several Academic, Non-Academic and Professional presentations in the areas of Economics, Policy, Governance, Gender, HIV/AIDS, Career Guidance, Project Planning, Poverty and Development.

Mr. Richard Santo Apire
Out-Going Chair

Bachelor of Commerce (University of Nairobi)

Qualified Financial Specialist and Banker

1st Appointment Effective: October 2010,

2nd Appointment Effective: October 2015

Prior Roles held:

Member, Local Government Finance Commission (April 2004 to October 2008);
Board Member, Housing Finance Company of Uganda (1994 to 2001);
Board Member, National Housing and Construction Company Limited (1994 to 2001);
Worked with Bank of Uganda for over 20 Years, retiring at the level of Director - Development Finance Department;
Consultant on Risk Management for Tropical Bank for Two (2) Years.

Mr. Apire brought to the Authority a wide, insightful and meticulous analytical acumen that has been very pivotal to the work of the Authority.

Eng. Fabian Rwamwema Tibeita (Deceased)

Member

Bachelor of Science in Mechanical Engineering (1st Class) (University of Nairobi)

Certified Regulator and Public-Private Partnerships Specialist (Institute for Public–Private Partnerships)

Has served in the Public Sector for over 30 Years, with 28 Years of this service being in Senior Management positions and Directorships; Concurrently serves as the Board Chairman of Crest Foam Limited and Hoima Caritas Development Organization.

1st Appointment Effective: October 2010,

2nd Appointment Effective: October 2015

Chair, HRC, Member, AC and TC

Prior Roles held:

Director General, East African Development Bank for 11 Years;
Served on 19 (Nineteen) Boards in Uganda, Kenya and Tanzania in the capacities of Chairman and Member;
Chairman, Board of Uganda Coffee Development Authority;
Member of the Board of IPS Limited, Vipugo Plantation (K) Limited, Uganda Cement Industries Limited, Nytil Uganda Limited, Mabati Rolling Mills (K) Limited, and Universal Electronics (K) Limited;
Board Member of Standard Chartered Bank for 13 Years.

AUTHORITY COMMITTEES

HRC – Human Resource Committee
AC – Audit Committee
TC – Technical Committee

Eng. Joseph Oteng Otogo

Member

Master of Science, Sustainable Electrical Power (Brunel University)

Bachelor's Degree in Electronics and Communication Engineering (University of North London)

Higher National Certificate in Electronics (City of Westminster College)

Appointment Effective: July 2014

Member HRC, AC, and TC

He has over 20 Years of experience in Engineering.

Prior Roles held:

Senior Technical Support Engineer, Alcatel-Lucent (2000 to 2013);
Network Engineer, Fibernet UK Ltd (1999 to 2000);
Testing and Commissioning Engineer, Marconi Communications (1996 to 1998).

Eng. Otogo is fervent about Energy Economics, Power Markets, and Power Generation and Transmission Security.

Ambassador Joan Rwabyomere

Member

LL.B (Hons) (Makerere University)
Masters in International Trade and Investment
Masters of Business Administration in Oil and Gas Management
Qualified Lawyer

Appointment Effective: October 2015

Chair, AC, Member, TC

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 successfully served on the Boards of various organizations, including Uganda Electricity Board, Civil Aviation Authority, National Enterprise Corporation, and Women in Diplomatic Service.
She was Uganda's High Commissioner to the United Kingdom (2006 – 2013), and to Nigeria (2000 to 2005).

The Management Team

Eng. Ziria Tibalwa Waako
Chief Executive Officer,
March 2017 to-date

Dr. Geofrey Okoboi
Director Economic Regulation,
August 2013 to-date

CPA Edward Iruura
Director Financial Services,
December 2015 to-date

Mr. Harold Obiga
Director Legal and Authority Affairs,
February 2017 to-date

Dr. Richard Okou
Director Technical Regulation,
October 2017 to-date

Statement by the Chair

> Nevertheless, by the last month of FY 2019/20 when the lockdown was partially lifted, the demand had picked up to 660.45 MW. We anticipate that this trend will continue in the next financial year.

Dr. Sarah Wasagali Kanaabi
Chairperson

It is my privilege and honor to present the Annual Report of the Financial Year 2019/20, on behalf of the Electricity Regulatory Authority.

In September 2020, Cabinet appointed me as Chairperson of the Board of the Authority; taking on the stewardship mantle from Mr. Richard Santo Apire, who had served as ERA's Chair from October 2010 to September 2020. I, therefore, extend my Sincere Gratitude to Mr. Apire for his Outstanding Service and the firm building blocks added to the Authority and the ESI particularly during the reporting period.

I also recognize the contribution of the late Eng. Fabian Rwamwema Tibeita, a former Member of the Authority who

Departed in November 2019. May His Soul Continue to Rest in Peace!

During the reporting period, in the execution of its mandate as provided for under the Electricity Act, 1999, the Authority undertook various initiatives to boost Generation Capacity; drive Growth in the Demand for Electricity; as well as the Technical, Commercial, and Operational Efficiency in the Generation, Transmission and Distribution Segments.

The Authority registered an Increase in the Country's Installed Generation Capacity to 1,248.6 MW; and licensed Seven (7) Power Projects with a Proposed Generation Capacity of 64.935 MW to further boost the Generation Capacity.

However, the Electricity Supply Industry was affected by the COVID-19 Pandemic, which saw a drop in the Demand for Electricity, with the Peak Demand falling below 600 MW during the months of March 2020 to May 2020. Nevertheless, by the last month of FY 2019/20 when the lockdown was partially lifted, the demand had picked up to 660.45 MW. We anticipate that this trend will continue in the next financial year.

The Authority intensified Compliance Monitoring through Off-site Reviews and On-site Visits (Statutory Inspection) of Licensees to ascertain their Performance Levels with regard to the 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 the areas of Non-Compliance.

In recognition of the Authority's effort to deliver its mandate, Uganda's Electricity Regulatory Framework was for the Second time in a row ranked No. 1 in the Electricity Regulatory Index (ERI) for Africa, released by the African Development Bank in November 2019. The aspect that stood out was the formulation and implementation of the Quality of Service and Supply Standards which enable Electricity Distribution Companies to offer Quality Electricity Services to Electricity Consumers.

I wish to Sincerely Thank all the Authority's stakeholders that have supported us in executing our mandate. We look forward to more years of working together and contributing to Uganda's Socio-Economic Transformation.

Dr. Sarah Wasagali Kanaabi
Chairperson

The Authority registered an Increase in the Country's Installed Generation Capacity to

1,248.6 MW

licensed **7** Power projects

Proposed Generation Capacity of

64.935 MW

Chief Executive Officer's Report

> The Authority Licensed Seven (7) Projects with a capacity of 64.935 MW, while 15 (Fifteen) Projects with a Total Installed Capacity of 793.9 MW were at various stages of construction.

Eng. Ziria Tibalwa Waako
Chief Executive Officer

I am pleased to present the Electricity Regulatory Authority's Annual Report for Financial Year 2019/20.

The period under review presented us with challenges and achievements alike; that only strengthened and pushed the Authority a stride forward along its trajectory of becoming a recognized Regulator that promotes Safe, Efficient, Reliable and Sustainable Electricity Supply.

During the review period, we realized an Increase in the Installed Generation Capacity, from the 1,176.6 MW reported in the last Financial Year to 1,248.6 MW. Hydropower continued to be the biggest contributor to the Generation Mix, with Co-generation, Thermal and Solar also contributing.

The Authority Licensed Seven (7) Projects with a capacity of 64.935 MW, while 15 (Fifteen) Projects with a Total Installed Capacity of 793.9 MW were at various stages of construction. The Authority Issued 11 (Eleven) Permits with a combined Capacity of 924.8 MW to enable Intending Developers to undertake Feasibility Studies and other activities leading to the development of Electricity Projects in various regions.

The Authority carried out Financial and Commercial Performance reviews of its Licensed Companies to determine their Performance in comparison to the Targets set by ERA. The Licensees generally performed well in respect of availing Energy for use by the End-User Consumers but had challenges due to the impacts of the COVID-19 Pandemic that led to a drop in the Demand for Electricity during Quarter Four (April to June 2020) of the FY.

In another significant development, the Authority, through a consultative process, developed and approved the declining block tariff aimed at enabling industrial customers to achieve lower production marginal costs, capture bigger markets and, in turn, increase consumption.

The Distribution segment registered Growth in the number of New Connections. The year ending 2019/20 had 1,620,505 Customers connected to the Grid, signifying a 10.2% increment from the 1,454,219 Customers connected in the year ending 2018/19.

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 2019/20. 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

During the review period, we realized an Increase in the Installed Generation Capacity, from

1,176.6 MW ➤ **1,248.6 MW**

SECTION

02

CORPORATE GOVERNANCE

02 CORPORATE GOVERNANCE

2.1 Composition and Mandate 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 for the Members 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.

2.2 Appointment and Recruitment of the Authority

In accordance with the Electricity Act, 1999, the Members of the Authority are appointed for a Five-Year tenure by the Minister of Energy and Mineral Development, in consultation with the Cabinet. The tenures are renewable upon the Minister's approval.

During the review period, ERA had the following Five (5) Members of the Authority as duly appointed by the Minister of Energy and Mineral Development.

However, the Authority sadly lost One (1) Member, Eng. Fabian Rwamwema Tibeita on 24th November 2019 who was not yet replaced by the end of the reporting period.

No.	Name	Position	Effective Date of Appointment	End of Appointment
1.	Mr. Richard Santo Apire	Chairman	October 2015	September 2020
2.	Eng. Joseph Oteng Otogo	Member	July 2019	June 2024
3.	Eng. Fabian Rwamwema Tibeita (Deceased)	Member	October 2015	September 2020
4.	Dr. Sarah Wasagali Kanaabi	Member	October 2015	September 2020
5.	Amb. Joan Rwabyomere	Member	October 2015	September 2020

> The Chief Executive Officer of ERA is an Ex-Officio Member of the Authority. Eng. Ziria Tibalwa Waako is the current Chief Executive of the Authority, having been appointed to this position in March 2017 for a tenure of Five (5) Years.
>
> The Director Legal and Authority Affairs serves as Secretary to the Authority in accordance with the Electricity Act, 1999. Mr. Harold Obiga currently holds this position, having been appointed in February 2017 for a period of Five (5) Years.

2.3 Skills and Experience of the Authority

In FY 2019/20, the Authority was composed of Five (5) Members, namely: Mr. Richard Santo Apire (Chairman), Eng. Fabian Rwamwema Tibeita (Deceased), Eng. Joseph Oteng Otogo, Ambassador Joan Rwabyomere, and Dr. Sarah Wasagali Kanaabi.

The Authority composition offers diverse skills and experience in Engineering, Finance, Law and Economics. All the Members have served on the Board for more than Four (4) Years.

2.4 Induction and Exposure of Authority Members

Upon appointment, the Authority Members are provided with a Reference Manual containing important information; including the Electricity Act, 1999, Corporate Governance Rules, the Board Charter, the ERA Code of Conduct, and all the Authority's Policies.

The Secretary to the Authority is responsible for the induction of New Members of the Authority.

During the FY 2019/20, the Authority Members had exposure to various aspects assessed to be critical for effective performance of their Regulatory Oversight role, as highlighted.

Member	Course/Conference	Institution	Dates
Amb. Joan Rwabyomere	Risk Management, Ethics and Corporate Governance	Africa Training Institute	15-16 July, 2019
	Forensic Audit and Anti-Corruption	Africa Training Institute	2-13 September, 2019
	Forensic Auditing	Africa Training Institute	9-20 December, 2019

Member	Course/Conference	Institution	Dates
Mr. Richard Santo Apire	Natural Gas Development: Policy and Legal Considerations	International Law Institute	19 October – 3 November, 2019
	Africa Investment Exchange (AIX) Conference	CBI Meetings LTD	10-15 November, 2019
	Human Resource Management and Development	SA Management Institute	10-21 February, 2020
Dr. Sarah Wasagali Kanaabi	Regulating Quality of Service: Design, Enforcement, and Monitoring Evaluation	Institute for Public Private Partnerships	8-19 July, 2019
	Human Resource Management and Development	SA Management Institute	10-21 February 2020
Eng. Fabian Rwamwema Tibeita (Deceased)	Forensic Audit and Anti-Corruption	Africa Training Institute	2-13 September, 2019
Eng. Joseph Oteng Otogo	Strategic Management and Corporate Governance	Dot rid International Training Institute	12-16 August, 2019
	Tariff Strategies and Cost Recovery Requirements	Institute for Public Private Partnerships	30 September - 11 October, 2019
	Human Resource Management and Development	SA Management Institute	10-21 February, 2020

2.5 Access to Information by the Authority Members

All the Members of the Authority are provided with complete and timely information to enable them discharge their responsibilities effectively. To enable the Members prepare adequately for the Meetings of the Authority, the Authority Papers are circulated to the Members at least Seven (7) days before each meeting. With the assistance of the Secretary to the Authority, the Members have unrestricted access to any other information that they may require to discharge their duties. As a way of embracing technology for efficiency, the Authority has developed a Board Portal to enable the Members easily access information online.

> To enable the Members prepare adequately for the Meetings of the Authority, the Authority Papers are circulated to the Members at least Seven (7) days before each meeting.

2.6 Conduct of Meetings of the Authority

The Electricity Act, 1999, provides for at least One (1) meeting per month by the Members of the Authority upon a request in writing to the Chairman by the Secretary to the Authority, who also doubles as the Director 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.

The Chief Executive Officer of ERA attends the Meetings of the Authority on invitation as an Ex-Officio Member. The Authority has Three (3) constituent Committees on Audit, Technical, and Human Resource, in compliance with the Electricity Act, 1999. The Committees are properly constituted in accordance with the Act.

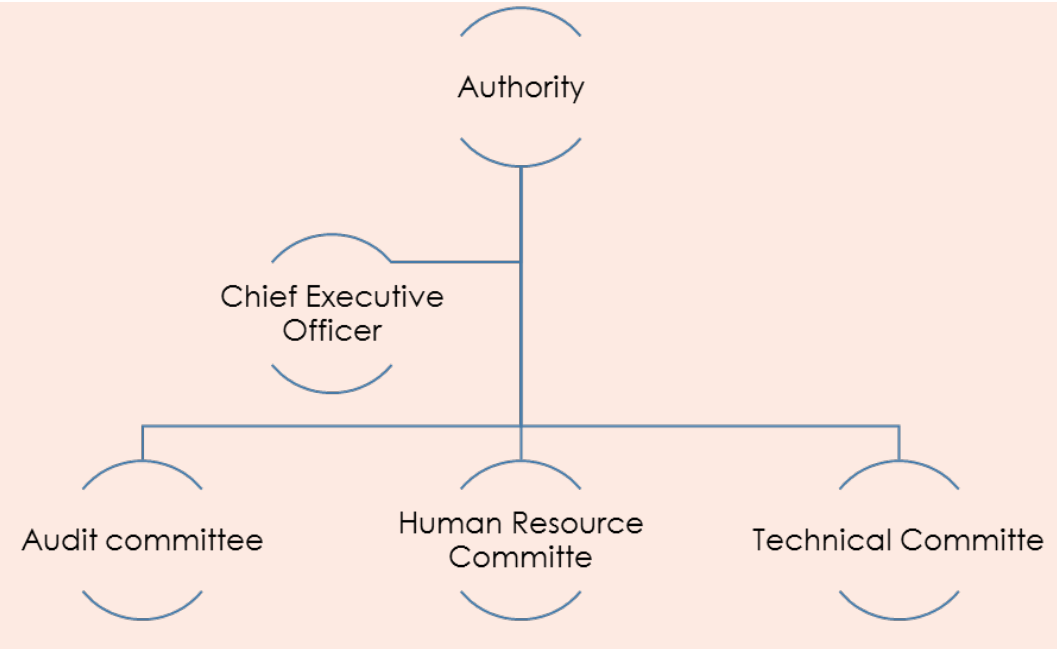


Figure 2: Structure of the Authority and its Committees

2.7 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, Technical, 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 of the Authority

The Human Resource Committee undertakes the Human Resource responsibilities of the Authority, guided by specified Terms of Reference. The Committee's responsibilities include the following:

(i) Regularly reviewing the structure, size, and composition (including the skills, knowledge, experience, and diversity) of the Authority Members and Staff, and making recommendations to the Board with regard to any changes;

(ii) Giving full consideration to Succession Planning for Directors and other Senior Executives in the course of its work, taking into account the challenges and opportunities that the Authority faces, and the skills and expertise needed by the Authority in the future; and,

(iii) Keeping under review the Leadership needs of the Organization, both Executive and Non-Executive, with a view to ensuring the continued ability of the Authority to compete effectively in the market place.

The Committee is composed of Three (3) Non-Executive Members. Eng. Joseph Oteng Otogo assumed the Chair after the death of the former Committee Chair, Eng. Fabian Rwamwema Tibeita (Deceased). Other Members of the Committee are Dr. Sarah Wasagali Kanaabi and Amb. Joan Rwabyomere. The Human Resource Committee held a total of Eleven (11) Meetings in the review period.

Audit Committee of the Authority

Good Corporate Governance practice requires 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:

(i) Assist the Chief Executive Officer in carrying out the oversight responsibilities relating to Financial Practices, Internal Controls, Compliance with Laws, Ethics and Audit matters;

(ii) Review the arrangements established by the Chief Executive Officer for compliance with Regulatory and Financial Reporting requirements;

(iii) 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;

(iv) 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 avoiding, managing and mitigating risks; and,

(v) Consider the reports submitted by the Internal Auditor to the Chief Executive Officer under Section 48 of the Public Finance Management Act, 2015, 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 decisions of the Audit Committee are recommended to the main Board for consideration. During the review period, the Audit Committee held Five (5) Meetings. It was chaired by Ambassador Joan Rwabyomere. The other Members were Eng. Joseph Oteng Otogo and Eng. Fabian Rwamwema Tibeita (Deceased) who was replaced by Dr. Sarah Wasagali Kanaabi.

Selection of the External Auditors

Article 153 (6) of the Constitution of the Republic of Uganda gives the Auditor General the mandate to Audit the Annual Accounts of the Authority on behalf of the Government and Citizens of Uganda, who are the remote shareholders. The Annual Audit by the Auditor General as the External Auditor of ERA's Books of Accounts is further in compliance with the National Audit Act, 2008, and in accordance with Section 51 (4) of the Public Finance Management Act, 2015, as well as Section 28 of the Electricity Act, 1999.

Technical Committee of the Authority

The Technical Committee undertakes the Technical responsibilities of the Authority, guided by specified Terms of Reference. The Committee was composed of Four (4) Members and was Chaired by Dr. Sarah Wasagali Kanaabi during the review period. Other Members of the Committee were Eng. Joseph Oteng Otogo, Eng. Fabian Rwamwema Tibeita (Deceased), and Ambassador Joan Rwabyomere.

The functions of the Technical Committee are to:

(a) Review the Effectiveness of ERA's Monitoring, Enforcement and Compliance Controls, and Risks and Systems;

(b) Oversee the Reporting and Record keeping functions of Licensees to ensure the Accuracy, Transparency and Integrity of information on the Electricity Supply Industry;

(c) Oversee the Environmental, Engineering and Economic Compliance of Licensees;

(d) Monitor the Effectiveness of ERA's Compliance function in the ESI;

(e) Ensure the Integrity of the Monitoring, Enforcement and Compliance processes of the Authority to ensure Efficient Supply of Electricity;

(f) Assess the Authority's Performance of its Inspection, Investigation, Compliance and Enforcement functions;

(g) Assess the Authority's

Performance regarding the need for Investments in the Industry;

(h) Assess the Authority's Performance regarding the Technical justifications to inform Decisions on Approval of Investments and the verification thereof; and,

(i) Ensure that Management Procedures and Processes are in Compliance with the Policies set by the Authority and propose improvements.

During the review period, the Technical Committee held Four (4) Meetings.

The Installation Permits Committee of the Authority

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 Secretariat 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 Installation Permits Committee carried out a host of activities during the reporting period. Key among these were Three (3) Radio Talk shows, Four (4) Sensitization Workshops held in Hoima, Mbale and Mbarara. The committee further held One (1) Disciplinary Hearing and 45 (Forty Five) Interview Meetings.

In November 2019, the Authority launched the "PawaKapo" Campaign as one of the key initiatives of the Installation Permits Committee. The campaign worth USD 200,000 is part of a wider program funded by the World Bank under Phase 3 of the Energy for Rural Transformation (ERT) Program. It targets to increase the number of Certified Electricians from 2,700 to 4,000 through training; and to encourage Electricity Consumers to utilize the services of Certified Electricians to ensure Safety of Life and Property and to empower the public to make informed decisions on Electrical Installations.

The training will be conducted using demonstration cubicles at select Technical Institutes in Uganda, which are collaborating with ERA on the #PawaKapo campaign. These are: Nakawa Vocational Training Institute (Kampala); Uganda Technical College (Lira); Rukungiri Technical Institute (Rukungiri); Uganda Technical College (Bushenyi); Arua Technical Institute (Arua); Uganda Technical College Elgon (Mbale); and Uganda Technical College Kyema (Masindi).

ERA Staff at the launch of the PawaKapo Media Campaign in November 2019.

The "PawaKapo" Campaign supports the Government of Uganda's efforts of increasing Access to Electricity through implementation of the Electricity Connections Policy that was launched in August 2018 and rolled out in November 2018.

Issuance of Permits

The Installation Permits Committee conducted 45 Interview meetings in the review period and Issued 968 New Permits. Table 2 presents a summary of the Permits Issued and the Permits Renewed by the Installation Permits Committee during the reporting period.

Table 2: Installation Permits Issued/Renewed

Permit Class	FY2017/18		FY2018/19		FY2019/20	
	New	Renewal	New	Renewal	New	Renewal
A	2	28	1	26	3	29
B	57	250	24	275	42	288
C	85	344	69	392	113	431
D	265	599	589	846	767	875
Z	19	42	16	67	19	109
X	11	69	14	70	24	69
Total	**439**	**1332**	**713**	**1676**	**968**	**1801**

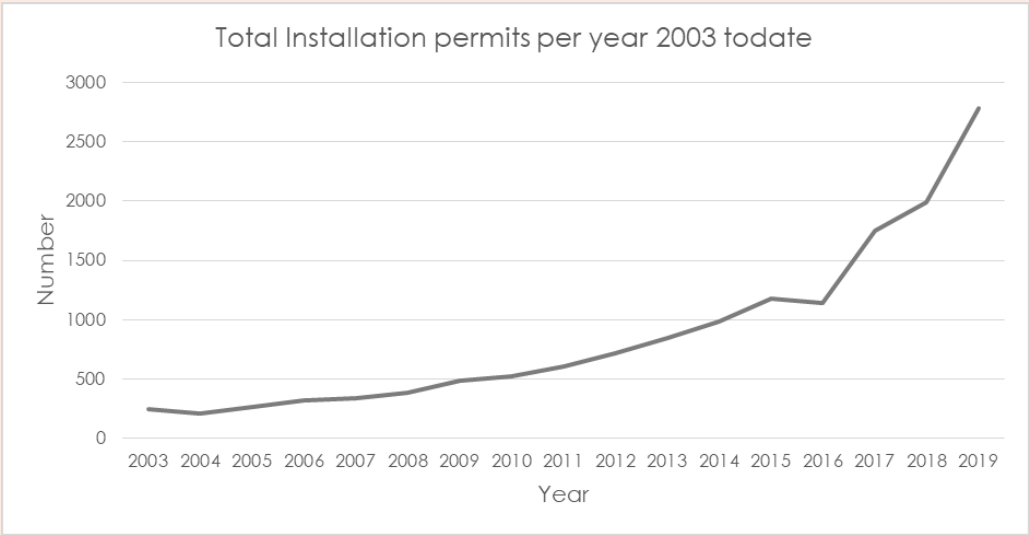


Figure 3: Total Installation Permits Issued/Renewed from 2003 to-date

The Grid Code Committee of the Authority

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; and issuing guidance on the Interpretation, Operationalization, and Licensees' Performance in line with the Grid Code requirements. The Committee that has representatives of the System Operator, Generation Companies, Distribution Companies, Special Interest Groups, and the Uganda Institution of Professional Engineers is Chaired by the Director of the Technical Regulation Department at ERA.

During the reporting period, the Grid Code Committee held Two (2) Meetings, with its operations affected by the interruptions occasioned by the COVID-19 Pandemic.

The Sector Planning and Coordination Committee of the Authority

The Sector Planning and Coordination Committee is responsible for reviewing and reporting on the performance of the Electricity Supply Industry, within the provisions of Section 10 of the Electricity Act, 1999.

The Committee coordinates the Planning activities of the ESI, including:

(i) Harmonization of the Individual Company Plans to ensure optimization of the scarce resources utilized to execute Investments in conformity with best practice;

(ii) Assessment of the capacity and reliability of the existing Infrastructure; and,

(iii) Putting in place the modalities for Verifying Investments and ensuring compliance to the acceptable Uniform Industry Standards.

During the reporting period, the Sector Planning and Coordination Committee held Six (6) Meetings, with the following business:

(i) Review of the progress of Interconnections for evacuation of the GET-Fit and other generation projects to ensure timely completion and avoid Deemed Energy.

(ii) Conduct of Load Flow studies for various projects to ensure optimum designs, assessment of Load Growth in various parts of the Country, and review of the Investment Plan of Umeme Limited for 2020.

2.8 Meetings and Decisions of the Authority

In accordance with Section 12 and the First Schedule of the Electricity Act, 1999, the Authority discharged its duties through conducting of meetings at least Once every Month; and meetings of Committees of the Authority at least Once every Quarter or as business necessitated.

During the period under review, the Authority held 14 (Fourteen) Meetings. The Technical, Audit, and Human Resource Committees of the Authority held Four (4), Five (5) and 11 (Eleven) Meetings, respectively, as detailed in Table 3:

Table 3: Attendance of Authority and Committee Meetings in FY 2019/20

Name	AM	Rate	TC	Rate	AC	Rate	HRC	Rate
Mr. Richard Santo Apire	14/14	100%						
Dr. Sarah Wasagali Kanaabi	14/14	100%	4/4	100%	2/2	100%	11/11	100%
Eng. Joseph Oteng Otogo	14/14	100%	3/4	75%	5/5	100%	10/11	91%
Amb. Joan Rwabyomere	14/14	100%	3/4	75%	5/5	100%	3/3	100%
Eng. Fabian Rwamwema Tibeita	4/4	100%	2/2	100%	3/3	100%	8/8	100%
Overall Performance		100%		88%		100%		98%

AM – Authority Meetings **AR** – Attendance Rate **TC** – Technical Committee
AC – Audit Committee **HRC** – Human Resource Committee

Decisions of the Authority

In accordance with Section 15 (1) of the Electricity Act, 1999, the Authority made several Decisions during the FY 2019/20, as summarized in Appendix 1. The Decisions related to Tariffs, Licensing, Regulation, Compliance Monitoring, and Governance.

2.9 Building Value through Good Governance

Strategic Planning

In order to align the Authority's operations with the Strategic Objectives outlined in the ERA Ten-Year Strategic Plan and the Three-Year Business Plan, the Authority identified Six (6) Key Focus Areas as highlighted:

(i) Affordable Tariffs;

(ii) Accelerate Access to Electricity and Grow Demand;

(iii) Reliable Power Supply and Quality of Service;

(iv) Stakeholder Management;

(v) Strong Governance, Risk and Compliance Management; and,

(vi) People, Processes and Tools for Institutional Sustainability.

In line with the Ten-Year Strategic Plan and the Three-Year Business Plan, the Authority on an annual basis develops the Institutional Work Plan through a participatory approach involving all Staff across Departments and Units. The Annual Work Plan is further cascaded down to the respective Departments to develop Departmental and Individual Work Plans as informed by the Six (6) Focus Areas, Vision, Mission and the Authority's Mandate.

Performance Management

The Authority uses the Balanced Scorecard Monitoring and Evaluation Framework to measure the outcome or results of all the activities undertaken through implementation of the Institutional and Individual Work Plans. The Balanced Scorecard is aligned to the Three-Year Business Plan of the Authority.

Evaluation of Performance by Individual Staff is undertaken through Half-Year and Annual Appraisals with respective Supervisors, based on the agreed upon Work Plans of the year.

Code of Conduct

The Authority understands that its effectiveness in serving Public Interest depends upon the extent to which ERA Staff uphold high standards of Honesty, Integrity, and Impartiality at all times. The Authority has in place a Code of Conduct for Staff with the overall objective to uphold Ethical Standards in the Authority's conduct of business, and in particular to:

(a) Set out an agreed set of Ethical Principles;

(b) Promote and maintain Public Confidence in the Authority;

(c) Prevent the development or acceptance of Unethical Practices and Behaviors; and,

(d) Promote the highest Legal, Management and Ethical Standards in all the activities of the Authority.

ERA Staff at the launch of the Tree Planting Project in Alebtong District.

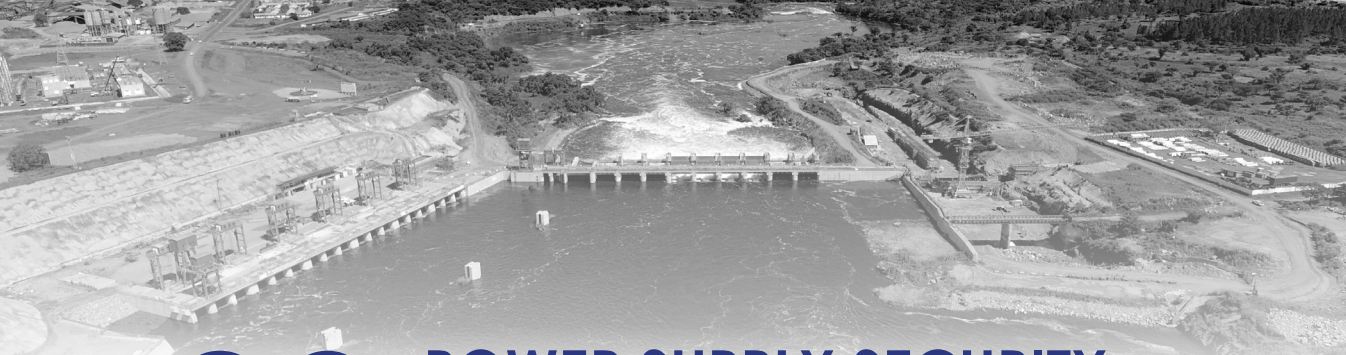
Transmission Infrastructure is essential for the System Operator to evacuate the Power generated. Photo Credit – UETCL.

SECTION

03

POWER SUPPLY SECURITY AND SUSTAINABILITY

Photo Credit – UEGCL



03 POWER SUPPLY SECURITY AND SUSTAINABILITY

In its continued efforts to increase Generation of Electricity to meet present and future demand, ERA supported both Private and Public Sector Investment in the ESI in FY 2019/20.

3.1 Electricity Generation

The sub-Sector has maintained its thrust in increasing the Installed Generation Capacity to meet the Demand for Electricity to enable the Socio-Economic Transformation of Uganda.

The Country's Installed Generation Capacity during the review period increased to 1248.6 MW, from 1,176.6 MW in the previous reporting period, representing a 6% growth. This was attributed to the commissioning of four (4) generation plants as noted in Table 4. The Generation capacity is projected to increase to about 2000 MW in the next reporting period with the successful commissioning of Karuma HPP (600 MW) and other projects currently at construction stage as noted in Table 6.

Table 4: Projects commissioned in FY 2019/20

No	Project	Capacity	District	Commissioning date	Technology
1	Siti 2 HPP	16.5 MW	Bukwo	July 2019	Hydro
2	Kyambura HPP	7.6 MW	Rubirizi	July 2019	Hydro
3	Ndugutu HPP	5.9 MW	Bundibugyo	October 2019	Hydro
4	Achwa 2	42 MW	Gulu	October 2019	Hydro
	Total	**72 MW**			

The Hydro Technology has maintained its position as the highest contributor to Electricity Supply in Uganda at

1,004.2 MW

accounting for

80.1%

The other technologies contributing to the Country's Installed Capacity are Thermal (8.2%), Solar (4.1%) and Bagasse/Co-Generation (7.7%).

