

ELECTRICITY REGULATORY AUTHORITY (ERA)

ERA STAKEHOLDER SATISFACTION SURVEY

FINAL REPORT

PREPARED FOR

**ELECTRICITY REGULATORY AUTHORITY
PLOT 15 SHIMONI ROAD
KAMPALA**

By:

Department of Social Work and Social Administration,
Makerere University, Kampala, Uganda
P.O Box 7062, Kampala
Attention: Narathius ASINGWIRE
Tel: 075 790594
Email: nasingwire@ss.mak.ac.ug

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Abbreviations

CONSENT	-	Consumer Education Trust of Uganda
DWD	-	Directorate of Water Development
EIA	-	Environmental Impact Assessment
ERA	-	Electricity Regulatory Authority
IPP	-	Independent Power Producer
LC	-	Local Council
MoEMD	-	Ministry of Energy and Mineral Development
MoFPED	-	Ministry of Finance, Planning and Economic Development
MoWLE	-	Ministry of Water, Lands and Environment
NAPE	-	National Association of Professional Environmentalist
NEMA	-	National Environmental Management Authority
NORAD	-	Norwegian Agency for Development Cooperation
NPA	-	National Planning Authority
NVE	-	Norwegian Water Resources and Energy Directorate
PPA	-	Power Purchase Agreement
PSF	-	Private Sector Foundation
REA	-	Rural Electrification Agency
SWSA	-	Social Work and Social Administration
ToR	-	Terms of Reference
UEB	-	Uganda Electricity Board
UEGCL	-	Uganda Electricity Generation Company Limited
UETCL	-	Uganda Electricity Transmission Company Limited
UIA	-	Uganda Investment Authority
UIPE	-	Uganda Institute of Professional Engineers
UMA	-	Uganda Manufacturers Association
URU	-	Utility Reform Unit
WENRECo	-	West Nile Rural Electrification Company Limited
UCPA	-	Uganda Consumers Protection Association

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Executive Summary

Introduction and Methodology

This study on “Electricity Regulatory Satisfaction (ERA) Stakeholder Satisfaction Survey” was commissioned in November 2005. ERA contracted the Department of Social Work and Social Administration (SWSA), Makerere University to undertake the survey whose overall objective was to determine the level of ERA stakeholders’ satisfaction with how ERA has carried out its functions to-date. Qualitative and quantitative methodologies were used to carry out the study in the three purposively districts of Kampala, Arua and Masaka. A total of 22 entity stakeholders (i.e., Government of Uganda (GoU), Other Government Agencies, Electricity Sector Participants, Interest Bodies, Professional Groups and Development Partners) were covered. The study also reached 298 domestic consumers and 87 commercial consumers in the three selected districts. Data for this survey were collected through in-depth interviews with study informants from entity stakeholders and personal interviews with consumers. Structured questionnaires with a satisfaction matrix were used for data collection.

Key Findings

Functions of ERA

The functions of ERA that impact on stakeholders are derived from the Electricity Act, 1999. These include issuing of licenses and permits; enforcing compliance with licenses; establishment of a tariff structure; investigation of tariff charges and specific complaints of tariff charges; review of organization of electricity utility companies; development and enforcement of performance standards; development and approval of uniform electricity standards and codes of conduct; advise on the need for electricity sector projects; preparation of industry reports and gathering information from electricity utility companies; prescription and collection of license fees; and provision of procedures for investment programs by transmission and distribution companies.

Stakeholders’ Knowledge and Awareness of ERA

The survey findings reveal that most informants in government ministries, other agencies and interest bodies have general awareness and knowledge of ERA as a government agency, and many know that it is charged with regulating electricity activities in the country. However, some officials representing government entities even at a policy level and those in local governments had limited knowledge with regard to the functions of ERA—often confusing ERA roles with those of electricity utility companies.

Knowledge and awareness of ERA among domestic and commercial consumers was generally low. Over a half of domestic consumers (58.4%) compared to 47.0% of commercial consumers had never heard of ERA. Even among those who have heard of ERA, a big number cannot correctly categorize ERA as a government agency.

