

# ELECTRICITY REGULATORY AUTHORITY

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## REGULATORY DECISIONS MADE AT THE 154<sup>RD</sup> AUTHORITY MEETING

The following extensions of the Umeme Ltd were ratified at the 154<sup>th</sup> Authority meeting.

District	County	Area	Scheme	Description	Length (km)
Kabale			Bigaaga Butanda	Medium Voltage 33kV overhead line and installation of 50kVA Transformer.	3.3Km
Kabale			Bushuro Kitumba	Medium Voltage 33kV overhead line and installation of 4 x 50kVA Transformer.	3.3Km
Wakiso		Namugongo	Nsawo Trading Centre	Medium Voltage 11kV overhead line and installation of a 50kVA Transformer.	1.65Km
Bushenyi		Kabwohe	Mukinga Nyamufumura	Medium Voltage 11kV overhead line and installation of 2 x 50kVA Transformer.	2.1Km
Tororo		Rubongi	Nyakesi Trading Centre	Medium Voltage 11kV overhead line and installation of 2 x 50kVA Transformer.	2.0Km

The Authority however noted that future ratifications would only be granted after UMEME Ltd has submitted a detailed map of the existing network, extensions that had been made outside the footprint a and a detailed map showing UMEME LTD installations in Uganda.

### **1. Grid Code Committee:**

Pursuant to Section 2.2.4 of the Electricity (Primary Grid Code) Regulations 2003, the Authority approved the following as members of the Grid code Committee:

- a) Eng. Norbert Semitala - ERA
- b) Eng. James Omara-Ogwang - ERA
- c) Mr. Valentine Katabira - UETCL
- d) Mr. Norbert Matarutse - Eskom
- e) Mr. Dag Moen - Jacobsen
- f) Mr. Simbiso Chimbima - Umeme

### **2. Transfer of the UMEME Ltd License to Actis Infrastructure 2LP from CDC Globeleque**

Upon consideration of the application by UMEME to transfer its License to from Actis Infrastructure 2LP to CDC Globeleq, the Authority Noted that the approved amendments in the UMEME ltd License had been advertised and CDC Globeleque had objected to the advert referring to Actis Infrastructure 2LP as a fully owned subsidiary of CDC and explained that CDC was a majority shareholder in the firm.

The Authority resolved that CDC be required to provide a parent guarantee letter to confirm that it will remain committed to its original obligations to UMEME Ltd since ERA had received information from Actis Infrastructure 2LP financial statements to the effect that the fund was a young equity fund with a narrow asset base inadequate to meet the investment requirements of UMEME Ltd and that CDC was not legally bound to meet the obligations of Actis Infrastructure 2 LP.

### **3. Application to extend the License of Aggreko Kiira**

Upon consideration of an application for extension of the permit of Aggreko with respect to the Kiira plant, the Authority noted that:

- a) The MEMD had informed the Authority that in order to avoid a power shortage as alternative cheaper sources of electricity are being made it was necessary to extend the Aggreko Kiira thermal projects License to 31<sup>st</sup> December 2009.

- b) The delay in approving the renewal of the License had been occasioned by Aggreko's failure to submit the required information which information was still lacking and the MEMD letter which expressed reservations on the renewal of the License which reservations were however later cleared.
- c) The extension should be subject to the approval of the amended Power Purchase Agreement and that the terms and conditions of the fuel supply agreement in the Shell/Aggreko agreement for the Mutundwe Plant would be used.
- d) The proposed amendment would be as follows:

ITEM	UNITS	ORIGINAL CONTRACT	PROPOSED AMENDMENT
<b>Capacity Price</b>			
Contracted Capacity	MW	50	50
Daily Dispatch	MWh	900	900
Capacity charge	US\$ per MWhr	35.70	38.20
Annual Capacity Payment	US\$	11,727,450	12,548,700
<b>Reference Energy Charge of price</b>			
O&M Component	US\$ per MWhr	9.5	9.5
Fuel Logistic Fuel Component (Mombasa Route)	US\$ per MWhr	51.23	63.84
Fuel Logistic Component (Dar Es Salaam Route)	US\$ per MWhr	N/A	107.62
Specific Fuel Consumption Rate	Litres/MWh	277.79	277.79

1. The price of diesel to be used in the quarterly adjustments shall be based on the average pump price published by the Uganda Bureau of Statistic (UBOS) and the pump price for December 2008 shall be used as a reference diesel price.

In light of the above and pursuant to Section 6 of the Electricity (Application for permit, License and Tariff review) Regulations 2007 the Authority approved the extension of the License for a period of twelve months from 1<sup>st</sup> January 2009 to December 2009 .