Solar PV
51MW (4.1%)

Bagasse/ Congeneration
96MW (7.7%)

Total Capacity
1254.2 MW

103 MW (8.2%)

Hydro
1004.2 MW (80.1%)

Uganda's Generation Mix

The 10 MW Access Solar Uganda Power Plant in Soroti District.

All the Small Hydro Power Plants, Thermal Plants, Co-Generation Plants, and Solar Photo Voltaic Plants that contribute to the Installed Capacity are operated by Independent Power Producers. The Kiira and Nalubaale HPPs are owned by the Government of Uganda but currently operated by Eskom Uganda Limited, while Isimba Hydropower Plant is operated by Uganda Electricity Generation Company Limited. The Bujagali Hydropower Plant on the other hand was established as a Public-Private Partnership, with both the Government of Uganda and Bujagali Energy Limited having shares.

3.2 Projects Licensed in FY 2019/20

In the Financial Year 2019/20, the Authority Awarded Seven (7) Licenses for the Generation and Sale of Electricity, with an expected Installed Capacity of 64.935 MW as indicated in Table 5.

Table 5: Projects Licensed in FY 2019/20

No	Project	Capacity (MW)	Technology
1	Rupa Wind Project	20	Wind
2	Kigwabya HPP	4.2	Hydro
3	Nine (9) Projects by the Uganda Energy Credit Capitalization Company (UECCC)	6.935	Hydro
4	Lirima HPP	4.4	Hydro
5	Mukoki HPP	3.4	Hydro
6	Nkonge Solar PV Project	20	Solar
7	Hoima Sugar Co-Generation	6	Co-Generation
	Total	**64.935**	

3.3 Licensed Projects under Construction

During the reporting period, the Authority inspected 15 (Fifteen) Licensed Projects at Construction Stage, with a total Installed Capacity of 793.9 MW. Of these, Karuma HPP (600 MW) is the biggest project expected to be commissioned by the end of 2020.

Table 6: Licensed Projects under Construction

No.	Project	Capacity (MW)	Technology	District	Commercial Operations Date
1	Bukinda HPP	6.5	Hydro	Kagadi	July 2020
2	Karuma HPP	600	Hydro	Kiryandongo	November 2020
3	Kakaka HPP	4.6	Hydro	Kasese	November 2020
4	Kikagati HPP	14	Hydro	Isingiro	December 2020
5	Achwa 1 HPP	42	Hydro	Pader	December 2020
6	Tororo PV Power Project	10	Solar	Tororo	July 2020
7	Nyamabuye HPP	7	Hydro	Kisoro	November 2021
8	Hoima Sugar Bagasse Power Project	12	Co-Generation	Kikuube	February 2020
9	Nyamagasani 1 HPP	15	Hydro	Kasese	February 2021
10	Nyamagasani 2 HPP	6	Hydro	Kasese	February 2021
11	Nyagak 3 HPP	6.6	Hydro	Zombo	February 2022
12	Muyembe HPP	6.9	Hydro	Kapchorwa	May 2021
13	Nyamwamba 2 HPP	7.8	Hydro	Kasese	November 2021
14	SCOUL Bagasse Power Project	25	Co-Generation	Buikwe	February 2021
15	Kinyara Bagasse Power Project	30.5	Co-Generation	Masindi	February 2021
	Total Capacity	**793.9**			

3.4 Projects at Feasibility Study Stage

The Authority, during the reporting period, Issued 11 (Eleven) Permits with a Combined Capacity of 924.8 MW to Intending Developers to enable them undertake detailed Feasibility Studies and related activities leading to the development of Electricity Generation Projects in various parts of Uganda. In addition, the Authority Awarded Five (5) Permit Extensions. The projects are as detailed in Table 7:

Table 7: Permits Issued in FY 2019/20

a)	Permits Issued			
No.	**Project**	**Capacity (MW)**	**Technology**	**District**
1	Nyakinengo HPP	5.2	Hydro	Kanungu
2	Ngenge HPP	13.8	Hydro	Kween
3	Ituka Solar PV Project	10	Solar	Madi-Okollo
4	Rubabo Small HPP	1.8	Hydro	Kabale
5	Buwangani HPP	7	Hydro	Manafwa
6	Panyimur - Panyigoro Geothermal Project	10	Geothermal	Packwach
7	Nshongi HPP	7	Hydro	Bunyangabo
8	Unergy	20	Biomass	Masindi
9	Ayago HPP	840	Hydro	Kiryandongo
10	Kiraboha HPP	5	Hydro	Bunyangabo
11	Nyamagasani 3 HPP	5	Hydro	Kasese
		924.8		
No.	**Project**	**Capacity (MW)**	**Technology**	**District**
b)	**Permits Extended**			
1	Latoro Small HPP	4.2	Hydro	Mwoya
2	Keere Small HPP	7	Hydro	Kween
3	CNOOC Gas-to-Power Project	39.1	Associated Excess Gas	Buliisa
4	Jinja Waste-to-Energy	2.5	Biomass	Jinja
5	Rushaya HPP	4.2	Hydro	Mitooma
		57		

3.5 Electricity Transmission

The current Transmission System comprises of Power Lines (Route Length of 1,274 Km and Circuit Length of 2,281 Km) and 26 (Twenty Six) Primary Substations. The Annual Peak Demand in FY 2019/20 occurred in the Month of January 2020 and was 726 MW. The Average Transmission Power System Availability was 98.77%. The Average Annual Load Growth Rate was 1.37%; and the Average Transmission System Losses stood at 3.62%.

During FY 2019/20, the 189 MVA 132/33 kV Mukono North and 80 MVA 132/33 kV Iganga Substations operated by UETCL were commissioned. These Substations have improved Power Supply Reliability and Availability in Mukono and Iganga Industrial Parks; and relieved the Load burden on the Namanve and Jinja Industrial Substations.

UETCL, the System Operator, made Four (4) Transformer Injections in the following Substations to cater for the Growth in Demand.

a) **40 MVA 132/33kV at Nkenda Substation;**

b) **40 MVA 132/11kV at Kampala North Substation;**

c) **40 MVA 132/33kV at Kawanda Substation; and,**

d) **50 MVA, 132/33 kV at Opuyo Substation.**

The Authority continued to monitor UETCL in the development of 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. During the Financial Year 2019/20, the following projects were implemented:

(i) The 260 Km, 132kV Tororo - Opuyo – Lira Transmission Line, funded by the Government of Uganda and the African Development Bank. This line will improve Reliability and Availability of Power Supply in Northern and Eastern Uganda. The 120 Km Opuyo–Lira segment has been commissioned. The delay in completing the line is due to challenges with land acquisition. UETCL is prioritizing the completion of the Tororo – Opuyo segment.

(ii) The Mbarara - Mirama (Uganda) - Birembo (Rwanda) 220kV Transmission Line of 66 Km. This project was funded by the Government of Uganda, JICA and AfDB and interconnects Uganda and Rwanda. The completion of the project has delayed due to termination of contract by UETCL and Isolux. The line was commissioned in FY 2018/19. The pending works include completion of the Mirama 220/132kV Substation, whose progress currently stands at 95%. The Substation works were expected to be completed by June 2020 but were delayed due to the restrictions of managing COVID-19.

(iii) The 100 Km, 132kV Opuyo - Moroto Transmission Line and Substation, which will extend power to the Karamoja region. Funding for the project is from the Islamic Development Bank. Construction of the Line and Substation at Moroto is ongoing, with the works expected to be completed by December 2020. Land acquisition for the 306 Km, 132kV Kole – Gulu – Nebbi – Arua Line and associated Substations is at 75%. Procurement of the contractors was completed and the project is expected to be completed within 24 (Twenty Four) Months from July 2020. Funding for the project is by the Government of Uganda and the World Bank.

(iv) The 23.4 km, 132Kv Mutundwe – Entebbe transmission line. The project consists of a switchyard extension at Mutundwe where the 23.4km double circuit 132kV line will start and ends at a proposed 80MVA 132kV substation in Entebbe. The project is funded by KfW and is expected to be completed by June 2021.

3.6 Projects for Evacuating Power Plants

(i) The 248 Km, 400kV Karuma/ Kawanda Interconnection Project. Financing for the project was secured from the

China Exim Bank; Sino Hydro was contracted to construct the Transmission Line. The line under construction will Evacuate Power from the proposed 600 MW Karuma Hydropower Plant that is also currently under construction. The line was expected to be completed by December 2019, however, the works were affected by challenges with Land Acquisition.

(ii) The 10 Km, 400kV Ayago-Karuma Interconnection Project. This project is currently under Feasibility Study, with funding from the China Exim Bank. The line is expected to Evacuate the proposed 840 MW Ayago Hydropower Plant.

(iii) In addition, UETCL is implementing Power Evacuation Projects for the 83 MW Achwa I and II Hydropower Projects in Pader District; the combined 54 MW from the Kikagati and Nshongezi Hydropower Projects in Isingiro District; and an estimated 40 MW expected to be generated from projects in the Mt. Elgon Region. Land acquisition is ongoing for the Achwa 1&2 – Gulu Line.

3.7 Regional Interconnections

UETCL is undertaking the following projects to promote Power Trading and improve Security of Supply within the region:

(i) The 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 to undertake the Feasibility Study.

(ii) The 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. This will interconnect Uganda and Tanzania. Procurement of the implementation Contractor is on-going.

(iii) The Nkenda - Mpondwe (Uganda) - Beni (Democratic Republic of Congo) 220kV Transmission Line of 72 Km. The Feasibility Study for this project was completed through funding by the Kingdom of Norway. The project is currently Sourcing Financing for the Engineering, Procurement and Construction Contractor. It will interconnect Uganda with the Democratic Republic of Congo.

(iv) The Bujagali - Tororo (Uganda) - Lessos (Kenya) 220kV Transmission Line of 127 Km. The line financed by the AfDB and JICA will interconnect Uganda and Kenya. While the project was expected to be completed by December 2018, there were delays due to the Contractor, Isolux, abandoning the works due to bankruptcy. UETCL took on the works in 2020 with commissioning expected by December 2021. There is a challenge in land acquisition which is yet to be overcome.

SECTION

04

MONITORING AND ENFORCEMENT OF COMPLIANCE

04 MONITORING AND ENFORCEMENT OF COMPLIANCE

4.1 Statutory Inspections

In the review period, the Authority inspected its Licensees to establish the Levels of Compliance to Statutory Obligations. The Licensees inspected included 35 (Thirty Five) Operational Generation Licensees, One (1) Transmission Company and Nine (9) Distribution Companies.

The methodology adopted by the Authority for Compliance Assessment in 2019 included:

a) Review of the Quarterly Technical (Key Performance Indicator) and Outage Reports submitted to ERA by the Licensees.

b) Technical Inspections by the Authority.

c) Review of the Annual Operation and Maintenance Plans submitted to ERA by the Licensees.

d) Review of the Incident Notification and Investigation Reports submitted to the Authority by the Licensees.

e) Review of the Compliance Statements submitted to ERA by the Licensees.

The Reports associated with the aforementioned reviews were prepared by the Authority and shared with the Licensees, indicating the areas that required improvement. Remedial measures were agreed upon for implementation by the Licensees.

Technical Compliance of Generation Licensees

During the financial year under review, ERA conducted Inspection of 40 (Forty) Power Generation Plants belonging to 35 (Thirty Five) Licensees. The overall Level of Compliance for the Generation Licensees was 87% as noted in Table 8 and the Authority provided respective Feedback to the Licensees. The Licensees' performance was measured against the requirements of their licenses summarized in the Table 8.

Table 8: Technical Compliance of the Generation Licensees

No.	Power station	Performance (%)
1	Nyagak I Hydro Power Plant	68%
2	Mahoma Hydro Power Plant	68%
3	Electro-Maxx thermal plant	71%
4	Sugar and Allied Industries Limited cogeneration plant	71%
5	Xsabo - Kabulasoke Solar Park	71%
6	Kyambura Hydro Power Plant	71%
7	Kilembe Mines Hydro Power Plant – Mubuku I	75%
8	Mayuge Sugar Industries Cogeneration plant	79%
9	Hydromax Buseruka Hydro Power Plant	82%
10	KCCL Hydro Power Plant	82%
11	SAEMS Mpanga Hydro Power Plant	82%
12	Bufulubi Solar PV plant	82%
13	Kiira – Nalubaale Hydro Power Generation Complex	86%
14	Isimba Hydro Power Plant	86%
15	Ishasha Hydro Power Plant	89%
16	Lubilia Hydro Power Plant	89%
17	Kinyara Sugar Cogeneration Plant	89%
18	Access Solar PV plant	89%
19	Achwa II Hydro Power Plant	89%
20	Waki Hydro Power Plant	93%
21	Bukuzindu Solar Diesel Hybrid – KIS	93%
22	Tororo Solar North PV Plant	93%
23	Kakira Sugar Cogeneration Plant	93%
24	Sugar Corporation of Uganda Cogeneration Plant	93%
25	Bugoye Hydro Power Plant	93%
26	Rwimi Hydro Power Plant	93%
27	Siti 1 Hydro Power Plant	93%
28	Nkusi Hydro Power Plant	93%
29	Siti II Hydro Power Plant	93%
30	Muvumbe Hydro Power Plant	96%
31	Jacobsen Uganda Thermal Power Plant	96%
32	Bujagali Hydro Power Plant	100%
33	Nyamwamba Hydro Power Plant	100%
34	Sindila Hydro Power Plant	100%
35	Ndugutu Hydro Power Plant	100%
	Average Compliance	**87%**

Table 9: Provisions of the license against which the performance was measured

No.	License provisions
1	Provision of adequate reactive energy for system stability
2	Full time operation of Automatic Voltage Regulators and Power system stabilizers
3	Documentation and reporting of accidents
4	Record of all outages
5	Provision of metering equipment and records
6	Energy data submission to ERA
7	Provision of employees with adequate information about the plant
8	Submission of annual operations and maintenance plans to ERA and UETCL
9	Insurance of generation plant property and people
10	Possession of a working Safety Policy
11	Response to information requests by ERA
12	Training of staff on safety and technical aspects
13	Protection systems for generating units
14	Possession of Competent staff to operate and maintain the plants
15	Prevention of interruptions of supply
16	Outage reporting to ERA
17	Capacity reduction notification to ERA
18	Possession of updated Black start capabilities
19	Possession and implementation of the Standard operating procedures
20	Submission of Quarterly reports within 30 days after the quarter
21	Provision of Personal Protective Equipment and enforcing its use
22	Induct visitors and contractors who are likely to be affected by plant operations
23	Electrical staff to possess class Z Permits or work under those with the permit
24	Possession of comprehensive Operations and maintenance plans
25	Carrying out of repairs within 48 hours
26	Annual reporting (Operations/Compliance) within 60 days after end of year
27	Best accommodate the public and to prevent interference with the services furnished by other public utilities
28	Practice prudent industry standards

Technical Compliance of UETCL

UETCL achieved a Compliance Score of 68.09% in FY 2019/20 as compared to 68% in the last FY. Steps have been taken to address previous Authority directives evidenced by ongoing substation renovation works, the progress of works registered in the stalled projects such as Mirama and Tororo substations and the commissioning of Two (2) Industrial Park Substations.

The major areas of Non-Compliance and/or areas for improvement for UETCL include:

1) Slow response in acting on the Directives issued by the Authority, such as the Directive to expedite the procurement of Spares and Transformers for Substations with limited transformation, aged transformers or those without spare capacity, leading to inability to continuously meet the Demand for Electricity by all Consumers at all times.
2) Delayed completion of ongoing projects such as the Tororo – Opuyo Line, which is aimed at improving Reliability in Northern Uganda and extending the Transmission Grid to Moroto District, Gulu District and West Nile.
3) Failure to submit to the Authority the Interconnection Agreements executed with the Interconnected Licensees.
4) Delayed resolution of land rows relating to particular projects, which subsequently leads to delays in the completion of the projects. Non-functional Security Systems leading to the theft of Installations and Equipment from the Transmission Grid.

Technical Compliance for Distribution companies

The overall Compliance Level for the Nine (9) Distribution Companies inspected during the reporting period was 75%.

There was noted improvement in performance by KIS, KRECS, UEDCL, Umeme, KIL and also a notable decline in performance by WENRECO, Hydromax, BECS and PACMECS. The detailed areas and causes of decline in performance included failure to operate within the quality of service standards, failure to execute the wheeling agreement, failure to submit quarterly reports in time and failure to develop local skills development program.

Corrective action plans were discussed with licensees indicating timelines to correct areas of non-compliance. Furthermore a training workshop in relation to compliance requirements and obligations will be undertaken in the FY 2020/21.

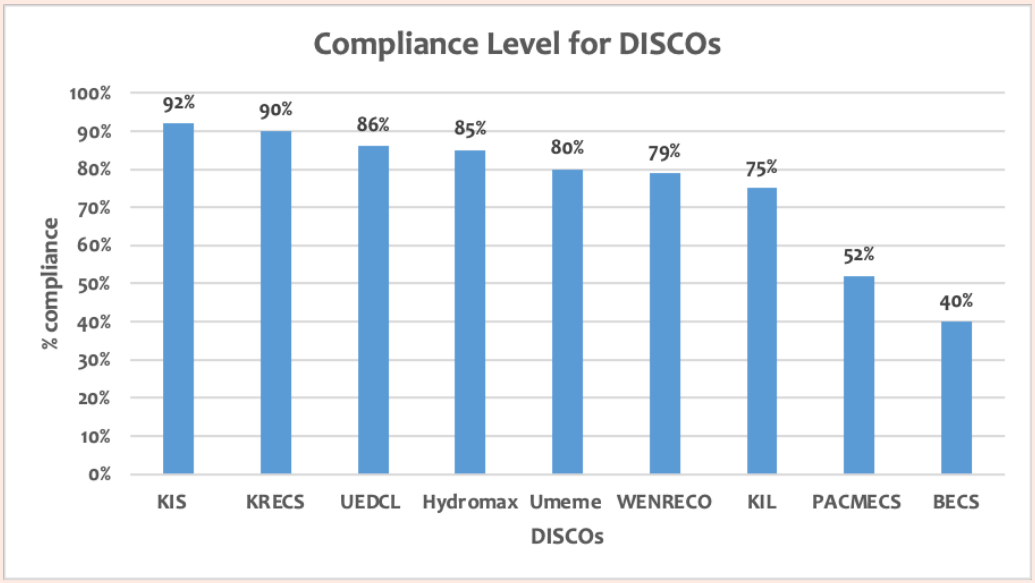


Figure 4: Compliance Level for Distribution Companies

4.3 Compliance to the Quality of Service Standards

Section 11 (i) of the Electricity Act, 1999, requires the Authority to protect the interests of Consumers of Electricity in respect to the Quality and Reliability of Electricity Supply Services. In fulfilment of this mandate, the Authority developed Minimum Quality of Service Standards covering: Access to Electricity Supply, Reliability of Supply, and Customer Service. The standards became Effective in March 2015. Since then, the Authority has monitored the Performance of the Distribution Licensees through reports submitted on a quarterly basis, complemented with On-Site Inspection to verify the data submitted in the reports.

In the Financial Year under review, the Authority evaluated Compliance with the Quality of Service Standards by Umeme Limited and the other Distribution Licensees. The Overall Performance by Umeme Limited dropped from 66% to 60% mainly due to the effects of the Lock down after the COVID – 19 pandemic, among which was the discontinuation of certain activities like customer connections, meter reading and disconnection of non-paying customers. The Authority has taken several actions to enable the Licensee improve on its Compliance with the Quality of Service requirements. The actions include engaging Umeme Limited, with discussions around the Company's Performance Levels; and Audit of the Licensee's Processes for New Connections to Electricity.

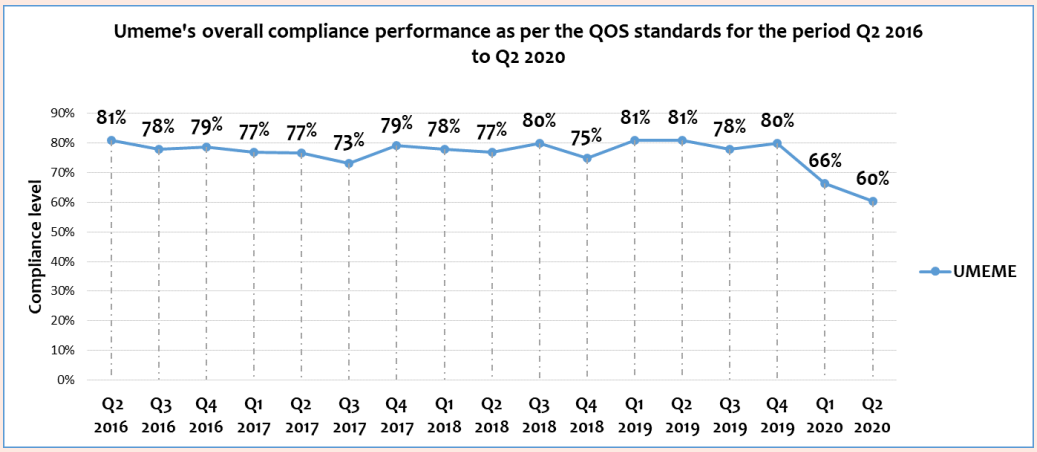


Figure 5: Quality of Service Compliance by Umeme Limited

For the other Distribution Licensees, KRECS maintained the Highest Level of Compliance at 93%, followed by UEDCL at 85%. This Good Performance was attributed to On-Site Training of the Staff of the Distribution Utilities by the Authority on the requirements of the Quality of Service Standards, in an effort to improve performance by the Licensees. On the other hand, the Performance Levels of BECS, WENRECo, and KIL were assessed to be at 0%, 17%, and 48%, respectively. The challenges of implementing the Electricity Connections Policy contributed greatly to the drop in the Level of Compliance to the Quality of Service Standards across all the Distribution Licensees.

Figure 6 presents the Quality of Service Performance Levels by the Other Distribution Utilities during the FY 2019/20.

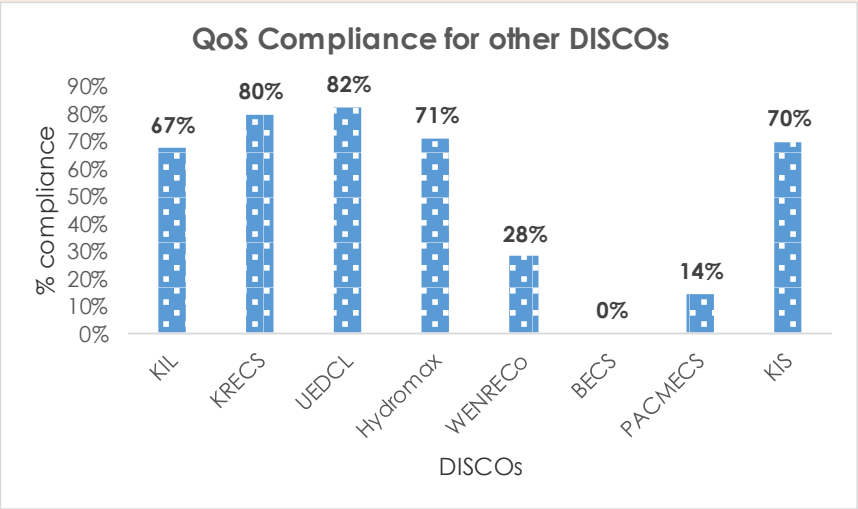


Figure 6: Quality of Service Compliance by Other Distribution Utilities

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- Move to reduce fatalities that have been attributed to poor wiring of houses
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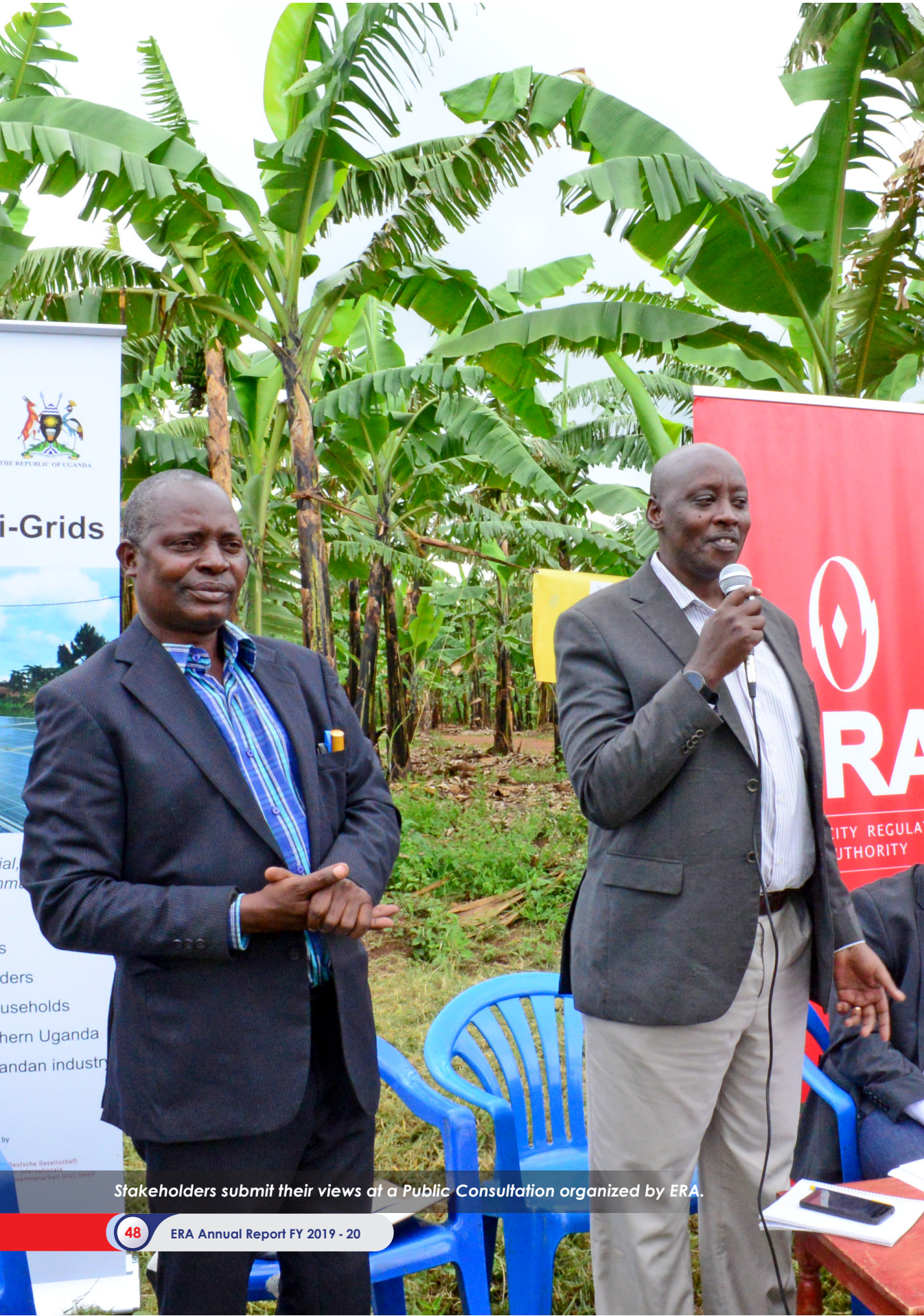


Stakeholders submit their views at a Public Consultation organized by ERA.

SECTION

05

PERFORMANCE OF THE ELECTRICITY SUPPLY INDUSTRY

05 PERFORMANCE OF THE ELECTRICITY SUPPLY INDUSTRY

5.1 Demand and Supply Balance

Uganda's Electricity Supply Industry was greatly affected by the COVID-19 Pandemic, with the Peak Demand dropping to as low as 588.5 MW in April 2020 from 728.7 MW in February 2020. Uganda last recorded Peak Demand below 600 MW in October 2017.

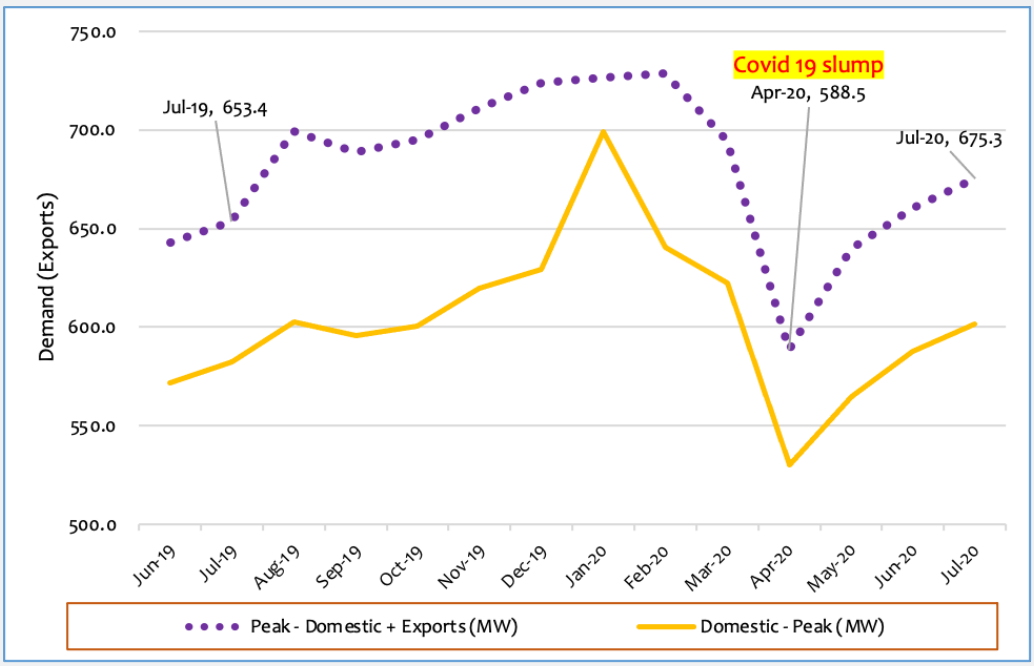


Figure 7: Peak Demand in FY 2019/20

5.2 Transmission Purchases, Sales and Losses

Uganda operates a Single Bulk Supplier Model in Electricity Transmission. The Uganda Electricity Transmission Company Limited holds the License for Bulk Power Supply, Import, and Export of Electricity as well as System Operator. During the FY 2019/20, UETCL Purchased and Sold 4329.4 GWh and 4171.4 GWh, respectively.

The Energy Purchases and Sales Increased but at a Decreasing Rate in the FY 2019/20, recording an Annual Growth Rate of 2%, far below the 6% Average Annual Growth Rate that has been observed since FY 2015/16. The drop in the Growth Rate was partly due to the Constraints of Market Performance imposed by the COVID-19 Pandemic and instituted restrictions.

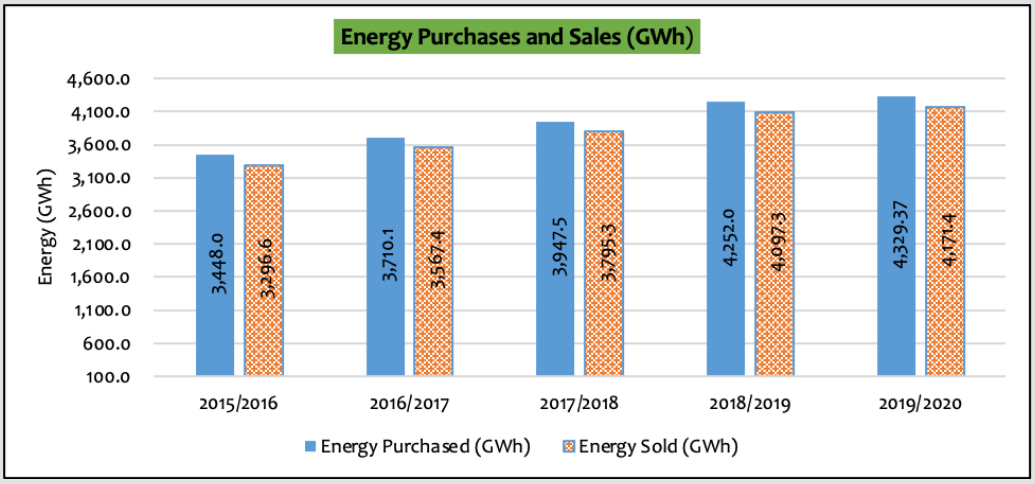


Figure 8: Energy Purchases and Sales in FY 2019/20

Transmission Losses

The Transmission Losses in the FY 2019/20 remained unchanged at 3.6%, as compared to the performance reported in the FY 2018/19.