Stakeholders’ Satisfaction with how ERA has carried out its Functions

Issuing licenses and permits:- Six out of the 8 stakeholders who are affected by this function or have a role to play rated ERA’s performance as “very satisfactory”. The remaining three rated ERA’s performance as “fairly satisfactory”. The stakeholders including the electricity utility companies appreciate the various procedures involved and are very satisfied with the transparent and straight forward nature of the process. The limitations inherent in ERA’s performance in fulfilling this function are deemed inevitable and necessary by all the stakeholders.

Enforcing compliance with licenses:- Five out of 6 stakeholders rate ERA performance as “very satisfactory or fairly satisfactory. Study informants at NEMA expressed dissatisfaction with ERA on grounds that it does not share reports on environmental monitoring activities to ascertain whether the electricity utility companies are complying with environmental requirements. According to ERA, NEMA is supposed to monitor their licence conditions.

Establishment of a tariff structure:- The satisfaction level of stakeholders ranged from “very satisfactory” to fairly satisfactory.

Investigation of tariff charges and specific complaints of tariff charges:- Apart from UMEME and Uganda Investment Authority (UIA) who rate ERA’s performance in fulfilling this function, the rest of the stakeholders rate the performance as “not satisfactory”. Over a half (55%) of the domestic and commercial consumers expressed dissatisfaction with the way ERA handles specific complaints on tariff charges.

Review of organization of electricity utility companies:- Three out of 5 utility companies rate ERA performance of this function as “very satisfactory” while 2—UMEME and AGGREKO rate it “not satisfactory”. Informants at UMEME argue that preparation of periodic reports is time consuming and cumbersome, while AGGREKO argues that a series of reports used for the review are not relevant to its operations.

Development and enforcement of performance standards:- Electricity utility companies rate ERA’ performance of this function as “fairly satisfactory” apart from Uganda Electricity Transmission Company Ltd (UETCL) where informants rate the performance as “very satisfactory”. Other stakeholders such as National Environmental Management Authority (NEMA) and Uganda Institute of Professional Engineers (UIPE) rate the performance as “not satisfactory”.

Development and approval of uniform electricity industry standards and codes of conduct:- All the electricity utility companies and the Utility Reform Unit rate ERA’s performance as “very satisfactory”, while NEMA and UIPE rate the performance as “not satisfactory and “fairly satisfactory” respectively. UIPE informants contend that ERA does not have the required capacity to monitor practices in the electricity industry due to the wideness of the area that has to be covered.

Establishment of uniform system of accounts for licenses:- With exception of UMEME and AGGREKO where participants rate ERA’s performance as “not satisfactory”, the rest of the stakeholders rate the performance of ERA “very satisfactory and fairly satisfactory”. At AGGREKO, it is argued that a uniform financial reporting format is not applicable to the company, while for UMEME, study informants indicate that the information required is time consuming and costly to gather.

Advise on the need for electricity sector projects:- Study informants at Ministry of Energy and Mineral Development (MoEMD) rate the performance of ERA as “fairly satisfactory”. That ERA tries its best in issuing licenses and permits, but projects take long to mature. However, study informants with the Utility Reform Unit (URU) note that ERA has not met the expectations and that it has mostly left this function to MoEMD

Preparation of industry reports and gathering information from electricity utility companies:- Apart from ESKOM which rate the performance of ERA as “very satisfactory” the rest of the electricity utility companies think that ERA’s performance has been “not satisfactory” (UMEME and AGGREKO) or “fairly satisfactory” (UETCL and URS). UMEME argues that ERA should concern

itself with strategic decisions and deal with strategic reports, but not operational details. For AGGREKO, reports required by ERA are not applicable/relevant to its operations.

Prescription and collection of license fees:- Apart from study informants at AGGREKO who rate ERA's performance as "not satisfactory", the rest of the stakeholders rate ERA's performance as "fairly satisfactory and "very satisfactory". According to AGGREKO, the license levied is high and had negotiated the power price before it knew the amount of license fees to be levied.

Provision of procedures for investment programs by transmission and distribution companies:- Only 3 stakeholders reported on this function, and of these, one—National Association of Professional Environmentalist (NAPE) rate the performance of ERA as "not satisfactory", while UETCL and MoEMD rate the performance as "fairly satisfactory". NAPE officials argue that ERA is not entirely open in performing some of its functions.

