

ELECTRICITY REGULATORY AUTHORITY

REGULATORY DECISIONS MADE AT THE 153RD AUTHORITY MEETING

1. Nengo Bridge Hydro Power Project:

Upon consideration of an application for extension of the permit by Messers Jacobsen Elektro AS the Authority noted that:

- a) The company had made substantial progress in the feasibility study.
- b) The Company had made regular progress reports to the Authority and had complied with the terms and conditions of the permit.
- c) The application for the extension was justified to enable the Company finalize the feasibility studies and complete the necessary studies and activities leading to a License.

In light of the above and pursuant to the provisions of Section 6 of the Electricity (Application for permit, License and Tariff review) Regulations 2007, the Authority approved the extension of the permit for six months with effect from 1st July 2009 and requested the Company to execute a performance bond in the sum of US\$ 6,000 to guarantee performance of its obligations.

2. SESAM Energetics Ltd Waste-to Energy Project:

Upon consideration of an application for extension of a permit for conversion of waste to energy by SESAM Energetics Ltd the Authority noted that:

- a) The company had made substantial progress in the feasibility study.
- b) The Company was still in negotiations with Kampala City Council regarding the collection and utilisation of waste and the Company was also still in negotiations into issues about carbon credit trading.
- c) The application for the extension was justified to enable the Company finalize the feasibility studies and complete the necessary studies and activities leading to a License.

In light of the above and pursuant to the provisions of Section 6 of the Electricity (Application for permit, License and Tariff review) Regulations 2007, the

Authority approved the extension of the permit for six months with effect from 1st July 2009

The performance bond requirement was waived in view of the new technology this project is introducing and other aspects.

3. Progress of the process of the application for amendment of the License by Kalangala Infrastructure Services Ltd.

Upon consideration of application for a License amendment by Kalangala Infrastructure Services Ltd the Authority noted that:

- a) Following a series of meetings with KIS a number of policy issues which required government guidance still remained outstanding. These included the tax treatment of dividends to shareholders, whether some types of subsidies should earn a rate of return and the removal of installations from the Licensed area in cases of termination of the Licence even when the termination is as a result of K.I.S own default.
- b) It was necessary to seek government guidance before the proposed amendment could be effected

In light of the above the Authority decided that the outstanding issues be forwarded to the Ministry of Energy and Mineral Development and the Ministry of Finance and Economic Planning for further consultation and guidance.

4. Application for by UMEME Ltd to extend the grid beyond the 1km footprint

The Authority noted the application by UMEME Ltd to extend the grid beyond the existing foot print as provided for the UMEME Ltd License No. 047 and License No. 048 for distribution and supply of Electricity.

The Authority noted that Management had authorised the extension subject to ratification as previous authorization by the Authority therefore the Authority considered the application and ratified the extension of the existing grid beyond the 1km as detailed below.

District	County	Area	Scheme	Description	Length (km)
Bushenyi		Bunyaruguru	Kicwamba Kabogo	Medium Voltage 33kV overhead line and installation of a 50kVA Transformer.	1.7Km
Mbarara	Rugando		Nyakaronko Kagongi	Medium Voltage 33kV overhead line and installation of 3 x	2.95Km

				50kVA Transformer.	
Fort Portal			Kyamukube TC	Medium Voltage 33kV overhead line and installation of a 50kVA Transformer.	3.1Km
Mbarara		Ntungamo	Kyabirara Market	Medium Voltage 33kV overhead line and installation of 4 x 50kVA Transformer.	3.4Km
Bombo		Buloba Parish	Bukasa Bukulu LC1	Medium Voltage 33kV overhead line and installation of 50kVA Transformer.	1.6Km
Mbarara			Katojo Industrial Estate	Medium Voltage 33kV overhead line and installation of a 50kVA and 100 KVA Transformers.	2.8Km
Mbarara			Nyakaguruka, Karora and Buhiihi	Medium Voltage 33kV overhead line and installation of a 5 x 50kVA Transformer.	3.8Km
Kamuli			Namaganda TC	Medium Voltage 11kV overhead line and installation of a 50kVA Transformers.	1.5Km
Luwero	Semuto	Bugonzi	Dott services Quarry	Medium Voltage 11kV overhead line and installation of a 50kVA Transformers.	4.2Km