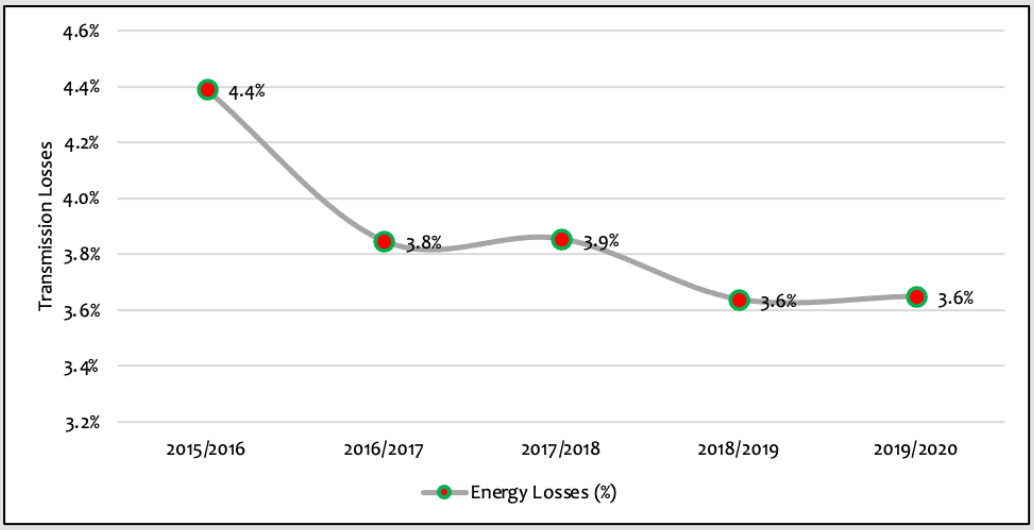


Figure 9: Transmission Losses in FY 2019/20

Energy Mix and Points of Sale

The Energy Mix is computed as the proportion of the Energy Purchased by UETCL as generated from the different types of Technology. About 91% of the Energy Purchased by UETCL was from Hydro (Large Hydro = 77%, Small Hydro = 14%), with the other technologies combined contributing 9%. Overall, 98% of the Energy Supply was from Renewable Energy Sources - Hydro, Bagasse Co-Generation and Solar.

During the review period, UETCL sold the bulk of the Energy it Purchased from the Generation Companies (91%) to Umeme Limited, with the Sales to the other Distribution Companies constituting 3% and Exports, 6%.

Source of energy Purchases

Source	Purchases (GWh)	Percentge (%)
Large Hydro	3341.0	77.2
Small Hydro	604.1	14.0
Bagasse	205.7	4.8
Thermal	76.5	1.8
Solar	79.9	1.8
Imports	22.1	0.5
Total	4329.4	100

3.6%

loses

Point of Sale

Distribution	Sales (GWh)	Percentage (%)
Umeme	3812.2	91.4
UEDCL & Other Minigrids	116.3	2.8
Eports	242.8	5.8
Total	4171.4	100.0

Figure 10: Source of Energy Purchases and Points of Sale

5.3 Uganda's Energy Net Exports

The Energy Net Exports are computed as the difference between the Energy Exported and the Energy Imported. Uganda Exports Energy to Kenya, Tanzania, Rwanda and the Democratic Republic of Congo; and Imports Energy from Kenya and Rwanda. Uganda had an Energy Net Export of 221 GWh during the FY 2019/20, signifying a 7% drop from the Net Exports recorded during the previous financial year. There has been a year-on-year Decrease in Net Exports since the year 2016, which is partly attributed to stable Generation of Electricity in Kenya due to the heavy rains in the region.

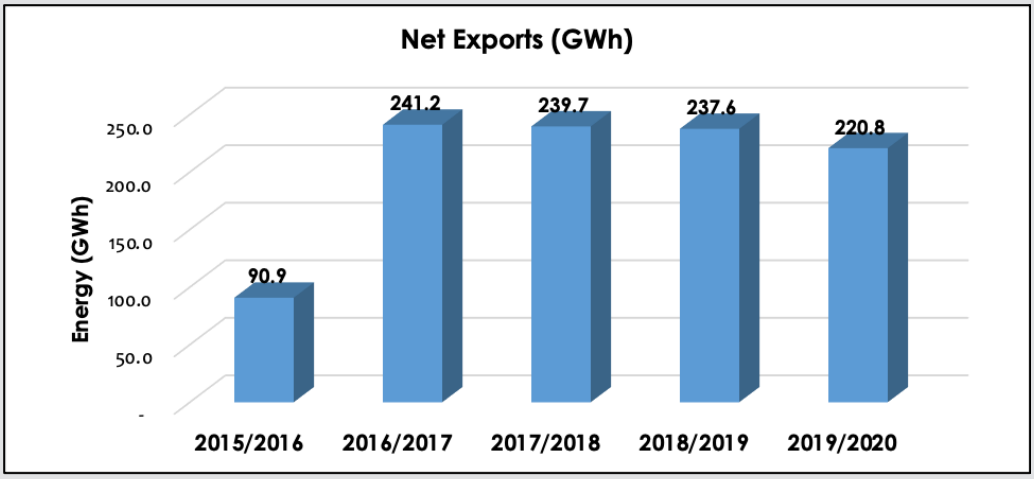


Figure 11: Uganda's Energy Net Exports

5.4 Performance of the Distribution Segment

Energy Sales by Distribution Companies

Electricity Distribution in Uganda is currently undertaken by Nine (9) Utilities, of which Umeme Limited is the largest. Other Distribution Companies that wheel Electricity through the National Grid are UEDCL, PACMECS, BECS, KRECS, Hydromax and KIL. There are Two (2) Off-Grid companies (not connected to the National Grid) - WENRECo and Kalangala Infrastructure Services.

During the FY 2019/20, the Distribution Companies Purchased 3,894.9 GWh from UETCL for Sale to the End-User Consumers, compared to the 3,829 GWh Purchased in FY 2018/19.

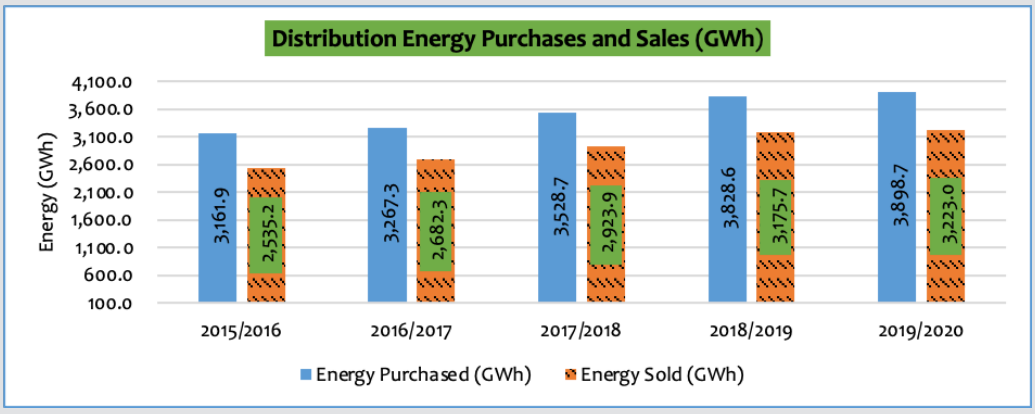


Figure 12: Distribution Energy Purchases and Sales

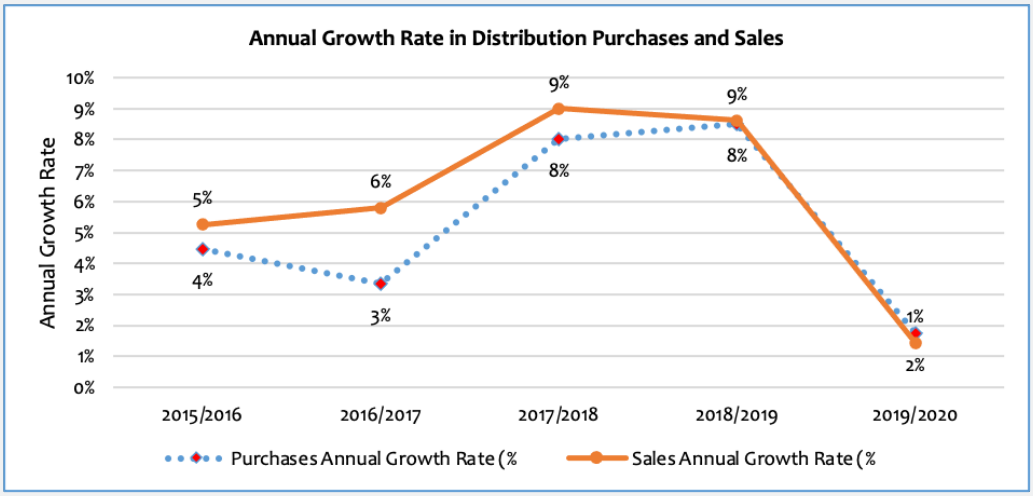


Figure 13: Annual growth rate in purchases and sales

Energy Purchases and Sales for Umeme Limited

Umeme Limited is the leading Distribution Company in Uganda, selling about 93% of the Total Energy to the End -Users. The Company's Energy Purchases and Sales Increased by 1% in the FY 2019/20, as compared to 8% in FY 2018/19 and FY 2017/18 . The drop in Growth Rate of Umeme Limited's Energy Sales in FY 2019/20 was mainly due to a fall in Energy Consumption by the Commercial and Medium Industrial Customers, on account of the effects of the COVID-19 Pandemic.

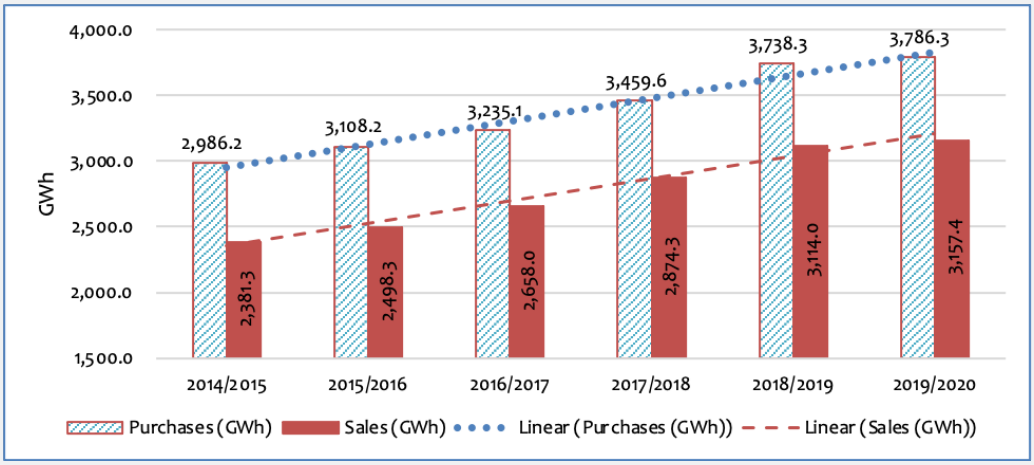


Figure 14: Umeme Limited's Energy Purchases and Sales

During the FY 2019/20, Umeme Limited's Energy Sales were majorly to the Large and Extra-Large Industrial Customers, with both Customer Categories constituting 52% of the Total Energy Sales. The Sales to the Medium Industrial, Commercial and Domestic Customers constituted 15%, 11%, and 22%, respectively.

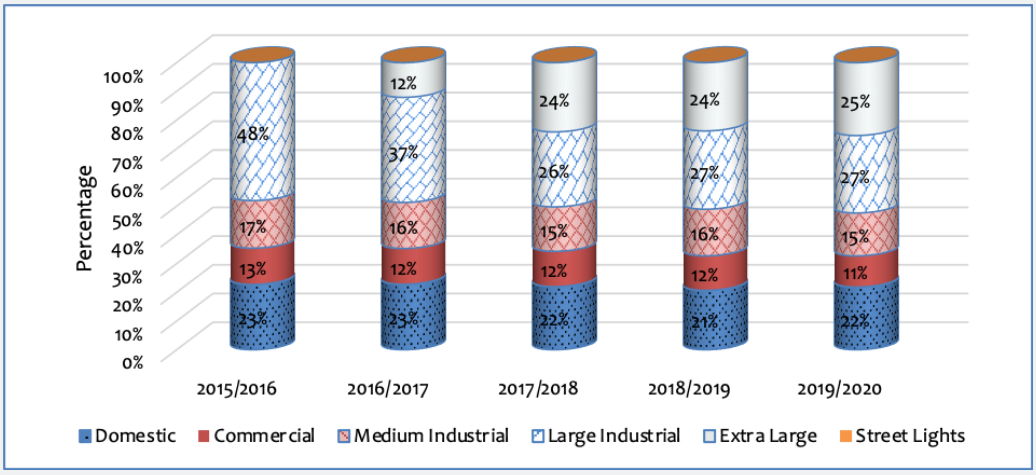


Figure 15: Umeme Limited's Energy Sales

Distribution Losses for Umeme Limited

Umeme Limited recorded a Distribution Loss Level of 16.6% in FY 2019/20, signifying a 0.1% improvement in performance as compared to FY 2018/19 (16.7%). This was partly due to Constrained Inspection and monitoring of the Licensee's Network to curb Commercial Losses during the COVID-19 Lockdown.

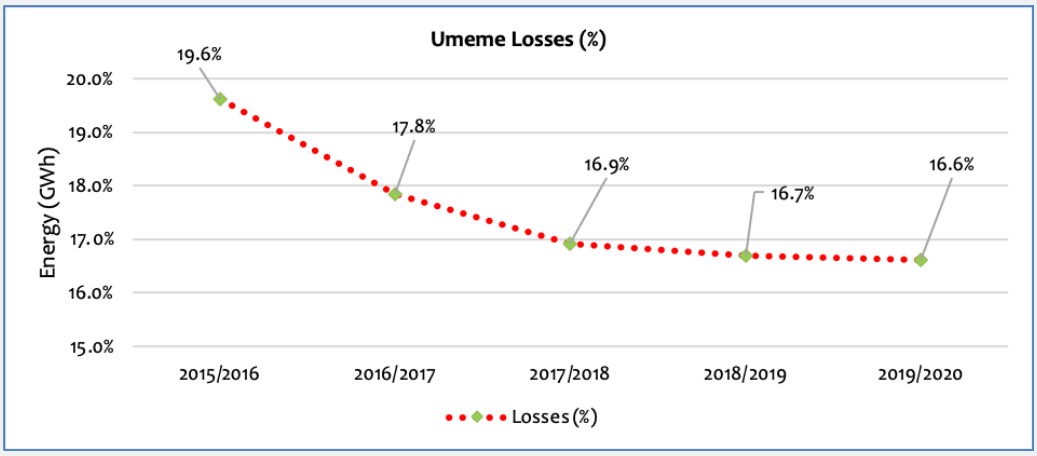


Figure 16: Distribution Losses for Umeme Limited

Energy Purchases and Sales of the Other Grid-Based Distribution Utilities

The Other Grid-Based Distribution Utilities Purchased and Sold 112 GWh and 66 GWh, respectively, in FY 2019/20, thereby recording Distribution Losses of 41.6%. The Energy Sales by the Grid-Based Distribution Utilities Increased by 6% in FY 2019/20, with the

Highest proportion of the Energy Sold to the Domestic Customers (Domestic = 49%, Commercial = 32%, Industrial = 19%).

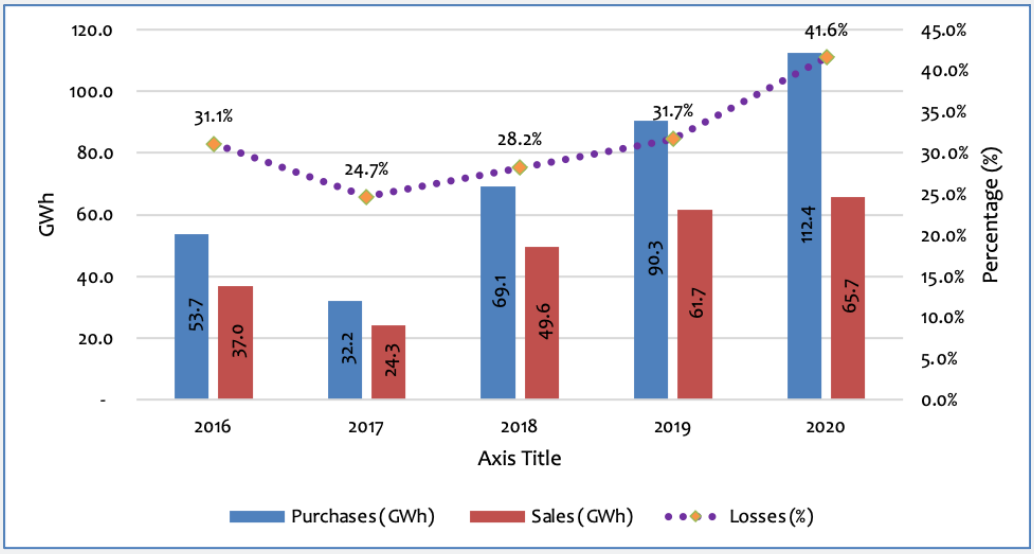


Figure 17: Energy Purchases and Sales for Other Utilities

5.5 Customer Connections

Uganda's Tariff Structure classifies Electricity Customers into Six (6) Categories, namely: Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial, and Street Lights.

The Number of Customers on the Grid Increased by 11% in the FY 2019/20, from 1,454,219 Customers during the FY 2018/19. About 94% of the Customers on the Distribution Network were Domestic, with the other Customer Categories constituting 6%. Umeme Limited accounted for 93% of the Total Customers, UEDCL had a 5% share, while the other Distribution Companies accounted for 2% as noted in Table 10.

Table 10: Customer Connections

Customer Category	FY 2015/16	FY 2016/17	FY 2017/18	FY 2018/19	FY 2019/20
Domestic	734,353	1,000,021	1,161,001	1,336,513	1,527,269
Commercial	63,963	86,081	100,193	114,064	89,464
Medium Industrial	2559	2512	2737	2834	2,925
Large Industrial	521	500	556	529	563
Extra-Large Industrial	0	38	39	37	52
Street Lights	271	299	279	242	232
Total	**801,667**	**1,089,451**	**1,264,805**	**1,454,219**	**1,620,505**

5.6 Tariff Management

One of ERA's Core Functions is to Establish a Tariff Structure and to Approve or Modify Tariffs. During the reporting period, the Electricity Regulatory Authority undertook the following Tariff-related activities:

a) The Annual Tariff Review for the Tariff Year 2020, resulting into setting of the Base Tariffs for 2020; and adjustment thereof on a Quarterly basis to factor in changes in the Macro-Economic Parameters, as provided for by the Quarterly Tariff Adjustment Methodology.

b) Quarterly Tariff Reviews for UEDCL, KIS and WENRECO.

c) The Annual Tariff Review for KRECS.

d) Approval of the Lifeline Tariff for KRECS, PACMECS and KIL.

e) Determination of the Performance Parameters for UETCL for the period 2020 - 2022.

f) Determination of the Tariff Performance Parameters for Umeme Limited for the period 2019 – 2025.

g) Conclusion of the Cost of Service Study and implementation of the New Tariff Model for Umeme Limited and the Off-Grid Distribution Licensees.

h) Update of the Quarterly Tariff Adjustment Methodology.

i) Implementation of the Declining Block Tariff Mechanism, following wide consultation with stakeholders, to promote Industrial Use of Electricity.

j) Approval of Tariffs for Kisiizi Hospital Power Company Ltd for the period January 2020 to 31st December 2020, in accordance with the Company's License Exemption.

k) Approval of Tariffs for Bundibugyo Energy Cooperative Society for the year 2020.

l) Modification of the Licence held by Eco Power Uganda Limited; and the Licence held by PA Technical Services Limited to include the costs of Evacuating Power from separate lines to minimise the challenges of Evacuation/Deemed Energy at the 9.6 MW Nkusi HPP.

m) Approval of the Multi-Year Tariff Performance Parameters for WENRECo for the period 2020 – 2023.

n) Approval of the Base Tariffs for WENRECo for the period starting 1st April 2020.

o) Approval of the Lifeline Tariff for Domestic Consumers in the WENRECo Concession starting 1st January 2021.

p) Modification of the Licence held by Electro-Maxx (U) Limited to extend the applicability of Part A of the Tariff Methodology.

q) Progress with the procurement of a World Bank-funded Consultancy for the development of a Framework for Private Sector Participation in the Transmission Segment.

r) Approved that UETCL executes a Pilot Foreign Exchange Hedging transaction for Energy Purchases for a period of 12 (Twelve) Months at USD 1 Million per month.

s) Approval of the Annual Tariffs for PACMECS and KIL for the period July 2020 – June 2021.

t) Annual Tariff Review for UEDCL for the period July 2020 -June 2021.

One of **ERA's Core Functions** is to **Establish a Tariff Structure** and to Approve or Modify Tariffs.

SECTION

06

INVESTMENTS IN THE ESI

Photo Credit-
Umeme Limited

06 INVESTMENTS IN THE ESI

6.1 Approved Investment Plans

The Authority reviewed the Investment Plans of Umeme Limited, Eskom Uganda Limited, and Uganda Electricity Transmission Company Limited during the FY 2019/20.

6.1.1 Investment Plan for Umeme Limited

2020

The Authority approved the Investment Plan of Umeme Limited, amounting to

USD 84.6 Million

for implementation in the year

2019

compared to

USD 51.25 Million

approved for implementation in the year 2019, including Non-Network Assets.

The critical areas to be covered by the Investments of Umeme Limited included Growing Access to Electricity, Asset Management, Reduction of Technical Losses, Asset Replacement, Industrial Load Growth and Power Supply Reliability.

The approval of the Investment Plans follows a 12-Months period from January to December each year as opposed to ERA's financial year that runs from July to June.

The Total Approved Investment Plan for Umeme Limited for the year 2020 was USD 84.62 Million (including Non-Network Assets) and is summarized in the categories shown in Table 11.

Table 11: Approved Investment Plan for Umeme Limited, 2020

No.	Project Category	Company Submission	Total Approval (USD)
1	Work in Progress	51,446,047	51,446,047
2	Access	6,805,658	1,801,181
3	Asset Management	8,081,969	2,062,291
4	Technical Loss Reduction	14,332,327	332,426
5	Asset Replacement	33,332,618	18,514,043
6	Industrial Load Growth	30,493,615	2,613,541
7	Reliability	36,590,044	3,480,776
8	Non-Network Assets	15,663,582	4,372,573
	Total	**196,745,860**	**84,622,878**

Description of Project Categories

Work in Progress

All the projects above the 70% completion mark at the time of Umeme Limited submitting the 2020 Investment Plan were assumed to have a high likelihood of being completed by December 2019. As such, they were Excluded from the Approved Investment Amount of the Work in Progress Category.

Access

The Approval under this category consisted of Transformer Injections aimed at relieving stressed transformers to support additional Connection of Customers under the Electricity Connections Policy.

Asset Management

This category included USD 1,932,291 Approved for the implementation of the Geospatial Network Information System (GNIS) for Integrated Planning, Design, Operations and Maintenance. It also included USD 130,000 for the construction of Oil Sumps at Mityana, Mubende, Kiriri, Bubuulo, Lira Spinning, Hoima, Masindi and Rukungiri Substations.

Technical Loss Reduction

The Approvals under this category were aimed at addressing the Medium Voltage (MV) Technical Loss of Kawanda-Namulonge MV line (USD 148,716) and Lugogo-Kololo MV line (USD 183,710).

Asset Replacement

The Approvals under this category were aimed at the Replacement of Obsolete Assets in the network that were no longer serving their intended purpose. The main Approval was geared towards the Prepayment Metering Connection initiative (USD 16,188,858). This involved the Replacement of Postpaid Customer Meters with the Newer Prepayment Meters for 128,483 Customers.

Industrial Load Growth

The Approvals under this category targeted Load Growth. They included, among others: the Mbale 11kV Industrial Feeder Upgrades (USD 651,427), the Jinja 11kV Feeders Optimization (Walukuba, Wairaka, Jinja Town and Mutai) (USD 1,071,072), and UETCL Entebbe Integration_Phase 2_Pearl Marina, Bays and Metering, and Bwebajja) (USD 582,621).

Non-Network Assets

This Approval was aimed at the acquisition of Assets that are not deployed on the Network but assist Umeme Limited in operating and running the Network and ensuring the Reliability and Quality of Electricity Supply. It consisted of among others: Fleet Replacement and New Acquisition (USD 3,049,500), Buildings Work in Progress (USD 500,920) and ICT-related projects worth USD 693,380.

6.1.2 Investment Plan for Eskom Uganda Limited

In December 2019, the Authority Approved Investments and Non-Core Assets for Eskom Uganda Limited amounting to USD 22,077,465, inclusive of Work in Progress from the previous years. These funds were targeted towards the Refurbishment, Replacement and Maintenance of the Generating Assets at both Kiira and Nalubaale Power Stations. Table 12 shows the summary of the Approved Investments and Non-Core Assets for Eskom Uganda Limited in 2020.

Table 12: Approved Investment Plan for Eskom Uganda Limited, 2020

No.	Investment Item	Approved Amount (USD)
1	Remediation of Stair Cases (Units 1, 5, and 9)	216,582
2	Draft Tube Downstream Columns Repair (Units 5 - 10)	1,328,459
3	Unit 10 Excitation Upgrade	280,000

4	Online Vibration Monitoring System (Units 1, 4, 5, 6, 8, and 10)	876,960
5	Vibration Monitoring System upgrade (Units 11 - 15)	301,142
6	Six Alternator Oil Cooler Nests	120,000
7	NPS Generator Transformer Replacement for 3 Units (6, 9, and10)	1,412,000
8	Water Hyacinth Booms	426,000
9	Grout Cracks in Concrete supporting main Bracket	314,000
10	Powerhouse Crane Gauge Adjustment	29,800
11	Generator Floor Support System Design and Construction	105,600
12	Dam Safety Review	500,000
	Approved Work in Progress	
13	Main Dam Refurbishment	3,000,000
14	Replacement of Units 3 and 5 Generator Transformers	1,189,455
15	KPS Protection System Upgrade (Units 13 - 15)	1,108,684
16	KPS Electronic Governor Upgrade (Units 14 and 15)	1,362,737
17	KPS Advant Control System Upgrade (From AC 410)	3,364,321
18	Line and Substation Protection System Upgrade	1,725,667
19	Replacement of 11kV Cables for NPS Units	2,800,000
20	NPS Blade Servo Unit Refurbishment for Unit 10	1,616,058
	Grand Total	**22,077,466**

The Authority further Approved USD 3,059,087 towards the implementation of the Non-Core Assets for the year 2020 as detailed in Table 13; and Work in Progress Investments amounting to USD 1,735,029 as shown in Table 14.

Table 13: Approved Non-Core Assets Plan for Eskom Uganda Limited, 2020.

No.	Non-Core Asset Item	Approved Amount (USD)
1	Digitization Project	30,000
2	Motor Vehicles	104,000
3	Electromagnetic Core Imperfection Detection (ELCID) Tool	100,000
4	PABX Private Branch Exchange	95,000
5	Infrastructure Laptops	18,446

6	Infrastructure Personal Computers	6,240
7	Server Room Refurbishment	60,000
8	(SAP CMMS) Systems Applications and Products in Data Processing Computerized Maintenance Management System	65,000
9	MS (Microsoft) Dynamics Upgrade-ERP (Enterprise Resource Planning) Upgrade	150,000
10	Enterprise Risk Management System	78,750
11	NPS Sluice Gates Remote Control	168,857
12	Replacement of Fire Extinguisher Cylinders and Hoses	75,000
13	NPS and KPS Transmission Line Remedial Works	19,000
14	KPS Control System Upgrades for Control Gates (Control System Upgrade)	422,857
15	KPS auxiliary System Overhaul	182,397
16	ICT Server Infrastructure Upgrade	398,987
17	Network Monitoring and Management System	55,000
18	Electronic Board Solution	36,095
19	Water Bus - Main Refurbishment	191,458
20	Transformer Plinth for Units 3 and 5	120,000
21	Dewatering Pumps (NPS)	200,000
22	Spare Circuit breakers for 33kV, 132kV Station	76,000
23	Generator Protection Spares Relays for KPS and NPS	406,000
	Sub-Total	**3,059,087**

Table 14: Approved Work in Progress Non-Core Assets Plan, 2020

No.	Non-Core Asset Item	Approved Amount (USD)
	2015-2018 GOMC	
1	NPS Governor Air Compressor (Auxiliary System Overhaul)	173,711
2	Specialized Mechanical Tools	52,151
3	Mechanical Tools and Lifting Gear	132,383
	Sub-Total	**358,246**
	2019	
4	Unit 10 Overhaul Components	226,471
5	Rebuild Risk Office	50,327
6	Purchase of Duplex Chains	161,046
7	NPS Control Gate Rollers	241,570
8	Digitization Project	30,196
9	ICT Data Backup Solution	100,654

10	Refurbishment of Towers and Concrete Structures at the Substation (Naluubale power station)	201,308
11	Security Systems	45,294
12	KPS Cranes Refurbishment (Intake and Tailrace)	83,869
13	MS (Microsoft) Dynamics SL Upgrade	52,857
14	(SAP CMMS) Systems Applications and Products in Data Processing Computerized Maintenance Management System	30,196
15	Info-router BIP Upgrade	50,327
16	Office 365	25,163
17	Electronic Learning	70,458
18	Website	7,046
	Sub-Total	**1,376,783**
	Grand Total	**1,735,029**

6.1.3 Approved Investments for Uganda Electricity Transmission Company Limited, 2020

In 2019, the Authority Approved the Multi-Year Tariff Parameters of the Uganda Electricity Transmission Company Limited for the period 2020 - 2023. The Authority further considered and Approved USD 27,934 Million towards the Reinforcement of the Transmission Network through procurement of One (1) 40 MVA Transformer for Nkenda Substation; Reactors for Nkenda and Fort Portal Substations; and Upgrade of the SCADA System.

The Authority further Approved USD 32,498 Million for the Construction of New Office Premises; and Procurement of Motor Vehicles, ICT Infrastructure Upgrade, and Purchase of Furniture, Tools and Equipment as detailed in Table 15.

Table 15: Approved Network and Non-Network Investment Plan for UETCL, 2020

No.	Non-Core Asset Item	Amount (USD)
1	Procurement of One (1) 40 MVA 132/33kV Power Transformer (Nkenda Substation)	8,633,635,500
2	Reactors at Hoima and Fort Portal	11,100,000,000
3	SCADA	8,201,280,000
	Total Network Investments	**27,934,915,500**
	Non-Network Investments	
a	Construction of Stores and Office Building	25,590,000,000
b	Motor Vehicles and Cycles	3,217,480,800
c	Furniture and Tools and Equipment	1,522,194,378
d	ICT Requirements and Evaluation Costs	2,169,169,080
	Total Non-Network Assets	**32,498,844,258**
	Total Approved Investments for 2020	**60,433,759,758**

6.2 Verification of Investments

Pursuant to the provisions of Section 75 of the Electricity Act, 1999, and the Licenses issued to Umeme Limited, Eskom Uganda Limited and UETCL, the Authority undertakes Verification/Audit of all the Investments submitted by the Licensees as completed, before the Investments are approved to Earn a Return on Investment; as well as Verification of Non-Network Assets that do NOT Earn a Return on Investment. The Verification is also undertaken by the Authority in accordance with the Investment Approval and Verification Guidelines, 2013; conducted jointly with the Asset Owner – UEDCL in the case of Umeme Limited, and UEGCL for Eskom Uganda Limited.