Stakeholders' Reported Crosscutting Positive Attributes of ERA

Apart from obtaining the feedback about ERA's performance of its mandated functions to-date, stakeholders reached by the survey reported crosscutting positive attributes of ERA. ERA is described by stakeholders as less bureaucratic, has very good public relations, consults with stakeholders and operates in a highly professional manner.

Challenges Faced by ERA

Awareness of ERA and image perception:- One of the major challenges faced by ERA is how to sell itself to all stakeholders amidst low awareness and knowledge of ERA. It is appreciated that ERA through its Public Relations Desk has endeavoured to reach out to the public, but still a significant proportion of the stakeholders is yet to

A Multiplicity of stakeholders:-By nature of its mandate, ERA deals with a multiplicity of stakeholders with differing interests and perceptions of what ERA should actually be doing. Striking a harmonized position on issues, for instance, to do with electricity tariffs poses daunting challenges, and more especially, when the "politics" of the day come in.

Unique electricity sector:- ERA faces a challenge unique to Uganda where generation, transmission and distribution of electricity have been split into three companies and ERA has to co-ordinate the three to provide electricity. It is in this regard that ERA's roles/functions are at times confused by some stakeholders in the electricity sector.

Capacity:-Although capacity of ERA was largely reported to have been fully built, some stakeholders such as NEMA and UETCL felt that that ERA was faced with a challenge of adequate personnel and financial resources to monitor the electricity utility companies.

Areas for Improvement

Communication, information and education for stakeholders:-There is a need to give timely feedback on reports submitted by electricity utility companies. This concern was expressed by ESKOM, which noted that feedback on capacity pricing is delayed which creates uncertainty and impacts on planning cycles. Feedback to the stakeholders should be timely to allow them to perform their duties effectively. The need for more consumer education was also expressed by UCPA.

Increased dialogue with stakeholders: Due to limited dialogue with some stakeholders like NAPE; the stakeholders have formed opinions of the electricity sector and are in position to influence the

thinking of consumers and politicians. ERA has to come out strongly and create rapport with these stakeholders and give them the facts on the electricity sector to ensure any communication to the public is based on facts.

Industry Reporting Guidelines:-The electricity utility companies have expressed the opinion that ERA asks for comprehensive information on their organization, some of which is not relevant to their organizations. ERA needs to re-look at the report schedules from the electricity utility companies and tailor them to the specific organizations. The information gathered should be used in such a way that it will impact on the industry and will be felt positively by the electricity consumers as well as the utility companies.

1.0 INTRODUCTION

1.1 Introduction

In November 2005, Electricity Regulatory Authority (ERA) signed an Agreement with the Department of Social Work and Social Administration (SWSA), Makerere University to undertake a “Stakeholder Satisfaction Study/Survey”. The study commenced in the third week of November and fieldwork/data collection was carried out in December 2005 through the third week of January 2006. This Section of the report presents the background to the study, the study objectives, the methodology, study limitations and organization of the report.

1.2 Background to the ERA Stakeholder Satisfaction Survey

The Governments of Norway and Uganda entered into a Cooperation Agreement in 2000 under the Norwegian Agency for Development Cooperation (NORAD) funding involving capacity building support from the Norwegian Water Resources and Energy Directorate (NVE) to ERA. The two, NVE and ERA, entered into an implementation agreement having an agreed work plan. An important component of the work plan under **local consultancy services** was to carry out a “Review of Consumer (Stakeholder) Satisfaction with ERA”. As a result of this requirement, ERA commissioned this survey to determine the level of satisfaction of its major stakeholders regarding ERA’s performance in fulfilling its functions, which are spelt out in the Electricity Act, 1999.

1.3 Objective

The overall objective of the survey was to determine the level of ERA stakeholders’ satisfaction with how ERA has carried out its functions to date. The specific objectives were:

- To obtain feedback from ERA stakeholders on the extent to which they are satisfied with ERA in carrying out its functions.
- To identify gaps/challenges faced by ERA in effectively carrying out its functions.
- Based on the survey results, make suggestions on how ERA can improve on carrying out its functions

1.4 Methodology

1.4.1 Study Design

The survey employed a qualitative and quantitative design to determine the level of stakeholders’ satisfaction with ERA functions.

1.4.2 Selection of study area

Three districts of Kampala, Arua and Masaka were covered by this study. These were selected due to different peculiarities that potentially affect satisfaction levels. Kampala is generally urban with a concentration of most of the major ERA entity stakeholders and all types of electricity consumers. On the other hand, from a previous study on Socio-economic Impact of ‘Tariff Changes’, it was found out that Masaka has a big number of rural electricity consumers and other stakeholders. The study aimed at capturing levels of satisfaction of both urban and rural stakeholders. Although Arua is not connected to the main grid, it is served using thermal power from West Nile Rural Electrification Company Ltd (WENRECo) having been licensed to generate, distribute and sell power to the districts of Arua and Nebbi. Hence Arua district was selected since WENRECo Ltd went through the licensing process, which is one of the functions of ERA, and as such WENRECo Ltd is a major stakeholder.

1.4.3 Sample size and selection

Two sets of samples of stakeholders were selected for inclusion into this study, namely (i) ERA major entity stakeholders—Government of Uganda (GoU), other Government Agencies, Electricity Sector Participants, and Interest Bodies, Professional Groups and Development Partners, and (ii) consumers—domestic and commercial as well as urban authorities for street lighting.

i. ERA major entity stakeholders

A sampling frame of all ERA major entity stakeholders was provided to the Consultant in the ToR as shown in Appendix 3. The following entity stakeholders covered were covered:

A. Government of Uganda

- The Ministry of Energy and Mineral Development (MoEMD)
- The Ministry of Finance, Planning and Economic Development (MoFPED)
- Local Governments from the districts of Masaka, Kampala and Arua

B. Other Government Agencies

- The Rural Electrification Agency (REA)
- The National Environmental Management Authority (NEMA)
- The Uganda Investment Authority (UIA)

C. Electricity Sector Participants

- Uganda Electricity Generation Co. Ltd (UEGCL),
- Uganda Electricity Transmission Co. Ltd (UETCL),
- UMEME Ltd,
- West Nile Rural Electrification Company Ltd (WENRECo)

D. Interest Bodies, Professional Groups and Development Partners

- Uganda Manufacturers Association (UMA)
- Private Sector Foundation (PSF)
- The Norwegian Embassy
- Uganda Institute of Professional Engineers (UIPE)
- National Association of Professional Environmentalists (NAPE)
- Uganda Institute of Surveyors (UIS)
- Uganda Law Society (ULS)
- Uganda Institute of Architects
- The Monitor Publications
- Uganda Consumers Protection Association (UCPA)
- CONSENT
- African Development Bank

Key persons in the identified ministries, organizations/agencies and bodies were purposively selected and consulted.

ii. Domestic and commercial consumers

Domestic and commercial consumers were grouped together for purposes of this survey, but isolated during the data analysis. The sampling design for domestic and commercial consumers was a stratified two-stage sampling based on the National Household Survey sampling frame (Uganda Bureau of Statistics). Each district constituted a separate stratum. In each district consumers were

randomly selected for inclusion into this study. The three study districts were further stratified into two sub-strata; urban and rural for selection of a sample of electricity consuming households.

The overall sample size (n) was determined using the formula below:

$$n = \frac{z_{\alpha/2}^2 p(1-p)}{d^2}$$

where p is the estimated proportion of households connected to hydropower source or with a meter connection.

d is the maximum amount of error committed during sampling

Z is the value of the normal distribution

α is the level of significance.

Using the optimum value of p i.e., 0.5 and the amount of error, d=0.04,

$$n = \frac{(1.96)^2 \times 0.5 \times 0.5}{(0.04)^2} = 300.25 \text{ (for the three districts selected)}$$

Thus, the overall sample size of domestic consumers was 298 (i.e., 99 in Kampala, 98 in Arua and 101 in Masaka), while that of commercial consumers was 87 (i.e., 28 in Kampala, 32 in Arua and 27 in Masaka). These were selected with 95% level of confidence to ensure that the maximum amount of error in the estimation of p does not exceed 0.04.

1.4.4 Data Collection Methods

Data were collected through key informant interviews with key staff officials in the various entities indicated above, structured interviews with domestic and commercial consumers, and through secondary sources. Data Collection methods were based on the functions of ERA and mode of implementation being adopted.