Verification is also done for the Non-Network and Non-Core Assets to establish if the funds provided to the Licensees were used in line with the Approved Budgets; and that the Assets deliver Value-for-Money. During the FY 2019/20, the Authority Reviewed and Verified Investments of the Licensees as highlighted.

Umeme Limited's Verified Investments for 2019

Umeme Limited submitted to the Authority Investments worth USD 17,968,128 as completed for Verification. From the Verification Exercise, the Authority Approved USD 13,700,228 as Completed Investments for the year 2019 to Earn a Return on Investment.

The Authority further Approved USD 2,630,830 as shown in Table 16 for the Non-Network Asset Investments Completed, in line with the Investment Approval and Verification Guidelines, 2013. The Authority deferred Verification of Umeme Limited's submission for the Completed Counterpart-Funded Network Assets until the Customer Connections on the identified schemes were completed.

Table 16: Umeme Limited's Submitted and Verified Investments, 2019

No.	Project Description	Approved Plan	Submission	Verified Amount
1	Load Growth	4,929,711	6,180,484	4,607,592
2	UETCL Integration Lines	365,216	188,467	54,465
3	Reliability Improvement	250,700	163,107	153,679
4	2018_Carry Over	1,547,673	930,170	832,512
5	Transformer Injections	2,354,422	2,654,664	1,991,380
6	Reliability and Quality of Service	755,353	917,664	798,129
7	Asset Replacement	4,579,174	4,579,174	3,750,516
8	Emergency Capex	1,602,363	2,117,571	1,511,955
9	Other Assets	-	236,827	-
	Total Investments	**16,384,612**	**17,968,128**	**13,700,228**
10	Non-Network Assets	1,203,800	2,876,892	2,630,830
11	Counterpart Financing	1,056,946	809,206	-

Eskom Uganda Limited's Verified Investments for 2019

The Company submitted to the Authority Completed Investments and Non-Core Assets amounting to USD 4,479,090.09 and USD 369,381.00, respectively, for Verification as reflected in Table 17.

The Authority Verified and Approved

USD 4,356,871.85

Non-Core Assets

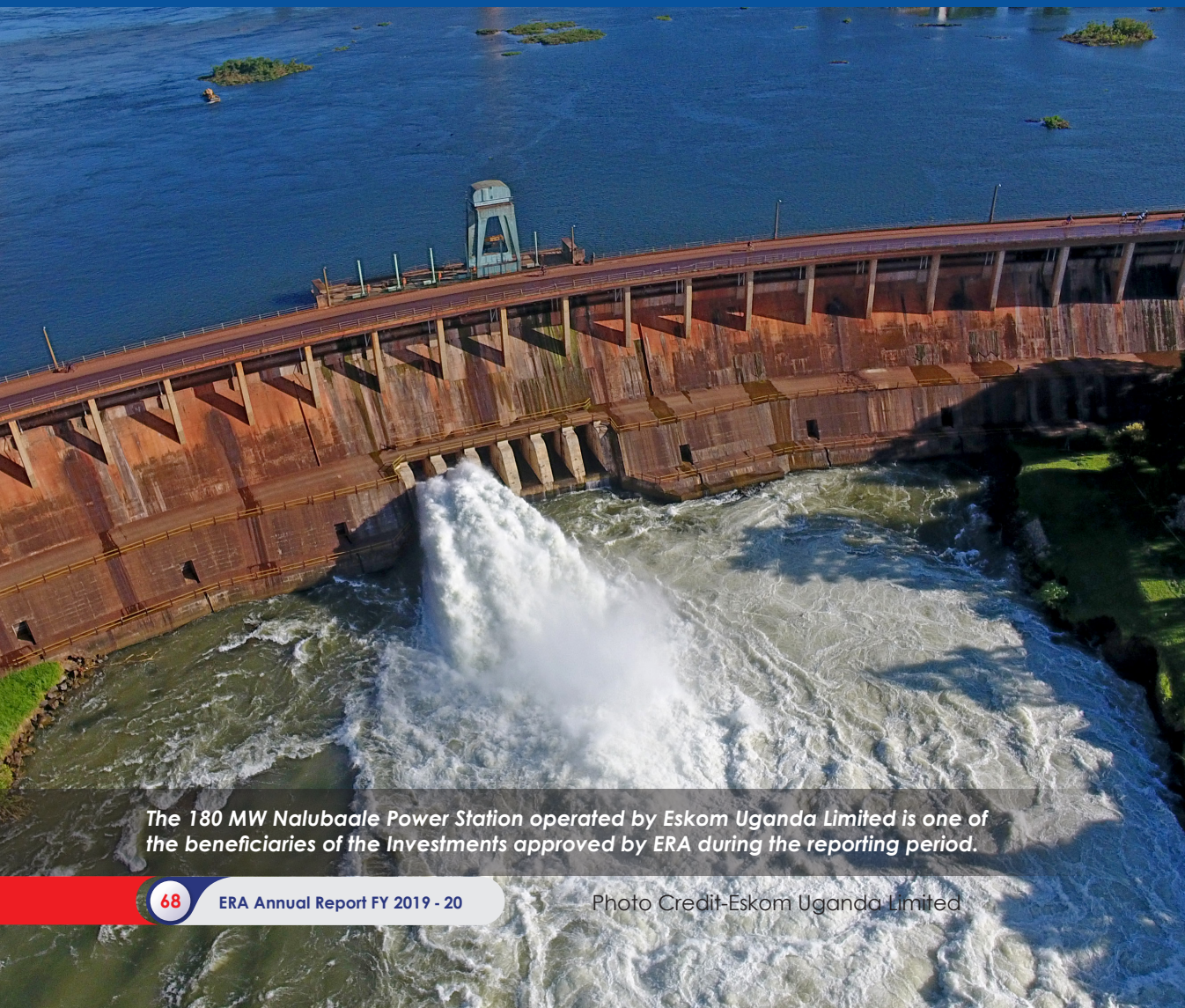
USD 357,588.30

The Authority Verified and Approved USD 4,356,871.85 as Reasonably Incurred Costs for Eskom Uganda Limited's Investments qualifying to Earn a Return on Investment Effective 2020; and USD 357,588.30 for Non-Core Assets under the Generation Operation and Maintenance Costs as shown in Table 17.

Table 17: Eskom Uganda Limited's Submitted and Approved Investments and Non-Core Assets, 2019

Project Completed	Approved Plan (USD)	Submission (USD)	Approved Amount (USD)
Investments			
KPS Units 11,12, 13 Circuit Breaker Upgrade	1,085,469.00	1,090,912.61	1,090,912.61
NPS Hydraulic Governor System Upgrade (1, 4, 6 and 8)	2,088,021	1,440,149.21	1,492,998.85
U6 Excitation System Upgrade	300,000	272,021.51	272,021.51
KPS AC70 Computer Upgrade	300,000	412,067.68	330,000.00
NPS Synchronizing System Upgrade Units 6 and 8	600,000	227,299.38	227,299.38
NPS Underwater Repairs	480,000	465,565.08	465,564.87
Downstream Columns for Units 5 -10	480,000	478,074.64	478,074.64
Battery Charger Replacements (110V and 50V NPS)		93,000.00	-
Sub-Total	**5,333,490**	**4,479,090.00**	**4,356,871.85**

Non-Core Assets			
PBX Upgrade (Private Branch Exchange)	15,098.10	15,239.00	15,239.03
Gate Access Control System Upgrade	10,065.40	10,004.00	10,004.14
Motor Vehicles	85,555.88	78,694.00	78,693.58
Server Room Refurbishment	10,065.40	7,904.00	7,904.30
Furniture	86,752.85	61,655.00	51,414.63
NPS Batteries	60,269.83	60,926.00	58,856.06
KPS Units 14 and 15 Control Gate Headstock Refurbishment	103,344.08	102,827.00	103,344.07
Gantry Crane Painting	32,392.15	32,132.00	32,132.47
Sub-Total	**403,543.68**	**369,381**	**357,588.30**
Grand Total	**5,737,033**	**4,848,471**	**4,714,460.15**



The 180 MW Nalubaale Power Station operated by Eskom Uganda Limited is one of the beneficiaries of the Investments approved by ERA during the reporting period.

Photo Credit-Eskom Uganda Limited

SECTION

07

SUSTAINABILITY REPORT

07 SUSTAINABILITY REPORT

7.1 Environmental Impact on the ESI

In order to Mitigate the possible Adverse Impacts on the Environment caused by the operations of the Electricity Supply Industry, the Authority ensures that all Licensed projects are subjected to Environmental and Social Impact Assessment (ESIA) during the Feasibility Study phase of the projects, in accordance with the National Environment Act, 2019, and the Electricity Act, 1999. The results of the ESIA are considered and approved by NEMA and the mitigation measures proposed are mainstreamed into the License Terms and Conditions for Follow Up and Enforcement of Compliance by ERA.

7.1.1 #Save Murchison Falls

The Electricity Act mandates the Authority to Issue Licenses for the Generation, Transmission, Distribution, or Sale of Electricity. It further requires the Authority to consider the impact of the Proposed Power Projects on the Environment, as guided by the National Environment Act, 2019, Uganda Wildlife Act, 2019, and other relevant Laws on Environment.

During the reporting period, the Electricity Regulatory Authority received a Notice of Intended Application for a Licence from Bonang Power and Energy (Pty) Limited for the development of the proposed 360 MW Uhuru Hydropower Project, adjacent to Murchison Falls along River Nile in Kiryandongo and Nwoya Districts.

The Application was published in the New Vision newspaper dated 7th June 2019, pursuant to Section 30 of the Electricity Act, inviting Directly Affected Parties and Interested Stakeholders to submit representations and/or objections (if any), in respect of the proposed Project/Application. In response, 9,203 (Nine Thousand, Two Hundred and Three) distinct Public Stakeholders and Agencies made representations to ERA through formal communication, traditional media, and social media platforms.

The proposed Project Site - Uhuru is located in the Murchison Falls National Park, and is an Off-Shoot of the Murchison Falls.

Photograph showing Uhuru Falls (left) as being part and parcel of the Murchison Falls (Right).

The Uganda Wildlife Authority describes the Murchison Falls as the Most Powerful Falls in the world, making them a unique iconic feature within the Murchison Falls National Park and the World over. From a Social and Cultural perspective, the uniqueness of the Murchison Falls connects the Two (2) neighboring Kingdoms of Bunyoro-Kitara and Acholi that share a long history that is strongly rooted in the Murchison falls area.

The Uhuru/Murchison Falls area is internationally classified as a Key Biodiversity Area, a Ramsar Site, and a significant scientific research hub and habitat of Plant and Animal species of conservation concern, nationally and globally. In consideration of:

(i) The Uniqueness and iconic nature of Murchison Falls;

(ii) The historical and tourism perspective of the Murchison Falls;

(iii) The Social and Cultural perspective of the Murchison Falls;

(iv) The Conservation of Biodiversity and Research hub nature of the project area; and,

(v) The likely Negative Environmental and Social Impacts anticipated from the dam construction,

The Authority **rejected** the Application by Bonang Power and Energy (Pty) Limited to conduct Feasibility Studies leading to the development and operation of a Hydropower Plant at Uhuru Falls adjacent to Murchison Falls.

7.1.2 The Tree Planting Project

Hydropower contributes over 80% to Uganda's Energy Generation Mix.

Premised on the significant contribution of Hydropower to Electricity Generation in Uganda, coupled with the threat of human activity on river catchment areas, ERA set out to restore 60 (Sixty) Hectares of tree cover in the catchment areas of rivers that host Hydropower Plants/Projects in Four (4) Regions, namely: Northern, West Nile, Central, and Western Uganda.

Undertaken over a Four-Year period as part of ERA's Conservation and Resource Sustainability Strategy, the project that is implemented in partnership with the National Forestry Authority was officially launched on 3rd October 2019 in Ongom Central Forest Reserve in Alebtong District, along the catchment areas of River Achwa in Northern Uganda. The launch run under the theme: "Restoration of Forest Cover for Sustainable Renewable Energy Supply". The Target Central Forest Reserves under this project are as follows:

a) **Ongom Central Forest Reserve** - located in the Northern Region, in the catchment area of River Achwa which hosts One (1) Hydropower Plant and Four (4) Projects with a combined capacity of 135 MW;

b) **Wamale Central Forest Reserve** - located in the Central Region, in the catchment area of River Nile which hosts the 200 MW Kiira HPP, 180 MW Nalubaale HPP, 183 MW Isimba HPP, 600 MW Karuma HPP and 250 MW Bujagali HPP;

c) **Buwaje Central Forest Reserve** - located in the Western Region, in the catchment area of River Buseruka which hosts the 9 MW Buseruka HPP; and,

d) **Laura Central Forest Reserve** - located in the West Nile Region, in the catchment area of River Nyagak which hosts the 3.5 MW and 6.6 MW Nyagak Hydropower Plant and Project, respectively.

Gmeliana arborea

Tectona grandis

The Authority's Tree Planting Project is anticipated to have the following impacts:

a) The planted Trees are expected to contribute to the regeneration of the Forest Cover in the catchment areas of the Target Rivers, which in-turn, will sustain the integrity of the Ecosystem services in the areas and boost the livelihoods of the people/ animals that depend on these River Ecosystems for survival, as well as the Hydropower Plants downstream.

b) The Trees are also expected to support the Water Cycle in the localities of these Riverine Forests and Wetlands such as Okio Stream that feeds into River Achwa. This will lead to sustained water supply for people, plants, and animals thereby supporting the sustainability of the Hydropower Plants constructed on the Target Rivers.

c) The Trees Restored will support the Global Carbon Sequestration System and Mitigate Global Warming for a Clean and Healthy Environment.

7.2 Contribution to Sustainable Economic Growth

Currently, about 51 Percent of Households in Uganda have Access to at least One (1) Source of Energy, with 24 Percent of Households Accessing Electricity through the Grid (National or Mini-Grid). Twenty Seven (27) Percent Access Energy through Off-Grid Sources such as Generators, Rechargeable Batteries, and Solar devices (mostly Solar Lighting Systems or Solar Lanterns).

In order to Grow the Demand for Electricity, the Authority introduced Initiatives such as the Electricity Connections Policy, the Energy Rebate Policy, the Declining Block Tariff, and the Reduction in the Tariff for the Street Lighting category. These initiatives have led to an average Increase in Demand of about 56.9 MW.

7.2.1. The Declining Block Tariff Structure

In January 2020, the Electricity Regulatory Authority introduced the Declining Block Tariff Structure in the determination of Electricity Tariffs. Under this Tariff Structure, the Electricity Consumed by a Customer is categorized into different bands so that for the Units of Electricity Consumed above a given threshold in a Month, the Customer pays a Lower Price per Unit.

The Declining Block Tariff Initiative is, therefore, aimed at enabling Industrial Customers to achieve Lower Marginal Costs of Production, capture bigger markets and, in turn, increase Production. Lower Costs of Electricity will provide a Competitive Edge for Local Manufacturers over Foreign Competition through Increased Exports and Import Substitution.

7.2.2 Street Lighting Tariffs

The Authority in 2019 Approved the Downward Adjustment of the Tariff for the Street Lighting Customer Category, as an avenue to Grow Demand for Electricity, Corporate Social Responsibility, and enhancement of Safety of Persons and Property through facilitating proper Lighting of Streets.

7.2.3 The Electricity Connections Policy

In August 2018, the Government of Uganda launched the Electricity Connections Policy as a measure to Accelerate Access to Electricity (Clean Energy), and thereby Increase the Number of Customers Connected to Electricity Supply. The Policy that is effective for a Ten-Year period (2018 – 2027) was rolled out in November 2018, with a target to grow the Customer Base for Electricity Consumption by 300,000 per year.

By June 2020, a total of

279,001

Connections had been made under the ECP

The implementation of the Electricity Connections Policy is coordinated by the Rural Electrification Agency. A prospective beneficiary must reside within 30 – 90 meters of a Distribution Network, and require either "No Pole" or "only One (1) Pole" to get connected to Electricity Supply. All the beneficiaries under this Policy are required to meet the cost of Electrical Installation at their premises, as well as the Fees for Inspection to ascertain the Quality of Internal Wiring undertaken before Connection.

Since the ECP was rolled out, the Electricity Regulatory Authority has Supervised and Monitored its implementation by the ERA-Licensed Power Distribution Companies to ensure Quality of Service and Efficiency of the Connection Process.

By June 2020, a total of 279,001 Connections had been made under the ECP, with 88.2% of the Connections made by Umeme Limited. This performance, in comparison with the Annual Minimum Target of 300,000 Connections, was partly due to constrained supply of Connection materials and the effects of the COVID-19 Pandemic.

Table 18: Connections Made under the ECP as at June 2020

No.	Distribution Utility	November - December 2018	January - December 2019	January - June2020	Sub-Total	Contribution
1	Umeme Limited	14,294	176,519	55,290	246,103	**88.2%**
2	UEDCL	1,629	12,747	7,062	21,438	**7.7%**
3	KRECS	767	2,029	938	3,734	**1.3%**
4	WENRECo	117	1,780	1,026	2,923	**1.0%**
5	KIL	380	1,633	612	2,625	**0.9%**
6	KIS	49	731	238	1,018	**0.4%**
7	BECS	44	336	362	742	**0.3%**
8	PACMECS	4	285	129	418	**0.1%**
Total		**17,284**	**196,060**	**65,657**	**279,001**	**100.0%**

Lessons Learnt in Implementing the ECP

During the implementation of the Electricity Connections Policy, various lessons have been learnt, including the following:

a) In the original design of the ECP, the Licensees were required to Pre-Finance the Connections, while the Rural Electrification Agency reimbursed the Utilities after Verification of the Connections made. However, due to overwhelming numbers of applications for Connection, the Utilities were not able to Pre-Finance the Connections.

b) There was Delayed Reimbursement of Connection Costs for the Utilities by the Rural Electrification Agency, attributed to the lengthy process of Verification of Connections by the Independent Verification Agency (IVA).

c) Lack of materials for Electricity Connection was a major hindrance to the implementation of the ECP, attributed to the overwhelming number of applications for New Connections under the ECP. There were also challenges in the Supply Chain and delayed Verification of Meters, resulting into Connection Backlog for the Licensees.

Harnessing the Lessons Learnt to Improve the Implementation of the ECP

In order to improve the implementation of the Electricity Connections Policy, the Authority capitalized on the aforementioned Lessons Learnt as follows:

a) In line with its mandate, the Electricity Regulatory Authority Timely Approved Connection Costs to enable the Pre-Financing of Distribution Utilities for execution of the connections ahead of Re-Imbursement of the Connection Costs by the Rural Electrification Agency.

b) With funding from the World Bank, ERA procured Meter Test equipment worth USD 1 Million for use by the Uganda National Bureau of Standards in

the Testing of New Electricity Meters as well as the Meters already installed on the Distribution Network. The equipment with the capacity to test up to 5,000 Meters per day was delivered at UNBS on 5th February 2020; and will increase the Standards Regulatory Body's capacity to Timely Verify Meters.

c) The Authority established Technical and Strategic Meetings to Timely address the challenges of implementing the ECP. The Technical Coordinators' Meetings were held Monthly at ERA to address the Operational issues regarding the ECP, while the Strategic Management Meetings were held Quarterly to address the Strategic issues impacting the ECP.

d) The Authority launched the World Bank-funded "PawaKapo" campaign to scale up the number of Electricians from 1,500 to 2,500 by the end of 2020.

7.3 Stakeholder Management

In fulfilling its mandate as provided for by the Electricity Act, 1999, the Authority regularly interfaces with and seeks to meet the needs of an array of stakeholders. In the FY 2019/20, ERA continued to implement the Stakeholder Management Framework, which enabled the stakeholders to participate in the Regulatory Decision-Making process. The Stakeholder-Focused Initiatives undertaken by the Authority in the review period, as guided by the Stakeholder Engagement Framework, are highlighted:

Stakeholders at a Public Hearing organized by ERA.

Public Hearings

As part of the efforts to involve stakeholders in ERA's Decision-Making process, the Authority held Public Hearings in respect to the following:

a) Applications by Umeme Limited, UETCL, UEDCL, UEGCL and Eskom Uganda Limited for the Annual 2020 Tariff Review, 6th December 2019, Kampala.

b) Applications by WeLight Limited for Certificates of License Exemption for the development of the proposed Mini-Grid Projects in Isingiro and Rakai Districts, 28th November – 2nd December, 2019.

c) Applications by Winch Energy Limited for Certificates of License Exemption for the development of the proposed Mini-Grid Projects in Lamwo District, 28th - 29th November, 2019.

d) Applications by the Uganda Energy Credit Capitalization Company (UECCC) for Licenses to Construct, Generate and Sell Electricity from the Nine (9) proposed Power Plants in Hoima, Bunyanghabu, Kabarole, Kasese, Mitooma, Bushenyi and Bundibugyo Districts, held between 14th – 18th October 2019, in the respective Districts.

e) Application by UETCL for Renewal of the Licenses for Bulk Power Supply, High Voltage Transmission Grid, Power Export and Import, and System Operator to provide for New Tariff Performance Targets for the period January 2020 to December 2022, held on 10th October 2019, Kampala.

f) Application by Umeme Limited for the Modification of the Power Supply Electricity License No. 048 to provide for New Tariff Performance Targets for the period 2019 to 2025, held on 16th August 2019, Kampala.

Public Outreach

During the review period, the Authority carried out or participated in various activities in different parts of Uganda, as means of Educating the Public on the pertinent issues relating to the Electricity Supply Industry as follows:

a) ERA championed the development and execution of the PawaKapo Media Campaign that targets to grow the number of Certified Electricians for Installation Permit Classes C and D, and to encourage consumers to use the services of Certified Electricians for electrical installation in homes and business premises. The campaign was

executed through different touch points across the Country. These included PawaKapo Commercials on 15 (Fifteen) Radio Stations - Radio Pacis Arua, Radio One, Radio Wa Lira, Radio Buddu, Voice of Teso, Voice of Kigezi, Voice of Tooro, Rukungiri FM, Open Gate FM Mbale, CBS FM, Galaxy FM, Capital FM, Beat FM, King FM Masindi, and B-FM Bushenyi. There were also Newspaper Advertisements, Billboards, Road Shows, and Digital Media messaging. The Authority further hosted Townhall Awareness Meetings on the PawaKapo Campaign for Students (prospective beneficiaries) in the Technical Colleges of Mbale, Lira, Arua, and Masindi Districts. The Students of Elgon Technical College Mbale, Lira Technical College, Arua Technical College, and Kyema Technical College Masindi participated in the meetings.

b) The Authority utilized the Free Airtime allocated by the Government of Uganda through the Office of the Prime Minister to reach out to Electricity Consumers using Radio and Television. In this respect, ERA featured on 14 (Fourteen) Talk Shows on Record TV, Channel 44, NTV, BBS TV, UBC Radio, CBS Radio, Akaboozi, Prime Radio, Innerman Radio, Radio Maria, Namirembe FM, Radio Bilal, Radio Sapientia, and Radio Buddu. The Talk Shows were useful avenues for informing the public about the key developments in the Electricity Supply Industry and the Rights and Obligations of Electricity Consumers.

c) The Authority held several engagements with the Uganda Manufacturers Association relating to the Electricity Tariffs and Reliability of Power Supply. The Authority also participated in the UMA Eastern Region Workshop held on 12th March, 2020, at the Source of the Nile Hotel, Jinja.

d) The Authority participated in the 16th Edition of the Annual Energy and Minerals Week Exhibition at the KCCA Grounds Lugogo, Amber House and the Pearl of Africa Hotel, from 25th to 27th September 2019 under the theme "Sustainable Power Development for Industrialization". Through the Energy Week activities, ERA created awareness about the Electricity Supply Industry, promoted interaction and dialogue with Consumers, and responded to the concerns raised by the Public as a channel to strengthen Consumer Protection.

e) In August 2019, the Authority conducted Consumer Education and Awareness Meetings in Namayingo District. These meetings provided audience to over 250 (Two Hundred and Fifty) Electricity Consumers to express their concerns relating to Power Supply, as well as the opportunity to learn about the Electricity Supply Industry and the important issues therein.

f) In February 2020, the Authority hosted the Inaugural Workshop for the Companies that possess the Installations Permit Class X as issued by ERA, at the Golf Course Hotel, Kampala. The purpose of the workshop was to sensitize the Installations Permit Holders for Class X about the Regulations governing their work. The forum provided a platform for ERA and the Company Permit Holders to deliberate on issues that positively contribute towards achieving the Government of Uganda's aspiration of Accelerating Access to Clean, Reliable and Affordable Energy sources.

g) The Authority participated in the Kyegegwa Youth and Women Conference held in December 2019; and engaged the Electricity Consumers in the KRECS Concession, empowering them to demand for Quality Service from their Distribution Utility.

h) The Authority timely updated the ERA Website with information of both Statutory and Non-Statutory nature. This included News stories, Performance Reports, Public Hearing Reports, Tariff Schedules, Policies, Notices, Employment Opportunities, Images, and Graphics. The Authority also regularly updated its Social Media Platforms – Facebook, YouTube, Twitter, and WhatsApp to provide the stakeholders with Quality and Timely Information on the Electricity Supply Industry.

The ERA Chief Executive Officer on a Courtesy Visit to BBS Television.

Consumer Protection

The Electricity Act, 1999, gives ERA the Mandate to handle Electricity-related Complaints with emphasis on Efficiency, Effectiveness, Objectivity, Fairness, Consistency, and Transparency.

In the FY 2019/20, the Authority received 612 Complaints, of which 554 Complaints (90.5%) were Resolved, while 58 Complaints (9.5%) were Pending Resolution by the end of the review period. The trend of Complaints Resolution by the Authority in the previous periods is illustrated in Figure 18.

The Number of Complaints registered by the Authority increased from 395 in FY 2018/19 to 612 in FY 2019/20. This increase was mainly attributed to delayed New Connections due to the challenges associated with the implementation of the Electricity Connections Policy, some of which have since been resolved, and generally the effects of the National Lockdown due to the COVID-19 Pandemic.

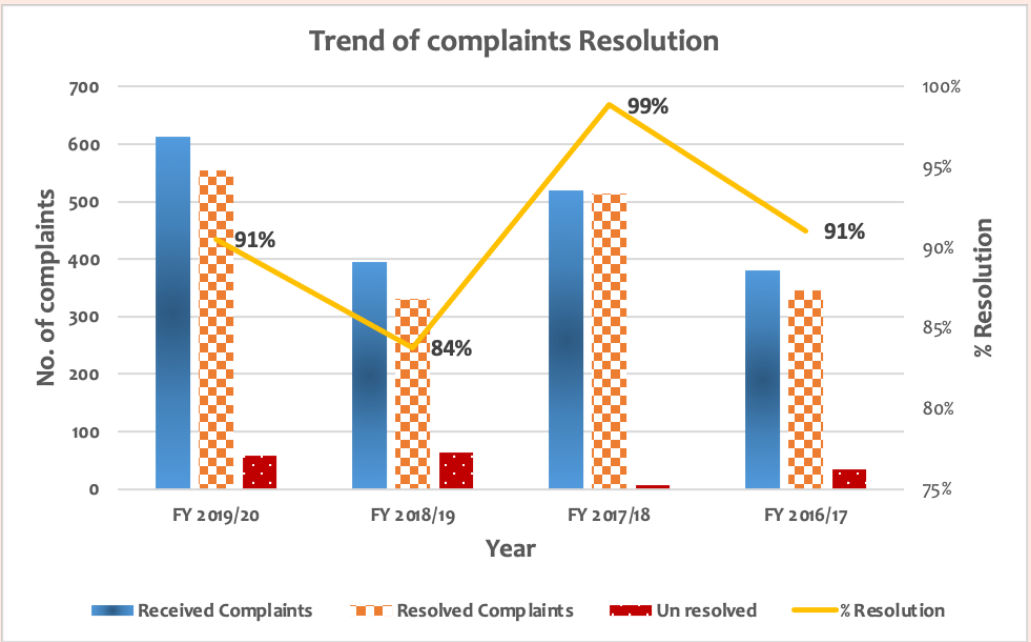


Figure 18: Complaints Resolutions

Complaints Received Per Category

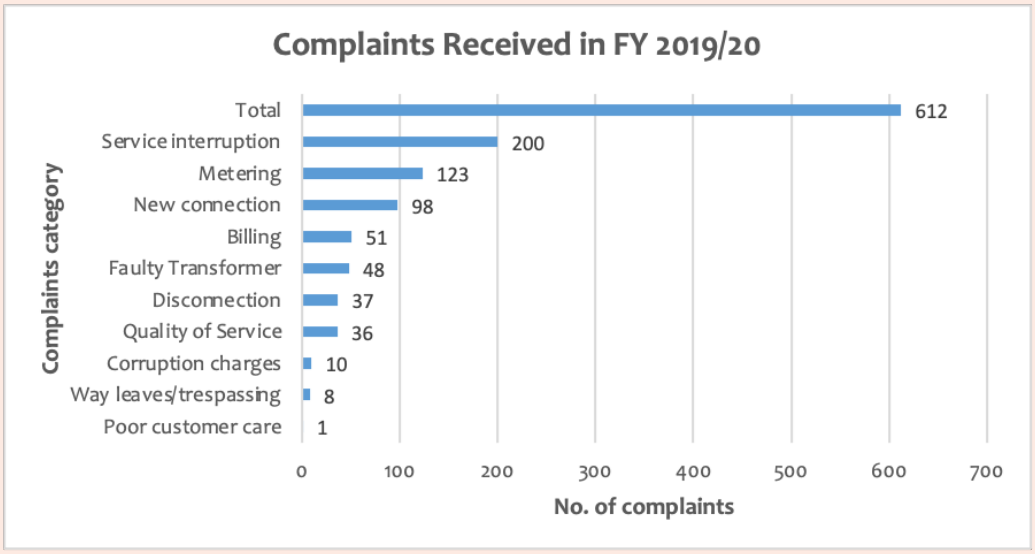


Figure 19: Complaints Received Per Category

7.4 Interaction with the Market

In undertaking its responsibilities, the Authority carries out various Procurements of Goods and Services, guided by Section 58 (2) of the Public Procurement and Disposal of Public Assets (PPDA) Act, 2003. This section provides that a Procuring and Disposing Entity (PDE) shall plan its Procurements and Disposals in a rational manner. During the reporting period, ERA prepared and executed its Annual Procurement and Disposal Plans accordingly to ensure Value for Money, and Maximize Competition, Transparency, Fairness, and Efficiency in all its procurements.

The Electricity Regulatory Authority approved the Procurement Plan for the Financial Year 2019/20 amounting to UGX 3,973,801,464**.** It further completed 380 Procurement transactions in the categories of Works, Supplies and Services, out of which 171 were Macro Procurements, and 209 Micro Procurements.

The Authority sourced for Goods and Services using the relevant Procurement Methods, as informed by the provisions of the PPDA Act and attendant Regulations. ERA has Prequalified Service Providers for Goods and Services; the list of these is updated after every Three (3) Years. The details can be accessed on the ERA Website: **http://www.era.or.ug.**

7.5 Corporate Social Responsibility

In the FY 2019/20, the Authority implemented Two (2) main Corporate Social Responsibility Projects as highlighted:

7.5.1 The Tree Planting Project

The Authority's Tree Planting Project launched in October 2019, in Ongom Central Forest Reserve in Alebtong District has been expounded under Section 7.1.2.

7.5.2 The Women in Energy Project

Under the review period, the Authority implemented the Second phase of the Women in Energy Project, launched by the Minister of Energy and Mineral Development, Hon. Dr. Kitutu Kimono Goretti Mary, on 13th March 2020 in Tororo District. This phase of the project covered Eight (8) Schools in the Districts of Kumi, Mbale, Tororo, Manafwa, Dokolo, Kaberamaido, Kamwenge and Ibanda.

Women from Institutions within the Energy Sector, including the Ministry of Energy and Mineral Development, Eskom Uganda Limited, Umeme Limited, the Rural Electrification Agency, and the Electricity Regulatory Authority participated in the project.