1.4.5 Data Management

All data from consumers and other stakeholder gathered with use of structured questionnaires were entered into the computer using EPI-INFO software. The Statistical Package for the Social Scientist (SPSS) was used to help determine the relationship between stakeholder satisfaction vis-à-vis selected functions of ERA. The quantitative approach also provided statistical validation to the qualitative results. With regard to quantitative data, all notes and key informant interviews were analyzed using a thematic and content approach.

1.5 Study Limitations

This study was done at the time when power cuts/outages/load shedding had become a daily phenomenon; a factor that had caused disillusionment among the stakeholders. Thus creating rapport with study participants was a big challenge on the part of the study team. It could be possible that this situation impacted on the kind of responses that were obtained regarding satisfaction levels with ERA since quite a number of stakeholders hardly differentiated between the roles of ERA vis-à-vis those of electricity utility companies.

Related with the above is that study informants who were representing stakeholder entities were at the same time electricity consumers. So the frustrations encountered as the consumer could in a way have biased some responses obtained on a few aspects of the study.

1.6 Organization of the Report

This Report is organized under three Sections. Section 1.0 is the Introduction presenting the background to the study, the objectives and methodological aspects. Section 2.0 presents the Stakeholders' knowledge and awareness of ERA, and makes an assessment of satisfaction levels by the various stakeholders reached by this study. Section 3.0 is an analysis of Crosscutting Positive Attributes of ERA in fulfilling its functions, and the Challenges faced by ERA as perceived by the stakeholders. Section 4.0 draws the Conclusions of the study and makes suggestions on areas that need to be improved upon.

2.0 STAKEHOLDERS' KNOWLEDGE OF ERA AND SATISFACTION LEVELS

2.1 Introduction

This Section presents the results of the investigation on stakeholders' knowledge of ERA and the extent to which they are satisfied with ERA's performance of its functions. The functions of ERA are derived from the Electricity Act, 1999 and include the following:

- Issuing of licenses and permits
- Enforcing compliance with licenses
- Establishment of a tariff structure
- Investigation of tariff charges and specific complaints of tariff charges
- Review of organization of electricity utility companies
- Development and enforcement of performance standards
- Development and approval of uniform electricity standards and codes of conduct
- Advise on the need for electricity sector projects
- Preparation of industry reports and gathering information from electricity utility companies
- Prescription and collection of license fees
- Provision of procedures for investment programs by transmission and distribution companies

The data obtained in this survey have been triangulated on the basis of ERA functions to give an analysis of ERA's performance from the perspective of the stakeholders. Each of the above functions is treated separately in light of the fact that various stakeholders are impacted on by different functions.

2.2 Stakeholders' General Knowledge and Awareness of ERA

To determine stakeholders' satisfaction with ERA's performance in terms of fulfilling its functions, it was pertinent that stakeholders' awareness and knowledge of ERA be established. Using a structured questionnaire, stakeholders' general knowledge and awareness of ERA were assessed on the basis of whether they had ever heard of ERA, the first time they heard of ERA, location of ERA, understanding and categorization of ERA.

2.2.1 Knowledge and awareness of ERA major entity stakeholder

Discussions with government ministry officials, study informants in government agencies and interest bodies revealed general awareness and knowledge of ERA. All study informants had heard of ERA, had knowledge and were aware of ERA as a government agency located in Kampala, which is charged with regulating electricity activities in the country. Although majority of the study informants observed that ERA's actions and decisions are directed by its Board, a significant number thought it was the government which directs the actions and decisions of ERA.

Despite the high level knowledge and awareness of ERA, there were officials who represented entity stakeholders who had limited knowledge with regard to the functions of ERA especially local government officials in Kampala and Masaka as evidenced by the statements made:

ERA is not supplying enough power to the users...so many people still don't have power and even those who have power, don't have enough (Study Informant, LC V Chairperson's Office, Kampala District)

Not only lack of appreciation of the role of ERA was restricted to officials in local governments, but also at the national level. Discussions with some officials in government ministries pointed to evident mental overlaps between ERA and utility companies as the following illustrates:

You are doing a stakeholder satisfaction survey for ERA..., what do you want me to tell you when the answer is obvious...load shading is causing us a big problem...the other day we were in a big meeting and all of a sudden power just went off, we couldn't just proceed (Study Informant, MoFPED)

The above quotation illustrates that although some stakeholders generally know ERA, they do not quickly conceive what its mandate easy. When such stakeholders were challenged that ERA is just a regulator, the same study informant got dismayed:

I don't see the difference between ERA and these other electricity utilities such as the UEGCL ltd, UETCL and UMEME...if we can't have power, what then is ERA regulating...they are all the same.