Through this project, the Authority targets to inspire the young female generation to stay in school, make more informed career decisions, and prioritize Science subjects in order to benefit from the tremendous opportunities that the Energy Sector presents.

7.6 Human Resources and Administration

During the review period, the Chief Executive Officer continued to head the ERA Secretariat, and was responsible for the day-to-day management of the affairs of the Authority and implementation of the Decisions of the Board.

7.6.1 Training of Staff

The Authority Trains its Staff from time to time in order to enable them effectively deliver on ERA's Mandate. By the end of FY 2019/20, 100% of the Staff Compliment had been exposed to National, Regional and International Training, Conferences and Workshops in the following areas:

a) Management of Power Sector Reform and Regulation

b) Risk Management

c) Leadership, Communication and Interpersonal Skills

d) Regulating Quality of Service, Compliance Monitoring and Enforcement

e) Lead Implementation of ISO: 9001

f) Public-Private Infrastructure Finance

g) Records Management

h) Media Skills

i) Strategic Management

j) Executive Chauffeuring

7.6.2 Staff Recruitment in FY 2019/20

During the Financial Year 2019/20, the Authority enhanced its Staff Compliment through the Recruitment of 6 (Six) Staff, as listed:

Table 19: New Recruitments in FY 2019/20

No.	Position	Effective date	Department
1	Manager Planning and Investments	7th August 2019	Technical Regulation
2	Manager Human Resources and Administration	7th August 2019	Human Resources
3	Manager Financial Services	19th June 2020	Financial Services
4	Legal Officer - Licensing	1st June 2020	Legal
5	Senior Risk Analyst	8th June 2020	Internal Audit
6	Network Planning Officer	1st June 2020	Technical Regulation

7.6.3 Staff Compliment in FY 2019/20

During the review period, the Authority had a Total Staff Compliment of 63 (Sixty Three), against the approved Organizational Structure of 89 (Eighty Nine), thus representing 71%, as illustrated in Figure 20.

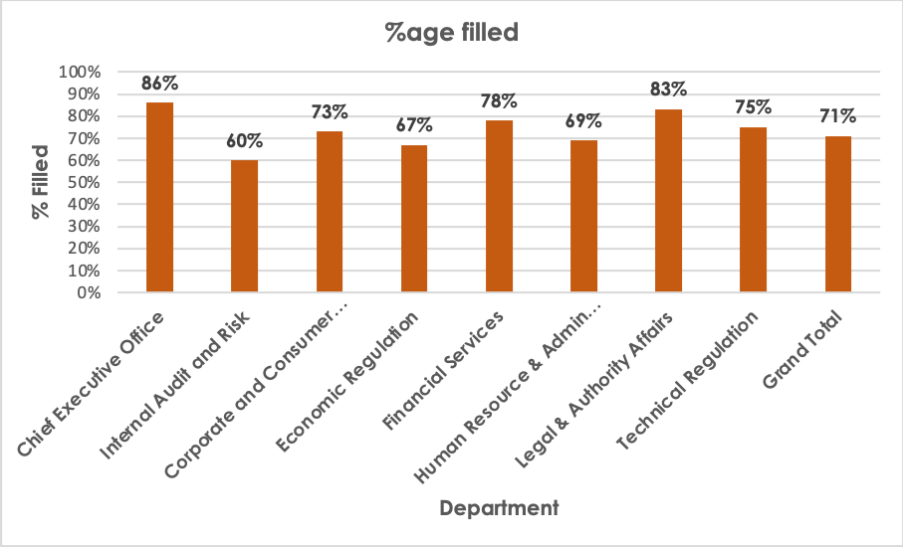


Figure 20: Staff Compliment in FY 2019/20

7.6.4 Staff Diversity and Ethnicity

The Authority is committed to ensuring Openness, Transparency, and Equal Opportunity in its Recruitment Process. All Employees have the same rights and are treated in the same manner without prejudice to race, tribe, religion, disability, sex/ gender, or any other protected status. In the FY 2019/20, the Authority had 21 (Twenty One) Female and 42 (Forty Two) Male Staff out of the Total Staff Compliment of 63 (Sixty Three), as illustrated in Figure 21.

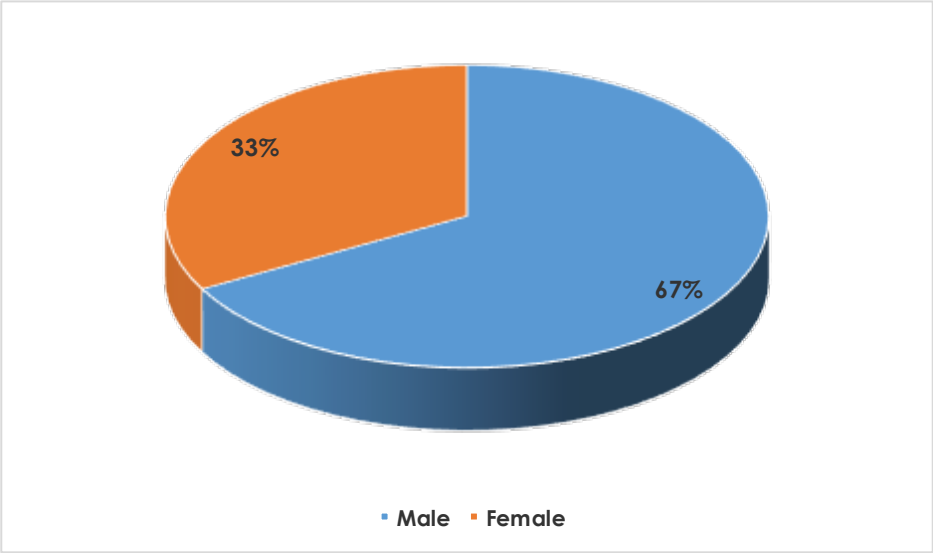


Figure 21: ERA Staff Diversity

7.6.5 Promotions

The Authority continues to implement its Recruitment and Retention Policy, with the aim of maintaining a High Caliber of Staff that can effectively deliver on ERA's Mandate. As shown in Table 20, Seven (7) Staff were Promoted based on their Performance Appraisals for the Financial Year 2019/20.

Table 20: Staff Promotions in FY 2019/20

No.	Former Position	New Position	Effective Date
1	Secretary	Senior Secretary	1st August 2020
2	Corporate Planning, Monitoring and Evaluation Officer	Senior Corporate Planning, Monitoring and Evaluation Officer	1st August 2020
3	Statistician	Senior Statistician	1st August 2020
4	Procurement Officer	Senior Procurement Officer	1st August 2020

5	Economist - Competition and Monitoring	Senior Economist - Competition and Monitoring	1st August 2020
6	Financial Analyst	Senior Financial Analyst	1st August 2020
7	Environmental Officer	Senior Environmental Officer	1st August 2020

7.6.6 Succession Planning

The Authority believes in mentoring its Staff for effective implementation of the ERA Succession Planning Policy. In the period under review, Seven (7) Staff progressed through the Authority's Human Resource Hierarchy after emerging as the Best Evaluated candidates for the different positions, as highlighted.

Table 21: Succession Planning Policy Implementation

No.	Former Position	New Position
1	Manager Communication	Director Corporate and Consumer Affairs
2	Principal Planning and Investments Officer	Manager Planning and Investments
3	Principal Human Resource Officer	Manager Human Resources and Administration
4	Principal Management Accountant	Manager Financial Services
5	Principal Financial Analyst	Manager Regulatory Finance
6	Principal Registry and Information Officer	Manager Registry and Information Services
7	Principal Research and Planning Officer	Manager Research and Planning

7.6.7 The ERA Remuneration Policy

The Authority's Remuneration Policy aims to Attract and Retain a Motivated, Competent Workforce, with Competitive and Attractive Remuneration packages that draw Suitably Qualified Personnel from the market. The packages are based on Comprehensive, Unambiguous, and Transparent systems that are Fair, Non-Discriminatory, 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.

7.6.8 Staff Resignations

For the period under review, Three (3) Staff – the Manager Regulatory Finance, Senior Legal Officer – Licensing and Principal Stakeholder Engagement Officer resigned from the services of the Authority.

7.6.9 Staff Welfare

The Authority is aware of the need for Work-Life Balance by Staff; and appreciates that Family Well-being impacts Productivity of Staff. In order to facilitate the attainment of this much needed balance, the Authority contracted Family Life Network to provide Counselling Services and Interactions with Staff on different topics of a Social nature. Due to the COVID-19 Pandemic, these interactions with Staff were held virtually through Zoom.

During the review period, the Authority organized the Annual Wellness Day facilitated by Dr. Paul Kasenene of Wellcare Health and Wellness. The Authority Staff were Sensitized on healthy living and general Health check-ups, Deworming and Immunization were also done.

A healthy work force is essential for work productivity and value creation. In light of this, the Authority has continued to provide a Medical Insurance scheme that benefits ERA Staff and their eligible family dependants.

The outbreak of the COVID-19 Pandemic affected other Staff Welfare activities such as the Annual Staff Retreat and use of Health Clubs for Gymnastics, Aerobics, and Sports, among other services.

7.7 Awards and Recognitions

The Electricity Regulatory Index, 2019

Uganda's Electricity Regulatory Framework was for the Second time in a row ranked No. 1 in the Electricity Regulatory Index (ERI) for Africa, released by the African Development Bank in November 2019.

Thirty Four (34) African Countries participated in the Index. Uganda, Tanzania, Kenya, Algeria and Rwanda were the top Five (5) performing Countries, indicating well-developed Electricity Regulatory Frameworks that are implemented effectively. Uganda achieved the Highest Electricity Index Score at 0.748 Vis-a-Vis the Lowest at 0.267 achieved by Liberia.

The ERI is a composite Index that measures the level of development in the Electricity Sector Regulatory Frameworks in African Countries against International Standards and Best Practice. The Index measures Three (3) Sub-Indices, namely: Regulatory Governance, Regulatory Substance, and Regulatory Outcome.

The aspect that stood out for Uganda was the formulation and implementation of the Quality of Service and Supply Standards which enable Electricity

Distribution Companies to offer Quality Electricity Services to Electricity Consumers.

The Index noted critical areas of improvement relating to the consistent application and implementation of Regulations and improved Institutional Capacity to support Sector performance, in order to drive improvements in Electricity Access and the Quality of Supply in all Countries.

The Financial Reporting (FiRe) Awards

The Authority emerged the First Runner-Up in the 2019 Edition of the Financial Reporting Awards, under the Regulatory Bodies and Associations Category. This was the Third time that ERA participated in the FiRe Awards, having emerged the Winner in 2017 and 2018.

7.8 Capital Development (The New ERA House)

The Authority is currently Constructing New Office premises at Plot 5C-1 Lugogo, Industrial Area to cater for the space requirements of the growing Staff Population. The Construction works are being undertaken by Roko Construction Limited, under the Supervision of M/S Arch Tech Consults (U) Limited, the ERA Consultant.

The Construction works are at 84% and the project is expected to be completed by 31st December 2020.

7.9 Strategic Outlook

7.9.1 Strategic Considerations

In order to effectively deliver on its Mandate, ERA developed a Ten-Year Strategic Plan covering the period 2014/15 to 2023/24. The Strategic Plan is being implemented 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 another Three-Year Business Plan for the period 2017/18 to 2019/20 was developed, and its Implementation ends within the review period.

7.9.2 Key Trends Affecting ERA

In formulating the ERA Three-Year Business Plan for the period 2017/18 to 2019/20, the Authority identified the Key Trends that were expected to greatly influence the ESI over the Three-Year period. Table 22 highlights the Key Trends identified.

Table 22: Key Trends Expected to Affect ERA

Key Trend	What it Means for ERA	ERA's Strategic Response
Global Drive to Renewable Energy	Optimize the Energy Mix to focus on Renewable Energy among other Sources of Electricity 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 Industry Effectiveness and reduce Industry Costs along the whole Value Chain.	Improve Industry Efficiencies, increase Access and Demand, Optimize Industry Costs.
Amendment of the Electricity Act, 1999	Changes in the Legal and Regulatory Framework. Increased Institutional Revenues.	Increase Engagement with Government to enable Favorable Legal Framework.
Increased Industry Investments – Karuma and Isimba HPPs	Risk of Un-Utilized Plant Capacity. Increased Industry Costs.	Accelerate Access to Electricity and Grow Industrial Demand for Electricity.
Electricity Access – Government's Commitment to increase the Access Rate to 30% by 2020	Increased Industry 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 and Regulatory Framework to Promote Access to Electricity.
Changing Customer Expectations – High Quality of Service	Focus on Industry Efficiencies and Strengthen the Monitoring and Compliance Framework.	Focus on Reliable Power Supply and Quality of Service.

7.9.3 ERA's Strategic Outlook for the Next Five Years

The Authority developed a New Five-Year Strategic Plan, covering the period 2020/21 to 2024/25, which is aligned to the Key Priorities of the Government of Uganda as set out in the Vision 2040, the Third National Development Plan (NDP III) and other Policy Documents.

For the next Five (5) Years to 2025, the implementation of ERA's Strategy will be underpinned by our Strategic Theme ***"Reliable and Affordable Electricity Supply for Socio-Economic Transformation".*** To be able to achieve our Winning Aspiration, the New Strategic Plan focuses on Three (3) Core Areas and Three (3) Enabling Areas, as indicated:

Core Focus Areas/Organizational Priorities

a) Affordable Tariffs.

b) Accelerate Electricity Access and Grow Demand.

c) Reliable Power Supply and improved Quality of Service.

Enabling Focus Areas

d) Stakeholder Management.

e) Strong Governance, Risk and Compliance Management.

f) People, Processes and Tools for Institutional Sustainability.

The Authority has defined the Target Strategic Partners, Playing Field, Pillars, Capabilities, and Systems needed to Win, as defined in the ERA Five-Year (2020/21 to 2024/25) Strategic Outlook.

7.9.4 ERA's Performance Aspirations

The Authority's Summary Performance for FY 2019/20, based on the Key Performance Indicators and the Set Targets reflected in the detailed Balanced Score Card in the Three-Year Business Plan (whose implementation ends in the review period) is indicated in Table 23.

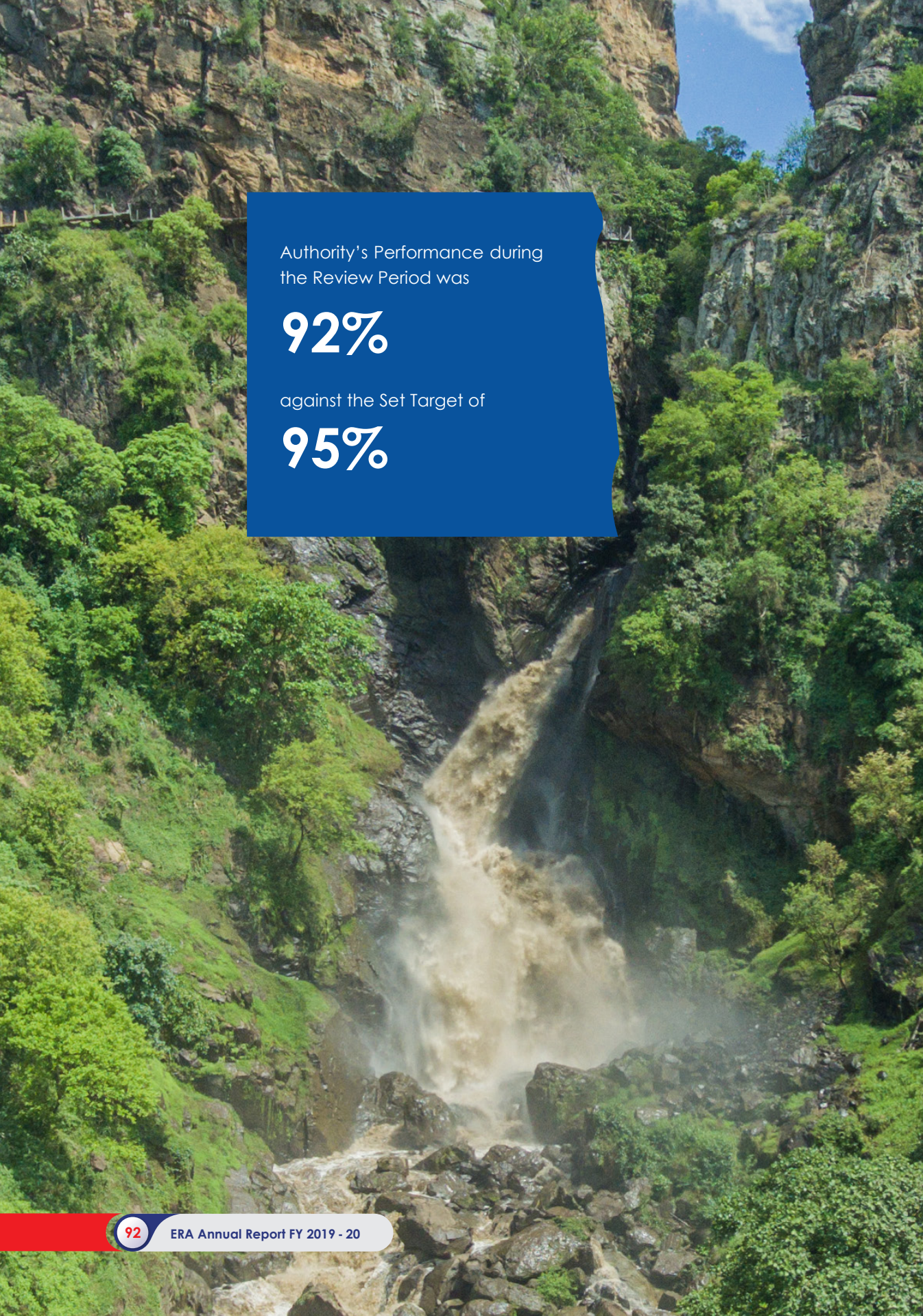
Table 23: Summary Authority Performance for FY 2019/20

Pillar/Focus Area	Performance Area/ Outcome	Measure	Actual Achieved FY 2019/20	Performance Target for FY 2020/21
1.Affordable Tariffs	Reduced Weighted Average End-User Electricity Tariffs across Customer categories	Ush/Kwh	497.2	2% reduction

Pillar/Focus Area	Performance Area/ Outcome	Measure	Actual Achieved FY 2019/20	Performance Target for FY 2020/21
2. Reliability and Quality of Service	Reduce the Duration of Interruptions per Customer per Year	System Average Interruption Duration Index (SAIDI)	191	86.57
	Reduce the Frequency of Interruptions per Customer per Year	System Average Interruption Frequency Index (SAIFI)	86.0	82
	Increase Compliance with the Quality of Service Standards	%age Compliance with the Quality of Service Standards	79.0%	81.0%
3. Accelerate Access and Grow Demand	Increase the National Electricity Access Rate	%age of Households with Access to Grid Electricity	24%	27%
	Increase in Customer Connections	No. of Connections	192,034	300,000
	Increase in Generation Capacity	Capacity (MW)	1,254.2	1,952
	Increase Generation of Renewable Energy to mitigate Climate Change	%age of Renewable Energy in the Generation Mix	92%	93%
	Approved Investments on Demand Growth	USD (Million)	25.56	42.39
4. Stakeholder Management and Inter-Agency Collaboration	Improve Management of Stakeholder Expectations	Stakeholder Satisfaction Index	74%	75%
	Improve ERA's Communication with Stakeholders and Brand Awareness	Brand Awareness and Perception Index	64.0%	70.0%
	Improved resolution of customer complaints	% escalated complaints resolved within SOP timelines - 100%	100%	100%

Pillar/Focus Area	Performance Area/ Outcome	Measure	Actual Achieved FY 2019/20	Performance Target for FY 2020/21
5. Strong Governance, Risk and Compliance Management	Improve Regulatory and Corporate Governance effectiveness for ERA	%age of Compliance	75.0%	80.0%
	Monitor and Enforce Compliance of Licensees to the Electricity Act, other relevant Laws, Regulations, Guidelines and License Terms and Conditions	%age compliance	75.0%	80.0%
	Ensure Environmental Sustainability for the Electricity Supply Industry	% Compliance	0%	100%
	Improved Management of Enterprise Risk	%age Implementation of Risk Management Framework	75%	80%
6. People, Processes and Tools for Institutional Sustainability	Fill ERA Structure with Competent Staff	%age of Structure Filled	79.0%	90.0%
	Increase Employee Productivity	%age Completion of Work Plans	85.0%	85.0%
	Increase Employee Satisfaction	%age of Satisfied Employees	85.0%	90.0%
	Financial Sustainability of ERA	Income Cost Ratio >1	>1	>1

Overall, the Authority's Performance during the Review Period was 92% against the Set Target of 95%, based on the Balanced Score Card for the year. The Performance Aspirations and Targets for the next Financial Year are highlighted in Table 23.



Authority's Performance during the Review Period was

92%

against the Set Target of

95%

SECTION

08

RISK MANAGEMENT

08 RISK MANAGEMENT

In April 2019, the Authority adopted the Enterprise Risk Management (ERM) approach of Managing Risks. This integrated approach considers the broad spectrum of Risks across the Organisation; and helps Management and Staff to understand how the Risks interact with one another, and impact the Authority's Objectives.

While Traditional Risk Management focuses primarily on Financial and Hazard Risk, Enterprise Risk Management includes Risks that may impact

Strategy, Operations, Communication, Technology, Finance and Reputation, among others. This makes ERM an attractive vehicle for making Risk-Informed decisions in today's complicated connected World.

The Authority continued to implement its Risk Management Framework, with the purpose of providing Oversight on the Processes of Risk Management within ERA, and giving Practical Guidance for the Management of Risk within the Authority's Departments and Units.

The Authority developed Risk Registers for each Department or Unit, recording all the Significant Risks that could affect ERA's ability to achieve its Business Objectives, and the respective control measures identified. The Authority reviews the Risk Registers on a Quarterly basis to identify Emerging Risks through the decision-making process, for subsequent inclusion in the Registers.

Risk Appetite Statement

As the Electricity Regulatory Authority seeks to achieve its Mandate, it is exposed to Risks that flow from its Strategy, Tactics, Operations, Compliance processes, and the Environment in which it operates. Accordingly, the Authority developed a Risk Appetite Statement, which is a high level statement that broadly considers the Level of Risk that the Authority deems acceptable for its operations; and defines the extent of Risk that ERA is willing to take.

The Risk Appetite Statement that will be applied by the Authority to inform decisions on Risk Management establishes ERA's willingness to take on risk in Nine (9) categories as highlighted:

(i) **Regulatory Risk** – The Risk that Ineffective Regulatory Signals impair the Electricity Supply Industry's Compliance with ERA's Directives. This Risk covers both the Quality of the Regulatory Signals employed by the Authority and their Enforceability.

(ii) **People Risk** – The Risk that Use of Resources and Employment Practices do not align with the Authority's Mission and Strategic Objectives. This Risk includes People Management and is a function of Hiring, Training, Retention, Career and Leadership Development, Succession Planning, Performance Management, and Compensation. The People Risk also includes Compliance with relevant Employment Laws and Workplace Safety Laws and Regulations.

(iii) **Strategic Risk** – The Risk that the Authority's Strategy selection, prioritization, and implementation jeopardize the achievement of ERA's Goals and Objectives. Strategic Risk is a function of Business Decisions, the Execution of those decisions, and the Resources deployed against Strategies. Strategic Risk also includes responsiveness to changes in the Internal and External operating environment. Proper Management of Strategic Risk is critical to ensure ERA's Relevance and Effectiveness.

(iv) **Reputation Risk** – The Risk that Negative Perception jeopardizes ERA's Credibility, achievement of the Mission and Strategic

Objectives, or ability to maintain the Authority as a Centre of Regulatory Excellence. Reputation Risk is inherent in all ERA's activities and encompasses factors such as Regulatory Capture, Employee Conduct, Human Resource Practices, Legal, Licensing, and Policy Decisions, Fiscal Responsibility, and Information Security.

(v) **Technology Risk** – The Risk that Information Technology Processes, Security, Stability, Capacity, and Performance jeopardize Core Regulatory Operations. This risk is a function of the Resilience of the Authority's Technology Infrastructure against External Threats and Business Resiliency Planning and Execution. The Technology Risk includes the capability of Systems to meet the Demands of Users and support ERA Staff with Reliable ICT systems.

(vi) **Operational Risk** – The Risk that People, Processes, Systems or External Events impede ERA's ability to meet its Strategic Objectives. This Risk is a function of Internal Controls, Employee Conduct, Process Efficiency, Physical Security, and Business Continuity Planning.

(vii) **Legal Risk** – The Risk that the Authority does not fulfill its obligations under the applicable Law and Regulations; or has gaps in Mission-critical functions to Supervise, License, and Maintain a Sound Electricity Supply Industry. Legal Risk is inherent in all the Authority's activities and decisions; and encompasses factors such as Supervision, Licensing, and Policy Decisions. It also encompasses Enforcement Actions; Employee Conduct; Human Resource Practices; Contractual Obligations; and Regulation Development and Interpretation.

(viii) **External Risk** – The Risk that Political, Geo-Political, or External Stakeholder Events affect the Authority's ability to achieve its Strategic Objectives. This includes Legislative, Regulatory, and Industry Changes and Domestic and International Issues.

(ix) **Financial Risk** – The Risk that the Authority's Financial Resources will be impaired because of Adverse Economic Conditions, Reduction in the Assets under Supervision, Inefficient Resource Utilization, or Increasing Expenditures, reducing the ability to successfully complete the Authority's Mission. This Risk is also a function of Financial Management, Internal Controls, and Reporting.

Risk Management at ERA is everyone's Responsibility, from the Board to Individual Employees and Stakeholders. Each party is expected to Understand, Identify the Risks that fall within their Areas of Responsibility, and Manage these Risks within the Acceptable Risk Appetite.

The Authority is Committed to Consistently Implementing its Risk Management Framework 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.

From the Authority's Risk Register, the Key Risks and corresponding Mitigation Measures highlighted in Table 24 were identified:

Table 24: Key Authority Risks and Mitigation Actions

Risk Description	Probable Root Cause	Mitigation Action
Failure to Evacuate the contracted Generation Capacity under the Power Purchase Agreements.	Inadequate Finances to Invest in the required Transmission and Distribution Infrastructure.	Participation in Sector Planning Meetings to Improve Coordination for Timely Commissioning of Power Plants.
Unpaid Energy Bills (especially by Government Ministries, Departments, and Agencies).	Inappropriate Prioritization of Expenditures.	Engagement of Government Ministries, Departments, and Agencies, through the Ministry of Finance, Planning and Economic Development.
Depreciation of the Uganda Shilling against the United States Dollar.	Increased Demand for the United States Dollar - Foreign Direct Investment Outflows.	UETCL to implement Hedging Mechanism to Manage the Risk associated with Foreign Exchange Exposure of the ESI.
Inadequate Demand for Electricity in Uganda.	Low Per Capita Income of Ugandans, Inadequate Infrastructure for Transmission and Distribution of Electricity.	Least Cost Generation Plan Approved Investments to Unlock Demand. Support and Monitoring Implementation of the "Charcoal to Power" Project, the Energy Rebate Policy, and the Electricity Connections Policy.
Influence of Regulatory Processes and Decisions by External Factors/Actors, such as Investors/Licensees, Development Agencies, and the Public.	Disregard of Legal and Procedural Requirements.	Promotion of Transparency through Publication of Authority Decisions and Involvement of Stakeholders in ERA's Decision-Making.
Political Influence over Regulatory Processes and Decisions.	(i)Over-involvement of Political Figures in Regulatory Matters; (ii) Conflicting National priorities; and, (iii) Corruption.	Submission of ESI Performance Reports and advice to the Line Minister on required Policies.

Risk Description	Probable Root Cause	Mitigation Action
Change in Market Structure to merge ERA with other Government Ministries, Departments or Agencies.	Government's effort to Optimize Resources.	Stakeholder Involvement in the Decision-Making Processes. Sharing the Achievements of the Liberalized ESI.
Damage to Mental, Physical, Emotional, and Spiritual Well-being of ERA Staff.	Failure/Lack of Commitment by Staff to utilize the available Wellness Facilities.	Timely Payment for Medical/Wellness Services. Management leading by example in utilizing the Wellness Facilities.

SECTION

09

FINANCIAL PERFORMANCE

09 FINANCIAL PERFORMANCE

The financial performance of the Authority was prepared in accordance with Generally Accepted Accounting Practices (GAAP) as required by Section 51 (3) of the Public Finance Management Act, 2015 and in compliance with the Electricity Act, 1999, Cap 145. The financial statements show a true and fair view of all the revenues and expenditures of the Authority for the financial year ended June 2017. There were no departures from the International Financial Reporting Standards (IFRSs) or International Accounting Standards (IAS) used in the preparation and presentation of these financial statements that require disclosure.

The financial outlook of ERA in the Financial Year 2019/20 aimed at continuing to grow the institution towards financial sustainability. ERA realized 99.7% of the budgeted revenues against the planned budget, despite a 6% underperformance in generation levy.

In the financial year under review, Seven (7) new generation projects were licensed, namely Rupa wind project, Kigwabya HPP, Lirima HPP, Mukoki HPP, Xsabo Nkonge Solar, Hoima Sugar Cogeneration and a set of Nine (9) mini hydro UECCC projects.

License fees performed according to the budget while generation levy was largely affected by the COVID-19 Pandemic. Before the onset of COVID-19, Uganda 's electricity demand recorded a significant increase peaking at 728.7 MW in February 2020. However, following the outbreak of the COVID-19 pandemic and lockdown, the demand significantly dropped to 588.52MW in April 2020 and later gained and closed the year (June 2020) at 660.45MW following easing of the lockdown restrictions.

ERA spent in line with the approved budget and the availability of funds. To a great extent, most of the planned work plan activities that required physical presence were affected by limitations posed by social distancing requirements and travel restrictions of the COVID-19 pandemic. Despite some of these challenges, ERA implemented the activities in accordance with Section 10 of the Electricity Act.

The overall financial performance of ERA is a net surplus of UGX 5,425,355,698, before consideration of expenditure on capital assets. The surplus has been earmarked for the construction of new ERA House.

For the financial year under review, ERA realized revenue of UGX 28,337,574,108 compared to UGX 26,666,666,794 for the previous financial year representing a 6 per cent annual growth. The realized revenues also represent 99.7% per cent realization against the budgeted revenue of UGX 28,273,750,632.

The recurrent expenditure outturn for the year under review was UGX 22,882,292,588 compared to UGX 19,772,847,792 (excluding non-cash movements like; depreciation, exchange gain and revaluation surplus and capital expenditure) that was posted in 2018/19. This performance represents an increase of 16 per cent in recurrent expenditures from the previous year and an 85 per cent utilization of the planned budget. Generally, the underperformance is attributed to negative effects of the COVID-19 Pandemic that limited the execution of some quarter four activities which required physical inspections and/or verifications.

The sector was exposed to the depreciation of the Uganda Shillings against major trading currencies especially the United States Dollar. ERA implemented a Quarterly Tariff Methodology as one of the measures to smoothen the impact of this exchange rate movement but this intervention cannot fully address this challenge. Stakeholders would need to explore options including having the local pension sector invest in the electricity projects to minimize the exposure of the sector to the foreign exchange risk.

Highlights of Financial Position

The Authority closed the financial year by June 30, 2020 with a net asset base of

UGX 34,456,066,539

as compared to

UGX 29,022,389,950

The Cash and Bank balance (including Treasury bills) stood at

UGX 15,276,467,971

and this was represented mainly by deferred incomes received (amounts received in the year but attributable to the budget for the next financial year). The total deferred income (paid and outstanding) balance at the end of the year was

UGX 20,376,567,749

while the balance relates to funds earmarked for development of the new ERA House project at Lugogo Industrial Area, land and current office block.

The stock of non-current assets increased by 125 per cent to

UGX 35,539,711,056

from

UGX 15,809,387,568

as at end of last financial year. The increase was attributed to Work in Progress in respect of New ERA House project that recorded a 76 per cent completion as at the end of the financial year. There were further, fixed asset acquisitions as reported in the notes.

The trade receivables amount increased to

UGX 5,146,429,509

from

UGX 700,898,440

reported in the year 2018/19. Over 90 percent of the increase in the receivable balance is attributable to delayed payment of license fees for Government Large Hydro Power Projects of Karuma and Isimba by Uganda Electricity Generation Co. Ltd. Among these receivables balance is UGX 268,303,985 relating to Albatross Energy (U) Ltd, which will only be paid when Oil production in the Albertine region starts (expected by December 2020).

The Authority closed the financial year with Payables amounting to

UGX 14,953,570,778

six times more than last year's balance of

UGX 2,430,353,440

The main contributor is project sector payables that relate to accrued payables in respect of the new ERA House Project as well as general creditors and statutory payables including PAYE, NSSF and Withholding tax.

SECTION

10

AUDITED FINANCIAL STATEMENTS

10 AUDITED FINANCIAL STATEMENTS

10.1 Management Responsibility

The Public Finance Management Act, 2015 Section 51 (3) and Electricity Act 1999, Cap 145 Section 28 (1), requires ERA 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.

The Members accept responsibility for the financial statements set out, which have been prepared in accordance with appropriate accounting policies, supported by reasonable and prudent judgments and estimates in conformity with International Financial Reporting Standards and the Public Finance Management Act, 2015 and the Electricity Act, 1999, Cap 145.

For the year ending June 30, 2020, Members are of the opinion that the financial statements give a true and fair view of the financial position and results of the Electricity Regulatory Authority. The Members accept responsibility for the maintenance of accounting records that form a reasonable basis for the preparation of the financial statements, as well as adequate systems of internal financial control.

Members have assessed the adverse effects of the COVID-19 pandemic on the Electricity Supply Industry and the economy in general between January 2020 and July 2020, and foresee that if the pandemic persists past December 2020, the forecast revenues for the financial year 2020-21 may be negatively impacted by about 10-30 percent, particularly generation levy that is mainly reliant on energy sales.

Notwithstanding the impact of COVID-19, nothing has come to the attention of the Members to indicate that the ERA will not remain a going concern for the foreseeable future from the date of this statement.

.....	.....
CHAIRPERSON, ERA	SECRETARY
Date 14-12-2020	Date 14.12.2020

10.2 Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement, when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users, taken on the basis of these Financial Statements.

As part of an audit in accordance with ISSAIs, I exercise professional judgement and maintain professional skepticism throughout the audit. I also:-

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control.
- Evaluate the appropriateness of accounting principles used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Authority to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with the Accounting Officer regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I also provide the Accounting Officer with a statement that I have compiled with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence, and where applicable, related safeguards.

From the matters communicated with the Accounting Officer, I determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. I describe these matters in my auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, I determine that a matter should not be communicated in my report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Reporting Responsibilities

In accordance with Section 19 (1) of the National Audit Act, 2008, I report to you, based on my work described on the audit of Financial Statements, that; except for the matters raised in compliance with legislation, and whose effect has been considered in forming my opinion on the Financial Statements, the activities, financial transactions and information reflected in the Financial Statements that have come to my notice during the audit, are in all material respects, in compliance with the authorities which govern them.

10.3 Opinion

I have audited the accompanying Financial Statements of Electricity Regulatory Authority, which comprise the Statement of Financial Position as at 30th June 2020, the Statement of Financial Performance, Statement of Changes in Equity, and Statement of Cash Flows together with other accompanying statements for the year then ended, and Notes to the Financial Statements, including a Summary of Significant Accounting Policies and other Explanatory Notes.

In my opinion, the Financial Statements of Electricity Regulatory Authority for the year ended 30th June 2020 present fairly, in all material respects, the Financial Position of Electricity Regulatory Authority as at 30th June 2020 and its Financial Performance and Cash Flows for the period then ended, in accordance with the International Financial Reporting Standards (IFRSs).

John F. S. Muwanga
AUDITOR GENERAL
12th December 2020

10.4 DETAILED FINANCIAL STATEMENTS

ELECTRICITY REGULATORY AUTHORITY

STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIOD ENDED JUNE 30, 2020

	Notes	2019-20	2018-19
REVENUE			
Licence fees		21,883,141,411	19,989,502,885
Levy Charges		5,126,238,057	4,769,267,243
Application Fees		497,161,345	733,364,105
Installation Licenses		245,653,125	205,656,195
Other Income	21	585,380,170	968,876,367
TOTAL REVENUE		**28,337,574,108**	**26,666,666,794**
OPERATING EXPENSES			
Personnel Expenses	13	(16,163,383,655)	(12,599,791,955)
Board Expenses	11, 12	(995,723,563)	(1,232,663,832)
General Administration	17	(2,147,914,408)	(1,932,310,433)
Promotion and Advertisements	16	(289,661,983)	(291,762,210)
Training, Workshops and Conferences	12	(1,262,049,116)	(1,354,937,408)
Monitoring and Compliance	15	(426,932,852)	(569,726,835)
Consultancy fees	14	(220,734,881)	(526,297,283)
Stakeholder Programmes	19	(1,375,892,130)	(1,265,357,837)
Depreciation	3	(531,651,934)	(460,083,444)
TOTAL OPERATING EXPENSES		**(23,413,944,522)**	**(20,232,931,236)**
Surplus Before Exchange Differences		**4,923,629,585**	**6,433,735,558**
Foreign Exchange (Loss)/Gain	18	501,726,113	(378,333,262)
Operating Surplus for the Year		**5,425,355,698**	**6,055,402,297**
OTHER COMPREHENSIVE INCOME	**3**	-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		**5,425,355,698**	**6,055,402,297**

……

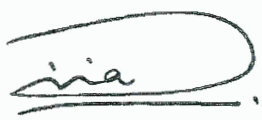
ENG. Ziria Tibalwa Waako
CHIEF EXECUTIVE OFFICER

……

Dr. Sarah Wasagali Kanaabi
CHAIRPERSON

ELECTRICITY REGULATORY AUTHORITY
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2020

		2019-20	2018-19
ASSETS			
Non-Current Assets			
Non-Current Assets	3	35,539,711,056	15,809,387,568
Current Assets			
Cash and Bank balances	4	7,449,067,480	18,480,942,371
Prepayments and Advances	5	7,407,318,157	7,799,118,346
Short-term Investments	6	7,827,400,491	1,895,625,378
Receivables	7	5,150,571,015	700,898,440
		27,834,357,144	**28,876,584,535**
Current Liabilities			
Payables and provisions	8	14,953,570,778	2,430,353,440
Deferred Income	9	12,693,643,875	12,331,600,532
Payroll & Gratuity Accruals	10	1,270,787,008	901,628,181
		(28,918,001,661)	**(15,663,582,154)**
Net Current Assets (Liabilities)		**(1,083,644,518)**	**13,213,002,381**
NET ASSETS		**34,456,066,539**	**29,022,389,950**
EQUITY AND RESERVES			
Government of Uganda Equity		280,000,000	280,000,000
General Reserves	20	28,934,656,108	23,500,979,520
Revaluation Reserves	20	5,241,410,431	5,241,410,431
TOTAL EQUITY AND RESERVES		**34,456,066,539**	**29,022,389,951**



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ENG. Ziria Tibalwa Waako
CHIEF EXECUTIVE OFFICER

.....

Dr. Sarah Wasagali Kanaabi
CHAIRPERSON

ELECTRICITY REGULATORY AUTHORITY

STATEMENT OF CHANGES IN EQUITY AS AT JUNE 30, 2020

	Government Equity UGX	General Reserves UGX	Revaluation Reserve UGX	Total UGX
Balance at July 01, 2019	**280,000,000**	**17,445,577,223**	**5,128,771,872**	**22,854,349,095**
Surplus during the period	-	5,425,355,698	-	5,425,355,698
Balance at JUNE 30, 2020	**280,000,000**	**22,870,932,921**	**5,128,771,872**	**28,279,704,793**

ELECTRICITY REGULATORY AUTHORITY

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED JUNE 30, 2020

PARTICULARS	Notes	2019-20	2018-19
Cashflows from Operating activities			
Operating Surplus for the period		5,425,355,698	6,055,402,297
Depreciation and software amortisation	3	531,651,934	460,083,444
Interest received	21	(422,593,379)	687,656,084
Bad debts Expense	17	45,789,651	-
Gain on Disposal	21	(80,897,000)	-
		5,499,306,905	**7,203,141,825**
Changes in Working capital			
Movement in prepayments and advances	5	391,800,189	393,799,938
Movement in Receivables	7	(4,449,672,575)	4,699,112,369
Movement in Payables	8	12,477,427,687	169,062,941
Movement in Differed Income	9	362,043,343	300,949,274
Increase in Payroll and Gratuity Accruals	10	369,158,827	(167,785,189)
Net Movement in working capital		**9,159,078,359**	**5,395,139,332**
Net Cash in Flows from operating activities		**14,658,385,264**	**12,598,281,157**
Cash flows from Investing Activities			
Interest on FDs and T-bills	21	422,593,379	(687,656,084)
Proceeds from disposal of NCA		80,897,000	(5,190,000)
Movement in fixed Assets	3	(20,261,975,422)	(7,393,687,363)
NET CASH FLOW		**(5,100,099,779)**	**4,511,747,709**

Cash and Cash Equivalents at beginning of year		20,376,567,749	15,864,820,038
Cash and cash equivalents at end of period		**15,276,467,971**	**20,376,567,749**
Represented by:			
CASH & BANK BALANCE AS AT JUNE 30, 2020	**4, 6**	15,276,467,971	20,376,567,749

Notes to the Financial Statements for the Financial Year Ended June 2020

1. 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.

2. SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION

(a) Basis of Accounting

The Financial Statements have been prepared in accordance with and compliance to 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.

(b) Functional and Presentation Currency

The Financial Statements are presented in Uganda Shillings (UGX), which is ERA's Functional Currency. All Financial Information presented in Uganda Shillings has been presented in Absolute Terms (UGX), except where otherwise indicated.

RECENTLY ISSUED ACCOUNTING STANDARDS/NEW ACCOUNTING PRONOUNCEMENTS

(a) Newly Effective Standards

Standard	Detailed Requirements
IFRS 16 - Leases	Issued in January 2016, IFRS 16 replaces the previous Leases Standard, IAS - 17 Leases, and related Interpretations. IFRS 16 is effective from 1st 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.
Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)	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 clarification 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, the 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 1st 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.

(b) New Standards and Interpretations Not Yet Adopted

A number of New Standards, Amendments to Existing Standards, and Interpretations are effective for annual periods beginning on or after 1st January 2018, and have not been applied in preparing these financial statements, for consistency purposes as

ERA's year started on 1st July 2018. Those which may be relevant to ERA are set out below. ERA does not plan to adopt these standards early.

Effective for the Financial Year Commencing 1st 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. ERA is of the Opinion that the impact of the application of the remaining Standards and Interpretations will be as follows:

Effective for the Financial Year Commencing 1st January 2021

IFRS 17 - Insurance Contracts (Supersedes IFRS 4 - Insurance Contracts as of 1st 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 Consistent, Principle-based Accounting for Insurance Contracts.

ANNUAL IMPROVEMENTS TO THE 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 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 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: 1st January 2018)

IFRS 15 provides a Single, Principles-based Five-Step Model to be applied to all Contracts with Customers. The Five (5) 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 Contract; and,

(v) 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 on 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. ERA currently has an Insignificant Portion of Property, Plant and Equipment and or Intangible Assets that would require application of this Standard. These amendments are thus not anticipated to cause a significant impact in the near future. The amendments apply prospectively for annual periods beginning on or after 1st 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 ERA, which will include a possible change

in the timing of when Revenue from Licensees is Recognized and the Amount of Revenue Recognized. ERA will perform a more detailed assessment of the impact of this Standard. The Standard is effective for annual periods beginning on or after 1st January 2018, with early adoption permitted under IFRS.

IFRS 9 - Financial Instruments

On 24th July 2014, the IASB issued the Final IFRS 9 - Financial Instruments, 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 ERA, 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 1st January 2018 with retrospective application. Early Adoption is 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%	3.33 Years
Furniture and Fittings	12.5%	8 Years
Tools	10%	10 Years
Software/Intangibles	30%	3.33 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 the Operating Surplus/ Deficit.

INTANGIBLE ASSETS

Software

Software acquired by ERA is measured at Cost Less Accumulated Amortization and any Accumulated Impairment Losses. Expenditure on Internally developed software is Recognized as an Asset when ERA is able to demonstrate its intention and ability to complete the development and use of 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 as 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 (3) 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. ERA, however, did not receive any Grants for the year ended 30th June 2020, nor did it have any running Grant.

SUBSIDIARY

A Subsidiary is a company in which ERA 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. ERA 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 30th June 2015 to construct New Office Premises at the ERA Property at Plot 5C-1, Industrial Area, Lugogo. In June 2018, ERA commenced Construction of the premises at a Contract Amount of UGX 34.5 Billion. Construction is expected to be completed in July 2020.

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 and depreciated over the Useful Economic Life of the New ERA House.

IMPAIRMENT OF TANGIBLE AND INTANGIBLE ASSETS

At the end of each reporting period, ERA 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 Asset 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, ERA 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.

Intangible Assets with Indefinite Useful Lives and Intangible Assets not yet Available-for-Use are tested for Impairment annually, and the Recoverable Amount is the Higher of Fair Value Less Costs-to-Sale 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.

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 Initially Recognized 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

ERA 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 on which ERA Commits to Purchase or Sell the Asset. All other Financial Assets and Liabilities (including Assets and Liabilities designated at Fair Value through Profit or Loss are Initially Recognized on the Trade Date, which is the date that ERA becomes a party to the Contractual Provisions of the Instrument.

A Financial Asset or Financial Liability is Initially Measured 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

ERA 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 within the category as:

(iv) Held-for-Trading; or designated at Fair Value through Profit or Loss.

Financial Liabilities

ERA classifies its Financial Liabilities as measured at Amortized Cost or Fair Value through Profit or Loss.

(ii) Derecognition

Financial Assets

ERA 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 ERA 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 ERA is Recognized as a separate Asset or Liability. On Derecognition 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

ERA 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, ERA has a Legal Right to Offset the amounts and it intends to either Settle them on a Net Basis or Realize the Asset and Settle the Liability simultaneously.

If there is no Quoted Price in an Active Market, then ERA uses Valuation Techniques that Maximize the use of relevant Observable Inputs and Minimize the use of Unobservable Inputs. The chosen Valuation Technique incorporates all 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 ERA has access at that date. The Fair Value of a Liability reflects its Non-Performance Risk.

When available, ERA 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 ERA uses Valuation Techniques that Maximize the use of relevant Observable Inputs and Minimize the use of Unobservable Inputs. The chosen Valuation Technique incorporates all 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 ERA 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, ERA 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 ERA 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 the Held-to-Maturity Investments as Available-for-Sale, and would prevent ERA from classifying Investment Securities as Held-to-Maturity for the current and the following Two (2) 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; and,

(ii) Sales or Reclassifications after ERA has collected substantially all of the Asset's Original Principal; and, Sales or Reclassifications attributable to Non-Recurring Isolated Events beyond ERA'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 end of the year. Bad Debts are Written Off during the year in which they are identified. Specific provision is made for all known Bad Debts. The Bad Debts are Written Off when all reasonable steps to recover them have been taken without success.

PROVISIONS AND CONTINGENT LIABILITIES

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.

The Authority was involved in 14 criminal cases and six (6) civil cases as detailed under section 4.6, with some closed while others are ongoing. The Authority assessed the probability of success of all pending cases to be over 70% in ERA's favor or with negligible financial implications, and in accordance with IAS 37, no corresponding provision was made in respect of these cases.

RETIREMENT BENEFIT OBLIGATIONS

National Social Security Fund

ERA 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 ERA contributes 10% of the Employees'

Gross Cash Emoluments. ERA's contribution is charged to the Revenue and Expenditure Account as it falls due.

CASH AND CASH EQUIVALENTS

For the purpose 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.

RELATED PARTY TRANSACTIONS AND INTERESTS IN OTHER ENTITIES

The Authority was created by an Act of Parliament (the Electricity Act, 1999), Chapter 145 of the Laws of Uganda and is Fully Owned by the Government of Uganda, under the Ministry of Energy and Mineral Development. The Authority does not have any Immediate or Ultimate Controlling Party. As such, the Electricity Regulatory Authority did not have any Related Party Transactions in the reporting period, which would have any Significant Impact on its Financial Performance and Position.

REPORTING TIMELINES

In line with Section 51 of the Public Finance Management Act, 2015, these Final Accounts were Prepared and Submitted to the Auditor General, and the Accountant General, within Two (2) Months after Completion of the Financial Year. The Authority Authorized the Accounts for Issuance at its 328th Meeting held on 29th July 2020. However, the Final Accounts are only submitted by the Auditor General to the Right Honorable Speaker of the Parliament of Uganda after the statutory audit that for this year has been concluded early December 2020.

EVENTS AFTER THE REPORTING PERIOD

ERA Recorded No Notable Event (s) after the end of the reporting period.

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.

EXPLANATORY NOTE ON TREATMENT OF SURPLUS

In the letter dated 7th July, 2016, in respect of Budget Estimates for the Electricity Regulatory Authority for FY 2016/17, the Minister of Energy and Mineral Development approved the Authority's financing proposal of deploying realized surpluses for the construction of the new ERA House premises at Plot 5C-1 Lugogo Industrial Area.

Accordingly, in June 2018, works worth a contract price of UGX 34,379,953,726 for the new ERA House project commenced and completion is expected by the end of July 2020, with progress payments of UGX 18,153,724,478 made by the end of FY 2019/20.

The surplus of UGX 5,224,694,518, therefore forms part of the financing for completion of the new ERA House in line with the Hon. Minister's approval.

Artistic impression of the New ERA House under Construction at Plot 5C – 1, Lugogo, Industrial Area.

3. Property, Plant, and Equipment

COST	Land	Buildings	Motor Vehicles	Furniture & Fixtures	Office Equipment	Computers & Accessories	Intangibles	W.I.P-Intangibles	W.I.P-Buildings	Total
Balance b/fwd at 1 July 2019	5,250,500,000	2,047,725,000	1,397,145,368	644,862,763	861,798,122	683,075,335	368,422,093	227,443,986	7,641,864,868	19,122,837,535
Capitalisation of Buildings										-
Additions during the period			530,821,000	3,220,339	148,539,285	157,614,370	243,989,632	(227,443,986)	19,405,234,782	20,261,975,422
Revaluations										-
Prior Year Adjustment	-	-								-
Disposal/ Capitalisation			(510,399,594)	(43,712,508)	(28,606,970)					(582,719,072)
Reclassification of Investment Property	-									-
Balance c/fwd at JUNE 30, 2020	**5,250,500,000**	**2,047,725,000**	**1,417,566,774**	**604,370,594**	**981,730,437**	**840,689,705**	**612,411,725**	**-**	**27,047,099,650**	**38,802,093,885**
ACCUMULATED DEPRECIATION										
Balance b/fwd at 1 July 2019	-	292,886,942	1,009,225,368	462,338,180	593,754,853	596,788,748	358,455,876			3,313,449,967
Depreciation adjustment	-	-								-
Depreciation charge for the period	-	40,954,500	241,981,509	37,430,010	117,399,329	61,065,513	32,821,073			531,651,934
Prior Year Adjustments	-									-
Disposal/ Capitalisation			(510,399,594)	(43,712,508)	(28,606,970)					(582,719,072)
Balance c/fwd at JUNE 30, 2020	**-**	**333,841,442**	**740,807,283**	**456,055,682**	**682,547,212**	**657,854,261**	**391,276,949**		**-**	**3,262,382,829**
Net Book Value at 30 June, 2019	**5,250,500,000**	**1,713,883,558**	**676,759,491**	**148,314,912**	**299,183,225**	**182,835,444**	**221,134,776**	**-**	**27,047,099,650**	**35,539,711,056**
Net Book Value at 30 June 2018	**5,250,500,000**	**1,754,838,058**	**387,920,000**	**182,524,583**	**268,043,269**	**86,286,588**	**9,966,218**	**227,443,986**	**7,641,864,868**	**15,809,387,570**

	Description	2019-20	2018-19
4	**CASH AND BANK**		
	Standard Chartered USD	4,620,056,883	10,821,022,755
	Standard Chartered UGX	2,333,722,396	4,763,651,139
	Stanbic Bank UGX	71,823,900	54,866,801
	Stanbic Bank USD	423,464,301	2,841,401,676
		7,449,067,480	**18,480,942,371**
5	**PREPAYMENTS AND ADVANCES**		
	Project Cash Advances	-	8,802,674
	Accrued Income	1,102,368,888	1,237,275,996
	Petty Cash	-	2,900
	Other Receivables	4,279,240,063	4,279,240,063
	Prepayments	0	(0)
	Staff Loans and advances	2,025,709,206	2,273,796,713
		7,407,318,157	**7,799,118,346**
6	**SHORT-TERM INVESTMENTS**		
	Fixed Deposits	2,827,374,900	-
	Treasury bills	5,000,025,591	1,895,625,378
		7,827,400,491	**1,895,625,378**
7	**RECEIVABLES**		
	Albatros Energy (U) Limited	268,303,985	265,783,733
	S.M Hydro Ltd	-	-
	Butama Hydro Electricity Company Ltd	44,913,173	44,343,480
	Ndugutu Power Company Ltd	298,426	62,819,930
	BECS	14,566,789	6,321,902
	Uganda Electricity Transmission Company Ltd	-	8,966,178
	Rwimi	-	52,325,306
	Mayuge Sugar Industries Ltd	-	66,515,220
	Africa EMS Mpanga Ltd	-	65,442,773
	Uganda Electricity Generation Co Ltd	4,348,016,693	
	Emerging Power Uganda Limited	44,763,960	
	Timex Bukinda Hydro (U) Ltd	44,763,960	
	ELECTRO-MAXX (U) Ltd	244,749,152	29,087,475
	Kilembe Mines Limited	15,210,169	
	Rwenkuba Electricity company Ltd	44,763,960	44,343,480
	PA Technical services Limited	44,763,960	44,343,480
	Mss Xsabo Power Ltd	(2,480,669)	
	MPANGA HYDRO UGANDA LTD	9,325,825	
	Permit Applications	21,897,037	10,605,482

	Description	2019-20	2018-19
		5,150,571,015	**700,898,440**
	Details		
8	**PAYABLES**		
	Trade creditors	(27,506,947)	717,729,890
	Provision for bad debts	334,549,756	288,760,105
	VAT Payable (Claimable)	(90,700,692)	(717,482,071)
	WHT Payable	102,384,436	134,444,836
	Sundry suppliers	14,634,844,229	2,006,900,680
		14,953,570,778	**2,430,353,440**
9	**DEFFERED INCOME**		
	Africa EMS Mpanga	27,837,525	40,006,166
	ARPE LTD	263,751,852	267,219,356
	BECS	6,417,320	6,551,943
	Bujagali Energy Limited	1,913,829,844	2,114,437,500
	Electromaxx Uganda Limited	176,654,034	65,519,433
	Elgon Siti (U) Limited	102,070,925	106,913,846
	Eskom Uganda Limited	1,650,168,000	2,229,048,000
	Greenuwus	40,828,370	42,765,538
	Hydro-max (Nkusi) Ltd	14,736,520	18,728,387
	Hydromax Limited	14,736,520	18,810,736
	Kakira Sugar Ltd	131,875,926	134,642,435
	Kalangala Infrastructure Services	6,447,228	6,583,757
	Kasese Cabalt Company Limited	22,002,240	22,463,806
	Kikagati Energy Limited	27,502,800	28,079,757
	Kilembe Investments Limited	-	9,281,913
	Kinyara Sugar Works Limited	27,655,350	28,079,757
	Kyegegwa Rural Cooperative Society	4,639,588	4,781,621
	Muvumbe Hydro (U) Ltd	14,736,520	18,728,387
	Ndugutu Power Company Ltd	40,828,370	42,765,538
	Jacobsen Uganda Power Plant Co. Ltd	66,740,466	112,202,029
	Mahoma Uganda Limited	3,694,920	3,710,973
	Timex Bukinda Hydro (U) Ltd	81,353,800	42,765,538
	Nyamagasani 2 HPP Limited	11,084,760	40,820,744
	Elemental Energy Limited	11,052,390	40,820,744
	Rwenzori Hydro (Private) Limited	13,799,363	51,025,930
	Butama Hydro Electricity Company Ltd	40,828,370	42,765,538
	Lubilia Kawembe Hydro Limited	40,828,370	42,765,538
	Ziba Limited	11,084,760	11,132,930
	Mss Xsabo Power Ltd	13,855,950	13,916,163

	Description	2019-20	2018-19
	Mayuge Sugar Industries Ltd	36,858,660	75,003,931
	Tororo Solar North Limited	11,084,760	15,798,671
	Sugar and Allied Industries Ltd	13,815,488	23,193,604
	Access Uganda Solar Limited	11,084,760	14,843,907
	Genmax Nyagak Limited	22,228,020	22,463,806
	Bugoye Hydro Ltd	27,837,525	43,034,585
	Nyamwamba	22,002,240	22,463,806
	PACMECS	6,417,320	6,551,943
	Rwimi HPP	-	42,765,538
	Sugar Corporation of Uganda Limited	77,844,570	23,966,534
	Uganda Electricity Distribution Company Ltd	45,654,940	58,031,498
	Uganda Electricity Generation Company Ltd	3,048,593,704	3,014,672,742
	Uganda Electricity Transmission Company Ltd	825,084,000	844,307,100
	UEDCL	-	60,899,505
	SM Hydro	22,104,780	22,506,448
	Tororo PV Power	22,228,020	22,463,806
	Umeme Limited	3,472,228,500	2,249,213,806
	West Nile Rural Eletcrification Company Limited	22,002,240	6,122,492
	Mpanga Hydro Uganda Ltd	29,438,640	11,281,260
	Rwenkuba Electricity company Ltd	25,758,810	30,615,558
	Senok Atari (PVT) Ltd	29,559,360	10,205,186
	Senok Kabeywa One (PVT) LTD	29,559,360	10,205,186
	Senok Kabeywa Two (PVT) Ltd	29,559,360	10,205,186
		12,693,643,875	**12,331,600,532**
	Details		
10	**PAYROLL, GRATUITY & OTHER ACCRUALS**		
	URA - PAYE Payable	501,017,294	366,482,644
	NSSF Payable	179,416,766	135,272,140
	Payroll - Clearing Account	35,248,370	(543,748)
	Accrued Gratuity	534,963,810	387,643,867
	Insurance Premium	20,140,768	12,773,278
		1,270,787,008	**901,628,181**
11	**BOARD EXPENSES**		
	Members' Retainer	159,700,000	180,000,000
	Per Diem Allowance	328,624,186	328,008,495
	Travel Abroad/Tickets	123,558,336	164,929,537
	Training and Conference fees	190,224,819	325,492,104
	Communication & travel costs	36,991,000	40,594,385

	Description	2019-20	2018-19
	Meetings Costs	156,625,222	193,639,311
		995,723,563	**1,232,663,832**
12	**TRAINING, CONFERENCES & W.SHOPS**		
	Staff:		
	Airtickets	333,074,717	315,548,813
	Per Diem	356,965,927	605,817,965
	Tuition	240,476,311	300,700,702
	Local Training	37,970,500	43,851,473
	Professional subs	70,809,036	68,532,556
	ERA Retreats	23,334,500	4,309,881
	Strat Planning & Biz Workshop	199,418,125	16,176,018
	Total on Training & Conferences	**1,262,049,116**	**1,354,937,408**
	Details		
13	**PERSONNEL AND RELATED EXP.**		
	Staff Salaries	9,532,900,014	7,539,235,115
	NSSF Contribution 10%	1,406,883,233	1,110,589,821
	Gratuities	2,564,812,693	2,247,337,764
	Leave allowances	695,288,865	235,454,477
	MV Allowance	604,177,934	564,175,546
	Staff Medical Expenses	414,005,720	394,137,077
	Staff Welfare/Temporary	175,000	47,003,817
	Acting/Responsibility Allowances	769,313,892	307,027,488
	Staff Insurance	175,826,304	154,830,850
		16,163,383,655	**12,599,791,955**
14	**CONSULTANCY SERVICES**		
	Local Consultancy	38,448,000	28,408,272
	International Consultancy	110,408,282	441,752,451
	Legal Fees	69,346,600	56,136,560
		220,734,881	**526,297,283**
15	**MONITORING AND COMPLIANCE**		
	Projects Costs	101,428,637	182,124,573
	Statutory Inspections costs	169,171,612	141,070,043
	Investment monitoring costs	63,587,000	116,599,575
	Grid Code and Installation Permits Committee Costs	92,745,603	129,932,643
		426,932,852	**569,726,835**
16	**PROMOTIONS AND PUBLIC PROFILE**		
	Promotions and Publications	289,661,983	291,762,210

	Description	2019-20	2018-19
		289,661,983	**291,762,210**
17	**GENERAL ADMINISTRATIVE EXPENSES**		
	Bank Charges	33,379,442	23,510,311
	Communication - Telephone/Internet and E-mail	200,409,788	155,771,482
	Interest Expense	19,006,523	156,024,103
	Bad debts Expense	45,789,651	-
	Supplies - Computer	9,976,532	3,397,119
	Supplies - Stationery	37,570,500	30,837,726
	Data Ware housing	198,436,513	125,537,401
	Procurement costs	18,567,653	18,661,938
	Supplies - Office Equipment	16,924,100	805,085
	Supplies - general	275,795,886	235,108,231
	Drivers' Overtime	49,011,980	-
	Work Life Balance and HIV at Work programme	109,958,236	93,651,919
	Maintenance - Furniture/Equipment	7,239,700	22,930,700
	Insurance of Office and Equipment	32,848,240	75,594,631
	Building Maintenance	-	42,765,805
	Motor Vehicle expenses	599,989,667	554,338,331
	Office Maintenance (General up-keep)	3,802,800	2,930,000
	Utilities -Water, Power, Rates	60,731,058	70,914,103
	Staff Welfare-Meals and Others	315,831,341	216,659,464
	Office Security/cleaning	112,644,800	102,872,085
		2,147,914,408	**1,932,310,433**
18	**FOREX TRANSLATION GAINS/(LOSSES)**		
	Foreign Exchange Gain/(Loss)	(501,726,113)	378,333,262
19	**STAKEHOLDERS PROGRAMMES**		
	Workshops/Consumables	587,534,095	496,392,488
	Radio and Television Programmes	227,091,660	124,322,953
	Regional Programmes (AFUR/EREA)	49,803,958	128,712,881
	Advertisements and Notices	450,000	-
	Venue/Accomodation/Subsistance	160,313,782	269,164,648
	Conference Charges	11,114,010	28,238,938
	Membership Subscriptions	109,876,553	111,610,600
	Special Projects +Other	229,708,073	106,915,328
		1,375,892,130	**1,265,357,837**
20	**GENERAL AND REVALUATIONS RESERVES**		

	Description	2019-20	2018-19
	General Reserves at start of year	23,509,300,410	17,445,577,223
	Revaluation Reserves	5,241,410,431	5,241,410,431
	Surplus/(Deficit) for the year	5,425,355,698	6,055,402,297
	Balance as at 30 June	**34,176,066,539**	**28,742,389,951**
21	**OTHER INCOME**		
	Interest Income from Fixed Deposits and Treasury Bills	422,593,379	687,656,084
	Fines	78,489,792	270,980,283
	Disposal of Non-Current Assets	80,897,000	5,190,000
	Bid Income	3,400,000	5,050,000
		585,380,170	**968,876,367**

APPENDIX I: AUTHORITY DECISIONS TAKEN IN FY 2019/20

NO.	MINUTE	DECISION
1.	MIN. 1839/318/2019	(i) Approved the renewal of Jacobsen Uganda Power Plant Company Limited (JUPPCL's) License No. 061A for a period the earlier of; One (1) Year from the re-issuance date (14th September 2019), or the expiry of the Implementation Agreement. (ii) Resolved to Direct the parties to align the initialled Power Purchase Agreement (PPA) to the Terms and Conditions of the Licence.
2.	MIN. 1840/318/2019	(i) Resolved to Take Note of the Kyegegwa Rural Electricity Cooperative Society Limited's Commercial and Financial performance for the Tariff Year 2018/19. (ii) Approved the Annualized Distribution Operation and Maintenance Costs of UGX 1,320,087,371 for the Tariff period 1st October 2019 to 30th September 2020. (iii) Approved the Annualized Distribution Loss Factor of 20.0% and a Wheeling Loss of 5.68% for the Tariff period 1st October 2019 to 30th September 2020. (iv) Approved the Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited of UGX 343.2/kWh, UGX 264.0/kWh and UGX 166.4/kWh for Peak, Shoulder and Off-Peak periods, respectively, for the Tariff period 1st October 2019 to 30th September 2020. (v) Approved the implementation of the Lifeline Tariff structure with threshold units of 8kWh per month for Domestic consumers. (vi) Approved the Lifeline Tariff of UGX 250/kWh for the first 8kWh for Domestic consumers. (vii) Approved the End-User (Retail) Tariff of UGX 750.8/kWh for Domestic Consumers, UGX 604.8/kWh for Commercial Consumers, and UGX 594.8/kWh for Medium Industrial Consumers for the Tariff period 1st October 2019 to 30th September 2020. (viii) Approved other Charges to be applied by KRECS as indicated in the table for the Tariff period 1st October 2019 to 30th September 2020.

Charge	Domestic	Commercial	Medium Industrial
Fixed Monthly Charge (UGX)	3,360	22,400	22,400
Inspection Fee (UGX)	20,000	20,000	20,000
Reconnection Charges	25,200	25,200	25,200
Penalty for Power Theft	Estimated unbilled consumption plus Surcharge of 20%	Estimated unbilled consumption plus Surcharge of 20%	Estimated unbilled consumption plus Surcharge of 20%

<table>
<tr><td>3.</td><td>MIN. 1841/318/2019</td><td>Approved the adjustment of the End-User (Retail) Tariffs applicable by Kalangala Infrastructure Services Limited for the period 1st October 2019 to 31st December 2019 as shown in the Table:
<table>
<tr><th>Customer Category</th><th>Time of Use</th><th>Recommended Tariffs (UGX/kWh)</th></tr>
<tr><td>Domestic</td><td>Off-Peak</td><td>742.8</td></tr>
<tr><td></td><td>Peak</td><td>742.8</td></tr>
<tr><td>Commercial</td><td>Off-Peak</td><td>846.2</td></tr>
<tr><td></td><td>Peak</td><td>846.2</td></tr>
<tr><td>Industrial</td><td>Off-Peak</td><td>846.2</td></tr>
<tr><td></td><td>Peak</td><td>846.2</td></tr>
</table></td></tr>
<tr><td>4.</td><td>MIN. 1842/318/2019</td><td>Approved that the End-User (Retail) Tariffs for WENRECO for the period October to December 2019 be maintained at UGX 710.0/kWh for Domestic Consumers, UGX 643.2/kWh for Commercial Consumers, UGX 620.0/kWh for Medium Industrial Consumers, UGX 373.0/kWh for Large Industrial Consumers, and UGX 710.0 /kWh for Street Lighting as shown in the table:
<table>
<tr><th>Customer Category</th><th>Description</th><th>Base Tariffs 2019</th><th>Q4, 2019 Tariffs</th><th>%age Change</th></tr>
<tr><td>Code 10.1</td><td>Domestic</td><td>710.0</td><td>710.0</td><td>0%</td></tr>
<tr><td>Code 10.2</td><td>Commercial</td><td>643.2</td><td>643.2</td><td>0%</td></tr>
<tr><td>Code 20</td><td>Medium Industrial</td><td>620.0</td><td>620.0</td><td>0%</td></tr>
<tr><td>Code 30</td><td>Large Industrial</td><td>373.0</td><td>373.0</td><td>0%</td></tr>
<tr><td>Code 50</td><td>Street Lighting</td><td>710.0</td><td>710.0</td><td>0%</td></tr>
</table></td></tr>
<tr><td>5.</td><td>MIN. 1843/318/2019</td><td>Resolved to Approve the following:
(i) A Capacity Price of UGX 36,082 per MW per hour for Eskom (U) Limited for the period 1st October 2019 to 31st December 2019.
(ii) The Bulk Supply Tariff of UGX 326.4/kWh, UGX 251.0/kWh, and UGX 158.2/kWh at Peak, Shoulder and Off-Peak periods, respectively, for the period 1st October 2019 to 31st December 2019.
(iii) The End-User Tariffs to be charged by Umeme Limited for the period 1st October 2019 to 31st December 2019, as follows: UGX 752.5/kWh, UGX 666.1/kWh, UGX 595.6/kWh, UGX 364.0/kWh, UGX 302.6/kWh and UGX 370.4/kWh for the Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial, and Street Lighting Consumers, respectively.</td></tr>
</table>

6.	MIN. 1844/318/2019	Approved the following: (i) The End-User Tariffs by Customer category to be charged by UEDCL for the period October 2019 to December 2019: a) Domestic Customers at UGX 752.5/kWh; b) Commercial Customers at UGX 666.1/kWh; c) Medium Industrial Customers at UGX 595.6/kWh; and, d) Large Industrial Customers at UGX 364.0/kWh. (ii) The Bulk Supply Tariff to be charged by Uganda Electricity Transmission Company Limited of: UGX 396.7/kWh, UGX 316.1/kWh, and UGX 187.9kWh at Peak, Shoulder and Off-Peak periods, respectively, for the period October 2019 to December 2019. Approved the Power Purchase Agreement between UETCL and Tororo PV Power Company Limited relating to power generation at Kasipondo B Village, Osukuru sub-County in Tororo District.
7.	MIN. 1845/318/2019	(i) Resolved to Take Note of the Technical Losses of 14,946.33 MWh per year in the UEDCL North West Service Territory, due to the coming of the 9.6 MW Nkusi Hydro Power Plant onto the grid, as determined by the Sector Planning and Coordination Committee. (ii) Approved USD 575,541 for the Modification of the Switchgear at the Nkusi Hydro Power Plant to allow for evacuation of the plant through synchronization to Two (2) UETCL Substations in Hoima and Fort Portal.
8.	MIN. 1846/318/2019	(i) Approved the Notice of Intention to Modify Licence No. ERA/LIC/GEN/016/142 issued to PA Technical Services Limited, to allow recovery of the costs of splitting the 9.6 MW Nkusi Generation Plant to allow for Power Evacuation through Two (2) routes. (ii) Resolved to Issue a Notice of Intention to Modify the Licence held by PA Technical Services Limited in accordance with Section 43 (2) (c) of the Electricity Act.
9.	MIN. 1847/318/2019	(i) Approved the Application by Electro-Maxx Limited for Modification of Licence No. ERA/LIC/GEN/017/159 to extend the timeframe for applicability of Part A of the Tariff structure up to 31st December 2019; and 1st January 2020 for the effectiveness of Part B of the Tariff structure. (ii) Approved Uganda Electricity Transmission Company Limited's payment of Capacity Payments to Electro-Maxx (U) Limited for the 8 MW Arua Power Plant, following commitment from the Ministry of Finance, Planning and Economic Development. (iii) Resolved to Amend the Guaranteed Fuel Consumption Rate to 10,300KJ/KWh for the 8 MW Arua-based Thermal Plant, effective 1st October 2019.

10.	MIN. 1848/318/2019	Rejected the Notice of Intended Application for a Licence by Bonang Power and Energy (Pty) Ltd, for the Generation and Sale of Electricity from the proposed 360 MW Uhuru Hydropower Project in Kiryandongo and Nwoya Districts, based on the Legal, Technical, Financial and Economic assessment of the application.
11.	MIN. 1849/318/2019	Approved the Notice of Intended Application for a Licence by Ituka West Nile Uganda Ltd for the development of the proposed 10 MWAC Solar PhotoVoltaic Project in the West Nile Region (Arua District).
12.	MIN. 1850/318/2019	Approved the Notice of Intended Application for a Licence by Nguvu Energy (Uganda) Limited for the development of the proposed 13.8 MW Hydro Power Plant on Rivers Ngenge and Emuchoni in Kween District.
13.	MIN. 1851/318/2019	Approved the Notice of Intended Application for a Licence by Country Energy (Uganda) Limited for the development of the proposed 5.2 MW Nyakinengo Hydro Power Project on River Nchwera in Bugongo Parish, Bitereko sub-County in Ruhinda County in Mitooma District.
14.	MIN. 1851/318/2019	Approved the Notice of Intended Application for a Licence by Midland Hydropower (U) Limited for the development of the proposed 4.5 MW Hydropower Project on River Nyamwamba in Kasese District.
15.	MIN .1852/318/2019	Approved the Award of an 18 (Eighteen) Months' Permit to Gidro Sila Power Limited to enable the Company undertake Feasibility Studies and other activities leading to the development of the proposed 17.4 MW Lower Achwa Hydro Power Project on River Achwa.
16.	MIN. 1853/318/2019	Rejected the Notice of Intended Application for a Licence by Jinke Union (UG) Development Co. Ltd for the development of the proposed 200 MW Solar PhotoVoltaic Project in Moroto District.
17.	MIN. 1869/319/2019	Approved the Notice of Intended Application for a Licence by Unergy Limited for the development of the proposed 20 MW Biomass Plant in Masindi District.
18.	MIN. 1870/319/2019	Approved the Issuance of a License for the Generation and Sale of Electricity to PA Technical Services Limited to enable the Company Construct, Generate and Sell Electricity from the proposed 4.2 MW Kigwabya Hydro Power Project.
19.	MIN. 1871/319/2019	Approved and Adopted: (i) The Internal Audit Report for the period July to September 2019. (ii) The Risk Report for the period July to September 2019. (iii) The Budget Performance Report for the First Quarter of the Financial Year 2019/20. (iv) The ERA Budget Proposals for the Financial Year 2020/21.

20. MIN. 1873/319/2019

(i) Resolved to Take Note of the status of Litigation in Quarter One of Financial Year 2019/20.

(ii) Approved an Out-of-Court Settlement in respect of Achwa Hydro 3 Ltd vs ERA, Complaint No. 090/2018 and Achwa Hydro 4 Ltd vs ERA, Complaint No. 091/2018, subject to the complainant meeting ERA's costs and withdrawing the matter in totality against ERA.

Approved:

(i) The Renewal of UETCL's Licenses: Bulk Power Supply Number ERA/LIC/BPS/017/151; Operation of the High Voltage Transmission Grid Number ERA/LIC/HVTG/017/152, System Operator Number ERA/LIC/SO/017/154; and Power Export and Import Number ERA/LIC/PEI/017/153 for a Three-Year period, 2020 – 2022.

(ii) The Transmission Energy Loss trajectory for the Multi-Year Tariff period 2020 – 2022 as follows:

Year	2020	2021	2022
Transmission Energy Loss (%)	3.35	3.29	3.03

(iii) The Transmission Operation and Maintenance Costs and Capital Expenditure for the Multi-Year Tariff period 2020 – 2022 as follows:

	2020		2021		2022	
Description	UETCL Submission	Recom-mended	UETCL Submission	Recom-mend-ed	UETCL Submission	Recom-mended
Staff Costs	38,743	30,539	41,697	31,538	42,140	31,568
Other Staff Costs	8,646	6,334	8,850	5,978	8,547	6,004
Transport	2,808	2,751	2,740	2,667	3,007	2,932
Repairs and Maintenance	15,367	8,796	15,839	9,373	14,959	9,834
Administrative Costs	19,934	10,334	20.757	10,400	18,317	9,469
Stamp Duty	6,427	0	8,889	0	6,497	0
Licence fees to ERA	1,711	0	1,659	0	1,659	0
Bank Guarantee Charges	1,157	1,041	1,322	1,190	1,898	1,783
Insurance Charges	2,105	1,828	3,134	2,930	4,301	3,994
Communication Levy	113	139	124	151	137	164
Rental Tax	50	0	50	0	50	0
Spares	977	977	774	0	941	0
Capital Expenditure Capital	126,249	60,434	108,061	20,000	79,910	0
Return on Equity	7,386	0	7,386	0	7,386	0
Less: Other Income	(15,619)	(17,412)	(16,427)	(18,491)	(17,255)	(19,603)
Net Total Transmission Costs	216,054	105,761	204,855	65,736	172,496	75,147
Variance	(110,293)		(139,119)		(97,348)	

		(iv) The Framework for Annual Approval of Investments and Spares for the years 2021 and 2022. (v) The total Project Cost of UGX. 74 Billion for construction of the New UETCL Office premises over the period 2020 to 2022. (vi) The Incentive Framework for Reliability improvement and reduced Unserved Energy.
21.	MIN. 1874/319/2019	Resolved to Take Note of: (i) The progress achieved with the construction of the New ERA premises at Plot 5C-1, Lugogo - Industrial Area. (ii) The payments effected towards Roko Construction Company for the construction of the New ERA House premises at Plot 5C-1, Lugogo - Industrial Area. (iii) The potentially achievable Green Building-rating.
22.	MIN. 1875/319/2019	Approved the Issuance of a License for the Generation and Sale of Electricity to Uganda Energy Credit Capitalization Company Limited (UECCC) to enable the Company Construct, Generate and Sell Electricity from the proposed Nine (9) Hydropower Projects with a combined Installed Capacity of 6.706 MW.
23.	MIN. 1876/319/2019	Resolved to Take Note of and Adopt the Performance Assessment Report for the First Quarter of Financial Year 2019/20.
24.	MIN. 1877/319/2019	(i) Approved the Shortlists for the positions of Director Corporate and Consumer Affairs and Manager Planning and Research. (ii) Approved that the Oral Interviews for the positions of Manager Planning and Research, and Manager Registry and Information Services be conducted in the week starting 4th November 2019.

25. MIN. 1878/319/2019

Resolved to Effect the Authority Decision to Modify Umeme Limited's Licence for Supply of Electricity No. 048 in respect of the following parameters:

(i) Distribution Loss Factor for the period 2019 – 2025

Tariff Year	2019	2020	2021	2022	2023	2024	2025
HV Technical Loss	3.78%	3.59%	3.53%	3.53%	3.25%	3.21%	3.24%
Overall Distribution Loss Factor	15.00%	14.40%	14.00%	13.47%	13.19%	12.92%	12.78%

(ii) Net Operating Costs for Umeme Limited for the Period 2019 – 2025 (USD *10^3)

Cost Category	Tariff Year						
	2019	2020	2021	2022	2023	2024	2025
Staff Costs	20,903	22,061	23,323	24,699	26,198	27,833	29,614
Other Staff Costs	1,844	1,937	2,051	2,174	2,309	2,456	2,617
Transport Costs	3,646	3,904	4,171	4,475	4,796	5,153	5,538
Repairs and Maintenance	8,280	8,684	9,245	9,972	9,974	10,740	11,862
Prepayment AMR, Debt collection, Insurance	3,145	3,328	3,525	3,737	3,969	4,219	4,490
Administration Costs	9,716	10,007	10,073	10,194	10,219	10,371	10,651
Reliability Improvement	1,588	1,588	1,588	1,706	1,723	1,741	1,691
Non-Technical Loss reduction	3,005	3,228	3,443	3,641	3,812	3,943	4,022
Total Net Operating Costs (USD '000)	52,127	54,737	57,419	60,598	63,000	66,456	70,485

(iii) Targeted Un-Collected Debt Factor 2019-2025 (TUCF)

Tariff Year	2019	2020	2021	2022	2023	2024	2025
Target Uncollected Debt Factor	0.38%	0.30%	0.21%	0.16%	0.12%	0.08%	0.05%

(iv) Minimum Customer Connection Targets for the period 2019 – 2025

Year	15	16	17	18	19	20	21
Minimum New Connection Targets	245,000	267,050	291,085	317,282	345,837	376,963	410,890

26.	MIN. 1879/319/2019	(i) Resolved to Take Note of the Applications by Winch Energy Limited and WeLight; and the review of the same in respect of Mini-Grid Systems development in the Northern (Lamwo District) and Southern (Isingiro and Rakai Districts) parts of the Country. (ii) Approved a Tariff range of US Cents 20/kWh to US Cents 30/kWh to apply to all Off-Grids in the Country, to guide the Grant Sourcing process.
27.	MIN. 1890/320/2019	Rejected the Notice of Intended Application for a Licence by Bukwo HPP Limited for the development of the proposed 4.5 MW Bukwo Hydro Power Plant along River Bukwo in Bukwa Village, Bukwa Sub-County, Bukwo District, on account of the provisions of Regulatory Notice ERA/003/2015.
28.	MIN. 1891/320/2019	Rejected the Application by Keere Power Company Limited for Extension of Permit No. ERA/PER/GEN/017/94 in respect of the development of the proposed 6.3 MW Keere Hydropower Project on River Keere in Kween District, on account of the applicant's non-compliance with the Permit Terms and Conditions.
29.	MIN. 1892/320/2019	Rejected the Application for a License for the Generation and Sale of Electricity by Kametsi Energy (U) Limited from the proposed 4.4 MW Hydropower Plant along River Lirima in Namisindwa District, on account of the Applicant's failure to fulfil the Technical, Environmental and Financial/Commercial requirements to undertake the project; and the Applicant's request to withdraw the Application.
30.	MIN. 1895/320/2019	Resolved to Take Note of: (i) The progress achieved with the construction of the proposed New ERA House premises at Plot 5C-1 Lugogo, Industrial Area. (ii) The payments effected to Roko Construction Limited and Architech Consults Limited for the construction of the New ERA House premises at Plot 5C-1 Lugogo, Industrial Area. (iii) The progress made by the Contract Management Committee in reviewing the request by the Contractor for extension of the period for construction of the New ERA House up to 31st March 2019. (iv) The review made by the Contract Management Committee of the contracts of Roko Construction Limited and Architech Consults Ltd.
31.	MIN. 1906/321/2019	Resolved as follows: (i) To Vary the Intended Modification to Licence Number ERA/LIC/GEN/016 for Generation and Sale of Electricity, held by PA Technical Services, in accordance with Section 43 (3) (b) of the Electricity Act. (ii) To Effect the Varied Intended Modification in accordance with Section 43 (6) of the Electricity Act.
32.	MIN. 1906/321/2019	Resolved to Effect the Modification of Licence No. 060 for the Generation and Sale of Electricity issued to Eco-Power Uganda Limited.

33. MIN. 1907/321/2019

Approved the following charges applicable to Kisiizi Hospital Power Limited during the period January 2020 to December 2021:

(i) Annualized Operation and Maintenance Costs of UGX 273,815,157.
(ii) An Annual Energy Loss Factor, including Technical and Commercial Loss Factor of 7.4%.
(iii) Annual Unbilled Energy to be given to the hospital and related institutions of 360,000 kWh (30,000 kWh per month) in return for the 60 kW Plant handed over by the hospital.
(iv) Connection Costs as approved under the Electricity Connections Policy as shown in the table below:

Category	Type of Metering	Cost (UGX)
No Pole Single-Phase	Wired Pre-paid Split Meter	576,773
	Wireless Pre-paid Split Meter	610,918
No Pole Three-Phase	Three-Phase Wired Pre-paid Split Meter	2,882,288
	Three-Phase Wireless Pre-paid Split Meter	2,990,960
One Pole Connection Fee (UGX)	Wired Pre-paid Split Meter	1,859,135
	Wireless Pre-paid Split Meter	1,893,281

(v) The End-User (Retail) Tariffs for Domestic and Commercial Customers as shown in the table below:

Customer Category	Current Tariff (UGX)	Approved Tariff (UGX)	%age Change
DOMESTIC CONSUMERS Low Voltage Single Phase supplied at 240 Volts	572.4	589.3	3.0%
COMMERCIAL CONSUMERS Three Phase Low Voltage load not exceeding 100 Amperes	572.4	589.3	3.0%

(vi) Other charges as included in the table below:

Charge	DOMESTIC CONSUMERS	COMMERCIAL CONSUMERS
Fixed Monthly Charge (UGX)	0	0
Inspection Fee (UGX)	20,000	30,000
Security Deposit (UGX)	0	0
Penalty for Power Theft	Estimated Unbilled Consumption	Estimated Unbilled Consumption

34. MIN. 1908/321/2019

Approved that the End-User (Retail) Tariffs applicable to WENRECO for the period January to March 2020 be maintained at UGX 710.0/kWh for Domestic Consumers, UGX 643.2/kWh for Commercial Consumers, UGX 620.0/kWh for Medium Industrial Consumers, UGX 373.0/kWh for Large Industrial Consumers, and UGX 710.0/kWh for Street Lighting as shown in the table below:

Customer Category	Description	Base Tariffs 2019	Q1, 2020 Tariffs	%age Change
Code 10.1	Domestic	710.0	710.0	0%
Code 10.2	Commercial	643.2	643.2	0%
Code 20	Medium Industrial	620.0	620.0	0%
Code 30	Large Industrial	373.0	373.0	0%
Code 50	Street Lighting	710.0	710.0	0%

35. MIN.1909/321/2019

(i) Approved the Renewal of the UETCL Licences; the Bulk Power Supply Licence No. ERA/LIC/BPS/017/151, the Operation of the High Voltage Transmission Grid Licence No. ERA/LIC/HVTG/017/152, the System Operator Licence No. ERA/LIC/SO/017/154, and the Power Export and Import Licence No. ERA/LIC/PEI/017/153 for a Three-Year period from the 1st of January 2020 to 31st December 2022.

(ii) Approved a Transmission Energy Loss trajectory for the Multi-Year Tariff period of 3.35% in 2020, 3.29% in 2021 and 3.03% in 2022.

(iii) Approved the Transmission Operation and Maintenance Costs and Capital Expenditure for the Multi-Year Tariff period 2020 to 2022, as shown in the table below:

Description	2020 Approved	2021 Approved	2022 Approved
Staff Costs	30,539	31,538	31,568
Other Staff Costs	6,334	5,978	6,004
Transport	2,751	2,667	2,932
Repairs and Maintenance	8,796	9,373	9,834
Administrative Costs	10,334	10,400	9,469
Stamp Duty	0	0	0
Licence Fees to ERA	-	-	-
Bank Guarantee Charges	1,041	1,190	1,783
Insurance Charges	1,828	2,930	3,994
Communication Levy	139	151	164
Rental Tax	0	0	0
Spares	977	0	0
Capital Expenditure- Capital	60,434	20,000	29,000
Return on Equity	0	0	0
Less: Other Income	(17,412)	(18,491)	(19,603)
Net Total Transmission Costs	105,761	65,736	75,145

		(iv) Approved a Framework for annual approval of Capital Expenditure - Capital and Spares for the Tariff Years 2021 and 2022. (v) Approved the establishment of an Incentive Framework to provide for a Penalty/Reward Mechanism aimed at improving Quality and Reliability of Supply, and reducing the Cost of Unserved Energy.
36.	MIN. 1910/321/2019	Resolved to: (i) Maintain the End-User (Retail) Tariffs of BECS at UGX 635.3/kWh for Domestic Customers, and UGX 561.2/kWh for Commercial Customers for the period 1st January 2020 to 30th June 2020. (ii) Maintain the Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited at UGX 354.0/kWh, UGX 272.3/kWh and UGX 165.6/kWh for Peak, Shoulder and Off-Peak periods, respectively, for the period 1st January 2020 to 30th June 2020.
37.	MIN. 1910/321/2019	Approved the End-User (Retail) Tariffs applicable by Kalangala Infrastructure Services Limited for the period 1st January 2020 to 31st March 2020 as shown in the table below:

Customer Category	Time of Use	Recommended Tariffs (UGX/kWh)
Domestic	Off-Peak	742.8
	Peak	742.8
Commercial	Off-Peak	846.2
	Peak	846.2
Industrial	Off-Peak	846.2
	Peak	846.2

38. MIN. 1911/321/2019

Approved the Uganda Electricity Distribution Company Limited's Budget of UGX 6,775,910,000 for the Financial Year 2020/21 as the overall Budget for Monitoring of the Umeme Limited Concession as shown in the table below:

DESCRIPTION	Budget Submission 2020/21	Approved Jan-June 2020	Approved Jul-Dec 2020	Approved Jan-June 2021	Approved FY 2020/21
	UGX 000	UGX 000	UGX 000	UGX 000	UGX 000
Employment Costs	6,356,310	2,420,123	2,700,385	2,700,385	5,400,770
Administrative Costs	2,298, 744	702,510	740,361	740,361	1,480,722
Transport Costs	325,460	73,419	80,567	80,567	161,133
Repairs and Maintenance	421,800	35,742	37,494	37,494	74,988
Total Cost-LAA Admin	10,821,984	3,231,794	4,020,007	3,558,807	7,578,813
Less: Other Income	(15,600)	(5000)	(7,800)	(7,800)	(15,600)
Less Management Fees	(504,000)	(240,153)	(393,652)	(393,652)	(787,303)
Total Net Administration Fee	10,302,384	2,986,641	3,369,355	3,157,355	6,526,710
Other Costs	14,268,954				
Total	24,571,338	2,986,641	3,618,555	3,157, 355	6,775,910

(i) Approved UGX 6,058.7 Million as License Fees for UEGCL in respect of the Karuma and Isimba Hydropower Projects.
(ii) Approved UGX 4,959.2 Million as Concession Fees for the Financial Year 2020/21.
(iii) Resolved that the Authority undertakes a Reconciliation of the disputed UGX 1,398 Million before approval of any additional CAPEX funds to UEGCL by the end of January 2020.
(iv) Rejected the request for Depreciation charges of UGX 16,500 Million for the Financial Year 2020/21.

(i) Approved USD 198,665 to be considered in the Tariff Year 2020 in respect of the Investment Verification for Eskom Uganda Limited.
(ii) Resolved to Direct Eskom Uganda Limited to transfer Motor Vehicles to the Asset Owner – UEGCL's name before consideration in the Tariff.
(iii) Approved USD 659,297.88 as Work-in-Progress projects to be submitted for review together with the completed 2019 Non-Core Assets for Verification.

Approved USD 831,786.50 for the Nalubaale Power Station Generator Fire Protection system.

Approved an additional USD 339,058 for Unit 10 refurbishment (Blade servo and Generator overhaul) culminating into a revised Total Approval of USD 1,616,058 for Eskom Uganda Limited's 2019 Investments.

		Approved the Capital Expenditure for Umeme Limited for the Year 2020 as shown in the table below: **CATEGORY** / **APPROVED AMOUNT (USD)** Work-In-Progress: 51,446,047 Network Assets: 28,804,258 Non-Network Assets: 4,372,573 **TOTAL: 84,622,878**
		Approved the development of a template to guide the review of Applications for Grid Extensions by the Authority.
		Approved the Reliability Targets for Umeme Limited for the Year 2020 as shown in the table: **Index** / **Target Value** SAIDI (Hours): 86.57 SAIFI: 82.29 CAIDI (Hours): 1.05
39.	MIN. 1912/321/2019	Resolved to Take Note of: (i) The progress achieved with the construction of the proposed New ERA House premises at Plot 5C-1, Lugogo - Industrial Area. (ii) The payments effected to Roko Construction Limited and Archtech Consults Ltd for the construction of the New ERA House premises at Plot 5C-1, Lugogo - Industrial Area. (iii) The revised Project Implementation Plan for the construction of the New ERA House.
40.	MIN. 1913/321/2019	Approved the Application by Winch Energy Limited for a License Exemption for the Generation, Distribution and Sale of Electricity from the proposed 25 (Twenty Five) Sites in Lamwo District, with a combined capacity of 936 kWp.
41.	MIN. .1914/321/2019	Approved the Award of a License Exemption to WeLight Limited for the Generation, Distribution and Sale of Electricity from the proposed 15 (Fifteen) Sites in Rakai and Isingiro Districts, with a combined capacity of 449.15 kWp.

42.	MIN .1915/321/2019	Resolved to: (i) Approve USD 2,984,087 for Non-Core Assets for the Year 2020 to be included in the Base Tariff. (ii) Approve USD 1,624,581 as Work-In-Progress for Eskom Uganda Limited in the Year 2020, as included in the 2019 Tariff. (iii) Direct Eskom Uganda Limited to submit to the Authority the Implementation Plan for all the approved projects, including Work-In-Progress by the end of January 2020. (iv) Direct Eskom Uganda Limited to submit to the Authority Quarterly Progress Reports on the implementation of all the Approved Projects. (v) Direct Eskom Uganda Limited to competitively procure the Approved Projects to realize Value-for-Money.
43.	MIN. 1916/321/2019	Resolved to: (i) Approve USD 5,910,543 as Investments for Eskom Uganda Limited for the Year 2020. (ii) Direct Eskom Uganda Limited to competitively procure the Approved Investments to ensure Value-for-Money. (iii) Direct Eskom Uganda Limited to submit to the Authority an Implementation Plan for all the Approved Projects, including Work-In-Progress by the end of January 2020. (iv) Direct Eskom Uganda Limited to submit to the Authority Quarterly Progress Reports of all the Approved Projects moving forward.
44.	MIN. 1917/321/2019	Resolved to Approve the following: (i) The tentative 2019 Investments that Qualify for a Return on Investment for Umeme Limited of USD 35.0 Million, subject to Reconciliation after the conclusion of the Verification exercise. (ii) The tentative 2019 Investments in Non-Core Assets for Umeme Limited amounting to USD 2.0 Million, subject to Reconciliation after the conclusion of the Verification exercise. (iii) Umeme Limited's Distribution Operation and Maintenance Costs Local Currency split of 75.24%, and a Foreign Currency split of 24.76 per cent. (iv) The Time of Use Profile by Customer Category and Time of Use Weighting Factor as shown in the tables below:

Time of Use Profile

Customer/ Category		Domestic	Com-mercial	Small Industrial	Large Industrial	Extra Large Industrial	Street Lighting
		Code 10.1	Code 10.2	code 20	Code 30	Code 40	Code 50
2020	Peak	36.0%	19.7%	23.4%	23.7%	20.6%	60.0%
	Shoulder	44.0%	64.9%	58.4%	54.0%	51.6%	0.0%
	Off-Peak	20.0%	15.6%	18.2%	22.5%	27.8%	40.0%

Time of Use Weighting Factors

	BST-Peak	HV-Peak	HV-Shoulder	Lv-Peak	LV-shoulder
Approved	130%	130%	100%	130%	100%

(v) The tentative Investments for Eskom Uganda Limited for the Year 2018 of USD 4.165 Million, subject to Reconciliation after the conclusion of the Verification exercise.

(vi) The Target Availability of Eskom Uganda Limited of 97.0%.

(vii) The Tested Capacity of Eskom Uganda Limited of 173.9 MW.

(viii) Eskom Uganda Limited's Generation Operations and Maintenance Costs - Local Currency split of 55.88% and a Foreign Currency content of 44.12%.

(ix) A new phase of the Skills Development Program and a provision for Skills development of UGX 980 Million for the Year 2020.

(x) Provision for Deemed Energy Costs of USD 3.974 Million.

(xi) Allowance for Meter Testing Costs of UGX 250 Million for the Year 2020.

(xii) A Capacity Price of UGX 55,119 per MW per hour for Eskom Uganda Limited effective 1st January 2020.

(xiii) A UETCL Transmission Loss Target of 3.35% for Tariff Year 2020 in line with the approved Multi-Year Tariff.

(xiv) UETCL's Operation and Maintenance Costs – a Local Currency split of 78% and a Foreign Currency content of 22%.

(xv) The Bulk Supply Tariff of UGX 380.3/kWh, UGX 292.6/kWh, and UGX 193.0/kWh at Peak, Shoulder and Off-Peak periods, respectively, effective 1st January 2020.

(xvi) The 2020 Base End-User Tariffs of UGX 751.6/kWh, UGX 649.3/kWh, UGX 575.1/kWh, UGX 362.3/kWh, UGX 302.1/kWh and UGX 370.0/kWh for Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial, and Street Lighting, respectively, effective 1st January 2020, as shown in the table:

Time of Use	Domestic	Com-mercial	Medium Industrial	Large Industrial	Extra-Large Industrial	Street Lighting
Average	751.6	649.3	575.1	362.3	302.1	370.0
Peak		849.0	772.9	483.4	396.0	245.1
Shoulder		650.5	575.5	363.6	302.2	
Off Peak		3922	319.4	244.9	231.3	557.4

(xvii) The Declining Block Tariff for the Large and Extra-Large Industrial Consumers as indicated in the table:

Time Of Use	Code 30	Code 40
	Large Industrial	Extra-Large Industrial
Peak	470.0	289.2
Shoulder	353.5	220.7
Off-Peak	238.1	168.9

		(xviii) The Energy consumption threshold for the respective consumers above which additional consumption would be charged at the Declining Block Tariff level. (xix) Cross-subsidization of the Street Lighting Consumers by other consumer categories. (xx) Maintaining of the Lifeline Tariff at UGX 250/kWh for the First 15 (Fifteen) Units of Electricity purchased in a month by the customers served by Umeme Limited. (xxi) Maintaining of the Other Charges including the Fixed Monthly Service Charge, the Maximum Demand Charge, the Reactive Energy Charge, the Reactive Energy Reward, and the Reconnection Charges. (xxii) The Industrial Consumers to be classified under the Extra-Large Industrial Consumer category for the Tariff Year 2020.
45.	MIN. 1918/321/2019	(i) Approved the End-User Tariffs to be charged by Uganda Electricity Distribution Company Limited for the period 1st January 2020 to 31st March 2020, as follows: Domestic Customers at UGX 751.6/kWh, Commercial Customers at UGX 649.3/kWh, Medium Industrial Customers at UGX 575.1/kWh, Large Industrial Customers at UGX 362.3/kWh, Extra-Large Industrial Customers at UGX 302.1/kWh and Street Lighting Customers at UGX 370.0/kWh. (ii) Approved the Bulk Supply Tariff to be charged by Uganda Electricity Transmission Company Limited for the period 1st January 2020 to 31st March 2020 of: UGX 396.7/kWh, UGX 316.1/kWh, and UGX 187.9/kWh at Peak, Shoulder and Off-Peak periods, respectively.
46.	MIN. 1919/321/2019	(i) Approved the Application by Hariss International Limited under the Rebate Policy to construct a 1.96 km Line to supply Electricity to the Company's New Factory in Tula, Kawempe, Kampala. (ii) Approved Recovery by Hariss International Limited of the Cost amounting to UGX 1,928,984,700 under the Energy Rebate Guideline. (iii) Rejected the Costs of the Island Mini Substation SCADA system amounting to UGX 245,723,917.7.
47.	MIN. 1929/322/2020	Approved the Application by Tembo Steels (U) Limited for inclusion of the Energy Account No. 206118929 in the Extra-Large Customer Category (Code 40) effective the Billing Cycle starting in February 2020.

48.	MIN. 1930/322/2020	Approved the Execution of the Power Purchase Agreement between UETCL and the Uganda Energy Credit Capitalization Company Limited relating to the development of the Nine (9) ORIO-supported Small Hydropower Projects in Western Uganda.
49.	MIN. 1931/322/2020	Resolved to: (i) Adopt the Report of the Audit Committee of the Authority for the Second Quarter of Financial Year 2019/20. (ii) Adopt the ERA Internal Audit Report for the Second Quarter of Financial Year 2019/20. (iii) Adopt the ERA Quarterly Risk Report for the Second Quarter of Financial Year 2019/20. (iv) Adopt the ERA Budget Performance Report for the First Half of FY 2019/20; and the Budget Reallocations for the Last Half of the FY 2019/20. (v) Take Note of the Cash Flow Forecast Report for the Calendar Year 2020.
50.	MIN. 1932/322/2020	Approved the Award of a Permit to Bantu Energy Uganda Limited to enable the Company to undertake Feasibility Studies and other activities leading to the development of the proposed 10 MW Panyimur – Panyigoro Geothermal Power Project proposed to be located in the Villages of Wangkado West and Situ, in Kivuje, Boro Central and Boro East Parish, Panyimur sub-County, Pakwach District.
51.	MIN. 1933/322/2020	Approved the Application by Mayuge Sugar Industries Limited for Modification of Licence No. ERA/LIC/GEN/015/139, by Extending the duration for achieving Financial Close by One Thousand Five Hundred and Ninety Eight (1598) days from the Effective Date and Commercial Operations Date to a date, not later than Sixty Nine (69) Months from the Effective Date.
52.	MIN. 1934/322/2020	Resolved to Approve the following Costs in respect of the Kawanda-Kasana/Kapeeka Project: (i) UGX 8,003,327,225 to address the Project Financing Gap. (ii) UGX 150,000,000 for Replacement of all Transformer Oil in the Old Transformer. (iii) UGX 150,000,000 for Bull Dozer Repairs.
53.	MIN.1935/322/2020	Approved the Least Cost Expansion Electricity Plan (2020 -2030) for dissemination to the Minister of Energy and Mineral Development and other stakeholders as a Consultative document.
54.	MIN. 1937/322/2020	Rejected the Application by Great Lakes Energy Company NV and GL Africa Energy Limited for approval of the Involuntary Transfer of License, through acquisition of the shares in the holder of Licence No. ERA/LIC/GEN/015/134 issued to MSS Xsabo Power Limited.
55.	MIN. 1938/322/2020	Approved the Application by Electro-Maxx Limited for Modification of Licence No. ERA/LIC/GEN/017/159 to Extend the time for the applicability of Part A of the Tariff Structure from 31st December 2019 to June 2020; and 1st July 2020 for the effectiveness of Part B of the Tariff Structure.

56.	MIN. 1939/322/2020	Approved the Award of a Permit to Kanyabaha Hydro Power Plant Limited to enable the Company to undertake Feasibility Studies and other activities leading to the development of the proposed 7 MW Nshongi Small Hydropower Project along River Nshongya in Bunyangabu District.
57.	MIN. 1940/322/2020	Approved the Half Year Performance Report of the Authority for Financial Year 2019/20 for Submission to the Minister of Energy and Mineral Development, in accordance with Section 115 of the Electricity Act, 1999.
58.	MIN. 1941/322/2020	Resolved to Take Note of: (i) The progress achieved with the development of the proposed New ERA House premises at Plot 5C-1 Lugogo, Industrial Area. (ii) The payments made to Roko Construction Limited and Archtech Consults Ltd for the construction of the New ERA House at Plot 5C-1 Lugogo, Industrial Area. (iii) The expected delay in Commissioning the New ERA House.
59.	MIN. 1942/322/2020	Resolved to Take Note of the Tariff Cost Build-up, Tariff Reduction Measures, the justification for having Thermal Power in the generation mix and the Subsidy amount that would be required at the current Level of Tariffs, to afford US Cents 5 per kWh (UGX 185/kWh) for Industrial Consumers.
60.	MIN. 1943/322/2020	(i) Resolved to Adopt the Forensic Audit Report of Bundibugyo Energy Co-operative Society. (ii) Resolved to Adopt the Recommendations of the Forensic Audit Report. (iii) Resolved to Take Note of the Compliance Status of Bundibugyo Energy Co-operative Society. (iv) Approved the Issuance of a Notice to Bundibugyo Energy Co-operative Society to Show Cause why Licence No. 084 should not be revoked. (v) Approved the Engagement with MEMD on the tendering of the License held by BECS or appointment of a Supplier of Last Resort to ensure Continuity of Electricity Supply in the Concession.
61.	MIN. 2002/325/2020	Resolved to Take Note of the Progress of the Trees Planted at Ongom Central Forest Reserve in Alebtong District, as part of ERA's Corporate Social Responsibility for FY 2019/20.
62.	MIN. 2003/325/2020	(i) Approved the Application for Grid Extension No. Umeme 088/2017. (ii) Rejected the Application for Grid Extension No. Umeme 106/2020. (iii) Approved the Application for Grid Extension No. Umeme 107/2020. (iv) Approved the Application for Grid Extension No. Umeme 105/2020.

63.	MIN. 2004/325/2020	(i) Resolved to Take Note of the Status of Licensees who had Notified the Authority of Force Majeure Events on account of the impacts of the COVID-19 Pandemic on the ESI. (ii) Approved that the Authority Issues a General Circular to all the Licensees who had formally notified the Authority of potential Force Majeure Events to provide details of the impact of the COVID-19 Pandemic on their operations.
64.	MIN. 2005/325/2020	Resolved to: (i) Take Note of the activities and consultations undertaken by ERA with respect to the challenges faced by Bundibugyo Energy Co-operative Society. (ii) Approve the continued operation of BECS under the intervention of the Rural Electrification Agency for the period April to December 2020. (iii) Maintain the End-User (Retail) Tariffs charged by BECS at UGX 635.3/kWh for Domestic Customers, and UGX 561.2/kWh for Commercial Customers for the period 1st April 2020 to 31st December 2020. (iv) Maintain the Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited of UGX 354.0/kWh, UGX 272.3/kWh and UGX 165.6/kWh for Peak, Shoulder and Off-Peak, respectively, for the period 1st April 2020 to 31st December 2020.
65.	MIN. 2006/325/2020	Resolved to: (i) Take Note of the progress made by UEDCL in the procurement of a Consultant for the Reconstruction of Umeme Limited's Asset Register. (ii) Approve USD 1,979,000 as part of UEDCL's Revenue Requirement for the period 2020/21 to fund the consultancy.
66.	MIN. 2007/325/2020	Resolved to: (i) Take Note of the Application by Raxio Data Centre Ltd for a SCADA-Ready Ring Main Unit amounting to UGX 655,637,973 under the Rebate Policy of the Authority. (ii) Approve a Cost of UGX 555,527,001 for Raxio Data Centre-SMC Ltd for installation of a SCADA-ready Ring Main Unit at Namanve Industrial Park, under the Energy Rebate Guidelines. (iii) Reject an amount totalling UGX 100,110,972.00 attributed to Value Added Tax, which was recoverable by Raxio Data Centre-SMC Ltd as per the VAT Act.
67.	MIN. 2008/325/2020	Resolved as follows: (i) To Take Note of the Impacts of the Floating Islands on the Electricity Supply Industry and the steps taken to clean up the Intake of Nalubaale Power Station and the Lake. (ii) To Direct Eskom Uganda Limited to submit a Comprehensive Investigation Report on the incident; and mitigation measures to prevent re-occurrence of the incidence.

68.	MIN. 2009/325/2020	(i) Resolved to Take Note of the Impact of the COVID-19 Pandemic on the Electricity Supply Industry. (ii) Approved that the Authority brings the effects of the Pandemic to the attention of the Ministry of Energy and Mineral Development, the Ministry of Finance, Planning and Economic Development and the Government of Uganda COVID-19 Pandemic Oversight Committee, through the Office of the Rt. Honourable Prime Minister.
69.	MIN. 2010/325/2020	Resolved to Take Note: (i) That in the month of April 2020, the Construction Site for the New ERA House was closed, and hence no works were carried out due to the Government-instituted COVID-19 Lockdown. (ii) Of the execution of Change Order No. 3 to ensure the validity of the Construction Contract with Roko Construction Limited. (iii) Of Roko Construction Limited's Notice that the Construction Site for the New ERA House would remain closed until 5th May 2020 when the Government of Uganda lifts the COVID-19 Lockdown.
70.	MIN. 2011/325/2020	(i) Resolved to Adopt ERA's Internal Audit Report for the period January to March 2020. (ii) Approved the Budget Performance Report for the Third Quarter of FY 2019/20 for Submission to the Internal Auditor General and the Permanent Secretary and Secretary to the Treasury, Ministry of Finance, Planning and Economic Development, and the Minister of Energy and Mineral Development.
71.	MIN. 2012/325/2020	Resolved to Take Note of the progress of Implementation of the ERA Staff Training Plan for FY 2019/20 and the actions taken to embrace the New Emerging Training requirements. Resolved to Take Note of the various measures instituted by the Authority to ensure the Business Continuity of ERA and the Electricity Supply Industry at large; and Reliability of Electricity Supply during the period of the COVID-19 Pandemic, in line with the Presidential Directives issued on 18th, 20th, 22nd, 30th, 31st March 2020 and 14th April 2020.
72.	MIN. 2013/325/2020	Resolved to: (i) Approve USD 504,270.01 for Umeme Limited under the Supplementary Budget Application for 2020. (ii) Approve an Additional Cost of USD 200,000 for the Bombo Substation Transformer rated at 7.5/10MVA. (iii) Instruct Umeme Limited to Submit a Report on the utilization of Decommissioned Power Transformers and Distribution Transformers.
73.	MIN. 2023/326/2020	Approved the Extension of Permit No. ERA/PER/GEN/017/101 held by Aswa – Lolim Hydro Power Company Limited for the development of the proposed 4.2 MW Hydropower Project on River Achwa in Nwoya District.

<table>
<tr><td>74.</td><td>MIN. 2024/326/2020</td><td>Approved the Application by Tororo Solar North Limited for Transfer of License No. ERA/LIC/GEN/015/133 as shown in the table.
<table>
<tr><th></th><th>Shareholder</th><th colspan="2">Approved Shareholding</th></tr>
<tr><th></th><th></th><th>Percentage</th><th>Shares</th></tr>
<tr><td>1.</td><td>Building Energy S.P.A</td><td>0%</td><td>0</td></tr>
<tr><td>2.</td><td>Building Energy South Africa Proprietary Limited</td><td>3.34%</td><td>23,250</td></tr>
<tr><td>3.</td><td>Red Rocket Africa</td><td>96.6%</td><td>672,852</td></tr>
</table></td></tr>
<tr><td>75.</td><td>MIN. 2025/326/2020</td><td>Resolved to:
(i) Take Note of the Performance of the Installation Permits Committee of the Authority for the Calendar Year 2019.
(ii) Take Note of the Expiry of the Contract for a Committee Member - Mr. Richard Okello; and the developments towards appointing a substantive replacement for the Member.</td></tr>
<tr><td>76.</td><td>MIN. 2026/326/2020</td><td>Resolved to:
(i) Approve a provision of an amount NOT exceeding UGX 983,911,949 as part of the Uganda Electricity Generation Company Limited's Operations and Maintenance Budget for the Due Diligence of the 50 MW Namanve Thermal Power Plant.
(ii) Direct UEGCL as the Government of Uganda Nominee and Implementing Agency to finalize the modalities for Ownership, Operation and Maintenance of the 50 MW Namanve Thermal Power Plant on behalf of the Government of Uganda.</td></tr>
<tr><td>77.</td><td>MIN. 2027/326/2020</td><td>Resolved to Take Note of the Resumption of works and the progress with the Construction of the New ERA House following the easing of the COVID-19 Lockdown measures by the Government of Uganda.</td></tr>
<tr><td>78.</td><td>MIN. 2028/326/2020</td><td>Resolved to Adopt the Performance Report of the Authority for the Third Quarter of Financial Year 2019/20.</td></tr>
<tr><td></td><td></td><td>Rejected the Application by Umeme Limited for Other Tariff Adjustments.</td></tr>
<tr><td></td><td></td><td>Resolved to Take Note of the Performance of the ERA Registry and Resource Centre for the Third Quarter of FY 2019/20.</td></tr>
<tr><td></td><td></td><td>Approved the revised Energy Rebate Guidelines.</td></tr>
<tr><td></td><td></td><td>Resolved to Take Note of the Status of Compliance of Licensees for the Year 2019.</td></tr>
<tr><td></td><td></td><td>Resolved to Commend Kalangala Infrastructure Services, Kyegegwa Rural Electricity Co-operative Society and UEDCL for their continued Exceptional Compliance Performance and Improvement for the last Three (3) Years.</td></tr>
<tr><td></td><td></td><td>Approved Umeme Limited's Additional Total Capital Investment Plan of USD 1,658,918.61.</td></tr>
</table>

		Resolved to Take Note of the 80% Quality of Service Compliance Performance for the Year 2019.
		Approved an Audit of the Information Technology System that collects the Quality of Service data and information.
		Approved the Publication of Umeme Limited's Performance Report in respect of Quality of Service Compliance for the period 2019 on the ERA Website.
		Approved the Costs for Labor and Transport for One Pole Connection; and other Connection Charges.
		Resolved to Take Note of the Report on the Production and Use of ERA's Publications and Promotional Materials for the Third Quarter of the FY 2019/20.
		Resolved to Take Note of the Environmental and Technical Findings resulting from the Inspection of the UETCL Network and Facilities that was conducted in the First Quarter of the Year 2020; and the Authority's Actions taken to improve the performance of UETCL.
		Resolved to Take Note of the Improvement in the Level of Environmental Performance for the Distribution Licensees from 68.3% as of the Second Quarter 2019 to 73.8% as of March 2020; and the Authority's Actions taken to improve the Licensees' Compliance with the Environmental requirements.
		Resolved to Take Note of the Performance of Eskom Uganda Limited for the Year 2019, and the steps taken by the Authority to improve the performance of the company.
		Resolved to Take Note of the Low Expenditure by Eskom Uganda Limited for the Approved Safety, Health and Environment Generation Operation and Maintenance Costs; and the Authority's Actions to ensure 100% implementation of the GOMC Parameters.
		Resolved to Take Note of the Financial Performance of Eskom Uganda Limited for the Year ended 31st December 2019.
		Resolved to Direct Eskom Uganda Limited to use the Actual Plant Availability in its Billing to Uganda Electricity Transmission Company Limited rather than the Target Plant Availability in line with the Set Performance Targets.
		Resolved to Take Note of the Findings of the Inspection for Umeme Limited; and the Action Plan by the Licensee to correct the identified gaps.
		Resolved to Take Note of the Findings from the Audit of the Customer Security Deposits handled by WENRECO; and the Company's Status of Compliance with the Customer Security Deposit Guidelines, 2010.

		Resolved to Take Note of the Status of Implementation and Performance of the Sector Skills Development Program for the period ending 31st December 2019.
79.	MIN. 2039/327/2020	Resolved to Ratify the Authority Decision made on 29th July 2020 to: (i) Take Note of the Clearance by the Minister of Energy and Mineral Development to allow Umeme Limited to Invest USD 41.6 Million, which could be recovered from the Rural Electrification Agency upon stabilization of Funding for the Electricity Connections Policy. (ii) Approve the Plan for Umeme Limited to Invest USD 41.6 Million to clear a backlog of 159,994 Applications for New Connection at the Approved 2020 New Connection Costs. (iii) Request Umeme Limited to Submit to the Authority an Updated Implementation Plan for Effecting the Approved New Connections, and the associated Progress Reports.
80.	MIN. 2040/327/2020	(i) Resolved to Take Note of Kilembe Investments Limited's Commercial and Financial Performance. (ii) Approved the Annualized Distribution Operation and Maintenance Costs of UGX 2,127,364,120 for Kilembe Investments Limited for the Tariff period 1st July 2020 to 30th June 2021. (iii) Approved the Annualized Distribution Loss Factor of 15%, and a Wheeling Loss of 5.68% for Kilembe Investments Limited for the period 1st July 2020 to 30th June 2021. (iv) Approved the Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited for the Purchase of Bulk Energy by Kilembe Investments Limited of UGX 371.7/kWh, UGX 285.9/kWh and UGX 188.6/kWh for Peak, Shoulder and Off-Peak periods, respectively, for the period 1st July 2020 to 30th June 2021. (v) Approved the Implementation of the Lifeline Tariff Structure with a threshold of 8 kWh (Units) per month for the Domestic Consumers of Kilembe Investments Limited, effective 1st July 2020. (vi) Approved the Lifeline Tariff of UGX 250/kWh for the First 8 kWh (Units) consumed in a month for the Domestic Consumers of Kilembe Investments Limited, effective 1st July 2020. (vii) Approved the End-User (Retail) Tariffs for the Consumers served by Kilembe Investments Limited as follows: UGX 738.0/kWh for Domestic Consumers, UGX 634.0/kWh for Commercial Consumers and UGX 568.2/kWh for Medium Industrial Consumers, respectively, for the period 1st July 2020 to 30th June 2021.

(viii) Approved other charges to be applied by Kilembe Investments Limited for the period 1st July 2020 to 30th June 2021 as indicated in the table.

Charge	Domestic Consumers	Commercial Consumers	Medium Industrial Consumers
Fixed Monthly Charge (UGX)	3,360	3,360	22,400
Inspection Fee (UGX)	20,000	30,000	30,000
Reconnection Charges	35,000	35,000	35,000
Penalty for Power Theft	UnBilled Consumption as per Section 7.6 of the Electricity Grid Code Regulations		

81. MIN. 2041/327/2020

Approved the End-User (Retail) Tariffs to be charged by Kalangala Infrastructure Services Limited for the period July to September 2020 as shown in the table.

Customer Category	Time of Use	Recommended Tariffs (UGX/ kWh)
Domestic	Off-Peak	742.8
	Peak	742.8
Commercial	Off-Peak	846.2
	Peak	846.2
Industrial	Off-Peak	846.2
	Peak	846.2

82. MIN. 2042/327/2020

Rejected the Application by Umeme Limited for Other Tariff Adjustment.

83. MIN. 2043/327/2020

Approved:

(i) That UEDCL Charges Uniform Tariffs across the Service Territories of: Central North Service Territory (CNST), North-North West Service Territory (NNWST), North-East Service Territory (NEST), Mid-West Service Territory (MWST), Eastern Service Territory (EST), South Service Territory (SST), North West Service Territory (NWST) and the South West Service Territory (SWST).

(ii) The Renewal of UEDCL's Service Territory Licences for a period of One (1) Year effective 1st July 2020.

(iii) Annualized Operation and Maintenance Costs of UGX 26,366,540,051 for the UEDCL Service Territories for the period July 2020 to June 2021.

(iv) An Annualized Rebate Implementation amount of UGX 144,210,536 for the period July 2020 to June 2021.

(v) An Annualized Grid Tariff Charge Reconciliation amount of UGX 372,931,138 for the period July 2020 to June 2021.

(vi) A Target Overall Distribution Loss Factor of 20.1 (14.42% for Distribution Losses and 5.68% for Wheeling Losses) for the Eight (8) UEDCL Service Territories for the period July 2020 to June 2021.

		(vii) End-User (Retail) Tariffs for the Customers served by UEDCL as follows; Domestic Customers at UGX 750.9/kWh, Commercial Customers at UGX 645.6/kWh, Medium Industrial Customers at UGX 570.9/kWh, Large Industrial Customers at UGX 361.0/kWh, and Street Lighting Customers at UGX 370.0/kWh. (viii) The Bulk Supply Tariff to be charged by Uganda Electricity Transmission Company Limited of: UGX 256.7/kWh, UGX 197.5/kWh, and UGX 130.3/kWh at Peak, Shoulder and Off-Peak periods, respectively, for the period July 2020 to June 2021. (ix) Installation/Inspection Fees of UGX 20,000. (x) Standing Charges of UGX 3,360 for Domestic and Commercial Customers, UGX 22,400 for Medium Industrial Customers and UGX 70,000 for Large Industrial Customers. (xi) Reconnection Fees of UGX 25,200.
84.	MIN. 2044/327/2020	(i) Resolved to Stay the Quarterly Adjustment of the End-User (Retail) Tariffs charged by WENRECO for the period July to September 2020. (ii) Resolved to Maintain the Base End-User (Retail) Tariffs to be charged by WENRECO for the period July to September 2020 as shown in the table.

Customer Category	Base Tariff	Q3 2020
Code 10.1 – Domestic	710.0	710.0
Code 10.2 – Commercial	636.8	636.8
Code 20 - Medium	613.8	613.8
Code 30 - Large Industrial		
Peak	367.4	367.4
Shoulder	N/A	440.9
Off-Peak	N/A	314.0
Code 50 - Street Lighting	370.0	370.0

85.	MIN. 2045/327/2020	(i) Resolved to Take Note of the Outturn of the Reconciliation at UETCL's Tariff Revenue Requirement, resulting into an Over-Recovery of UGX 64,240.8 Million for the year 2019. (ii) Approved a total of UGX 142,419.8 Million as the Cumulative Over-Recovery by UETCL as at the end of 2019.
86.	MIN. 2046/327/2020	(i) Rejected the request by UEGCL for UGX 983,911,949 as part of the UEGCL Operation and Maintenance Budget for the Due Diligence of the 50 MW Namanve Thermal Power Plant; and recommended that the Due Diligence be funded by the Government of Uganda. (ii) Resolved to Direct UEGCL as the Government of Uganda Nominee and Implementing Agency to finalize the modalities for Ownership, Operation and Maintenance of the 50 MW Namanve Thermal Power Plant on behalf of the Government of Uganda.

87. MIN. 2047/327/2020

Approved the following:

(i) A Capacity Price of UGX 51,897 per MW per hour for Eskom Uganda Limited for the period July 2020 to September 2020.

(ii) The Bulk Supply Tariff of UGX 366.1/kWh, UGX 281.6/kWh, and UGX 185.8/kWh at Peak, Shoulder and Off-Peak periods, respectively, for the period July to September 2020.

(iii) That the Lifeline Tariff for the Consumers served by Umeme Limited be Maintained at UGX 250/kWh for the First 15 Units purchased by a Consumer in a month.

(iv) The Adjustment Factors and the Resultant End-User Tariffs for the period July to September 2020 as follows:

a) Inflation Adjustment Factor: UGX 4.0/kWh, UGX 2.6/kWh, UGX 2.6/kWh, UGX 1.1/kWh, UGX 0.7/kWh and UGX 0.0/kWh for the Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial and Street Lighting Customers, respectively.

b) Exchange Rate Adjustment Factor: UGX 45.0/kWh, UGX 28.8/kWh, UGX 28.8/kWh, UGX 13.8/kWh, UGX 9.5/kWh and UGX 0.0/kWh for the Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial and Street Lighting Customers, respectively.

c) Fuel Price Adjustment Factor: UGX (17.3)/kWh, UGX (8.7)/kWh, UGX (8.7)/kWh, UGX (8.4)/kWh, UGX (7.8)/kWh and UGX 0.0/kWh for the Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial and Street Lighting Customers, respectively.

d) Dispatch/Generation Mix Adjustment Factor: UGX (32.6)/kWh, UGX (26.5)/kWh, UGX (27.0)/kWh, UGX (7.9)/kWh, UGX (3.0)/kWh and UGX 0.0/kWh for the Domestic, Commercial, Medium Industrial, Large Industrial, Extra-Large Industrial and Street Lighting customers, respectively.

e) End-User Tariffs as follows: Domestic Customers at UGX 750.9/kWh, Commercial Customers at UGX 645.6/kWh, Medium Industrial Customers at UGX 570.9/kWh, Large Industrial Customers at UGX 361.0/kWh, Extra-Large Industrial Customers at UGX 301.7/kWh, and Street Lighting Customers at UGX 370.0/kWh.

Time of Use	Do-mestic	Com-mercial	Medium Industrial	Large Industrial		Extra-Large Industrial		Street Lighting
				Block 1	Block 2	Block 1	Block 2	
Average	750.9	645.6	570.9	361.0		301.7		370.0
Peak		845.3	768.8	482.1	468.7	395.6	288.7	
Shoulder		646.8	571.3	362.3	352.2	301.7	220.2	
Off-Peak		388.5	315.2	243.6	236.8	230.8	168.4	

(v) Continued Implementation of the Declining Block Tariff for the Large and Extra-Large Industrial Consumers served by Umeme Limited.

		(vi) Cross-Subsidization of the Street Lighting Consumers by other Consumer categories. (vii) Rejected the Application by Uganda Electricity Generation Company Limited for Recovery of UGX 983,911,949.19 under the Tariff for the Due Diligence of the 50 MW Namanve Thermal Power Plant; and advised that the Due Diligence is funded by the Government of Uganda. (viii) That Other Charges including the Fixed Monthly Service Charge, Maximum Demand Charge, Reactive Energy Charge, Reactive Energy Reward, and Reconnection Charges applicable to Umeme Limited remain Unchanged.
88.	MIN. 2048/327/2020	(i) Resolved to Take Note of the Commercial Performance of PACMECS for the Year ended 31st December 2019. (ii) Resolved to Direct PACMECS to clear all Outstanding Bills due to Uganda Electricity Transmission Company Limited by 31st December 2020. (iii) Approved the Annualized Tariff Parameters for PACMECS for the period 1st July 2020 to 31st December 2020 as follows: a) Distribution Operation and Maintenance Costs of UGX 871,220,899. b) An Overall Distribution Loss Factor of 15% and a Wheeling Loss Charge of 5.68%. c) The Bulk Supply Tariff to be applied by Uganda Electricity Transmission Company Limited for the Purchase of Bulk Electricity by PACMECS of UGX 371.7/kWh, UGX 285.9/kWh and UGX 188.6/kWh for Peak, Shoulder and Off-Peak periods, respectively. (iv) Approved the Implementation of the Lifeline Tariff Structure in the PACMECS Concession with a monthly threshold of 6 kWh (Units) per month for Domestic Consumers, effective 1st July 2020. (v) Approved the Lifeline Tariff of UGX 250/kWh for the First 6 kWh (Units) for the Domestic Consumers in the PACMECS Concession, effective 1st July 2020. (vi) Approved the End-User (Retail) Tariffs to be charged by PACMECS of UGX 734.2/kWh for Domestic Consumers and UGX 631.0/kWh for Commercial Consumers for the period 1st July 2020 to 31st December 2020. (vii) Approved Other charges to be applied by PACMECS for the period 1st July 2020 to 31st December 2020 as indicated in the table:

Parameters	Domestic Consumers	Commercial Consumers
Fixed Monthly Charge (UGX)	3,360	3,360
Inspection Fee (UGX)	20,000	30,000
Reconnection Charges	35,000	35,000
Penalty for Power Theft	Unbilled Consumption as per Section 7.6 of the Electricity Grid Code Regulations	

89.	MIN. 2049/327/2020	Approved the First Amendment to the Power Purchase Agreement between UETCL and Genmax Nyagak Ltd relating to Power Generation at Alindi Village, Paidha Sub-County, Zombo District.
90.	MIN. 2050/327/2020	Resolved to: (i) Take Note of the Status of Performance Bond Instruments in the custody of the Authority. (ii) Take Note of the Compliance Status of Licensees in respect of the Performance Guarantee-secured Conditions. (iii) Approve the ERA Resource Centre Policy and Procedures Manual, 2020. (iv) Approve USD 4,356,871.85 as Eskom Uganda Limited's Completed Investments for 2019. (v) Approve USD 194,332.61 as the Verified Non-Core Assets carried forward from the Generation Operation and Maintenance Costs (2015 – 2018) for inclusion in the Tariff. (vi) Approve USD 163,255.69 as the Verified amount spent by Eskom Uganda Limited on Non-Core Assets in the Year 2019. (vii) Clawback USD 55,359.69 for the Reassessed and Discontinued Power System Simulator Project. (viii) Take Note of the Status of Implementation of the Uniform System of Accounts in the Electricity Supply Industry. (ix) To Take Note of the status of UETCL's Compliance for the Year 2019, and the actions taken by the Authority to make UETCL improve its compliance level. (x) Take Note of the Findings from the Investment Verification Exercise for the Year 2019. (xi) Approve USD 13,700,228 as Completed Investments to be added to the Rate Base for the Year 2019. (xii) Approve Clawback of USD 183,008 related to Umeme Limited's Customer and Engineering Systems Integration (CESI) Project. (xiii) Approve USD 2,630,830 for the Non-Network Assets implemented in the Year 2019.
91.	MIN. 2052/327/2020	(i) Approved ERA's Five-Year Strategic Plan for the Financial Years 2020/21 to 2024/25. (ii) Approved ERA's Corporate Work Plan for the Financial Year 2020/21.
92.	MIN. 2053/327/2020	Resolved as follows: (i) To Take Note of the Authority's Revised Budget Estimates of UGX 28,751,184,506 for the Financial Year 2020/21. (ii) To Adopt the Budget Review Report of the Authority for the Financial Year 2020/21.

Additional Information

Principal Place of Business and Registered Address

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Email: info@era.or.ug; Website: www.era.or.ug

Bankers

Standard Chartered

Standard Chartered Bank Uganda Limited
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Stanbic Bank

Stanbic Bank Uganda Limited
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NOTES

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