The conclusion here is that even some officials in policymaking positions have difficulties in differentiating ERA in terms of its mandate and functions from electricity sector utilities/participants. In this way, one realizes some knowledge gaps with regard to functions of ERA at a high policymaking level.

2.2.2 Knowledge and awareness of ERA by domestic and commercial consumers

Knowledge and awareness of ERA among domestic and commercial consumers was generally low. Less than a half of the sample of domestic and commercial consumers (44.3%; n=171) had ever heard of ERA. When data is disaggregated by the type of consumer, over a half of commercial consumers (53.0%; n=46) had ever heard of ERA compared to 41.6% (n=124) of domestic consumers. See Table 1 for more details.

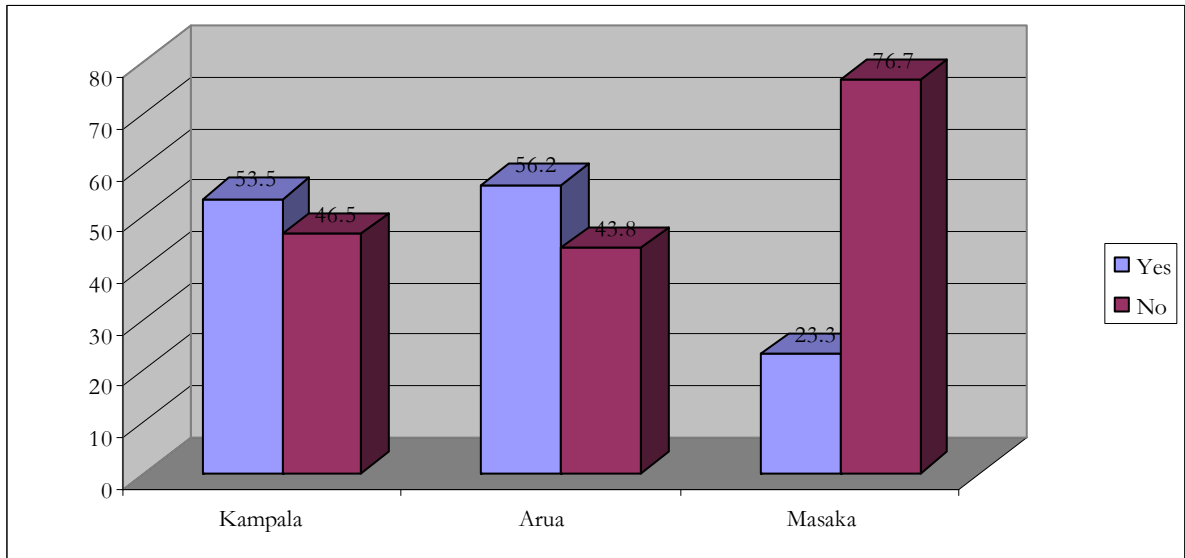
Table 1: Assessment of commercial and domestic consumers' knowledge of ERA

Knowledge and awareness measure	Consumers	
	Domestic %	Commercial %
<u>Ever heard of ERA</u>		
Yes	41.6	53.0
No	58.4	47.0
<u>Year when first heard of ERA</u>		
< 2000	4.0	2.2
Between 2000 & 2001	4.8	2.2
Between 2001 & 2002	5.6	17.4
Between 2003 & 2004	32.3	17.4
Between 2004 & 2005	34.7	45.7
2005	18.5	15.2

From the Table above, most of the domestic and commercial consumers first heard of ERA between 2004 and 2005 followed by 2003-2004. Very few consumers had heard of ERA before 2001.

When levels of knowledge are cross-tabulated by district of study, it is found out that over a half of domestic and commercial consumers in Arua and Kampala had ever heard of ERA compared to slightly less than a quarter in Masaka. See Figure 1.

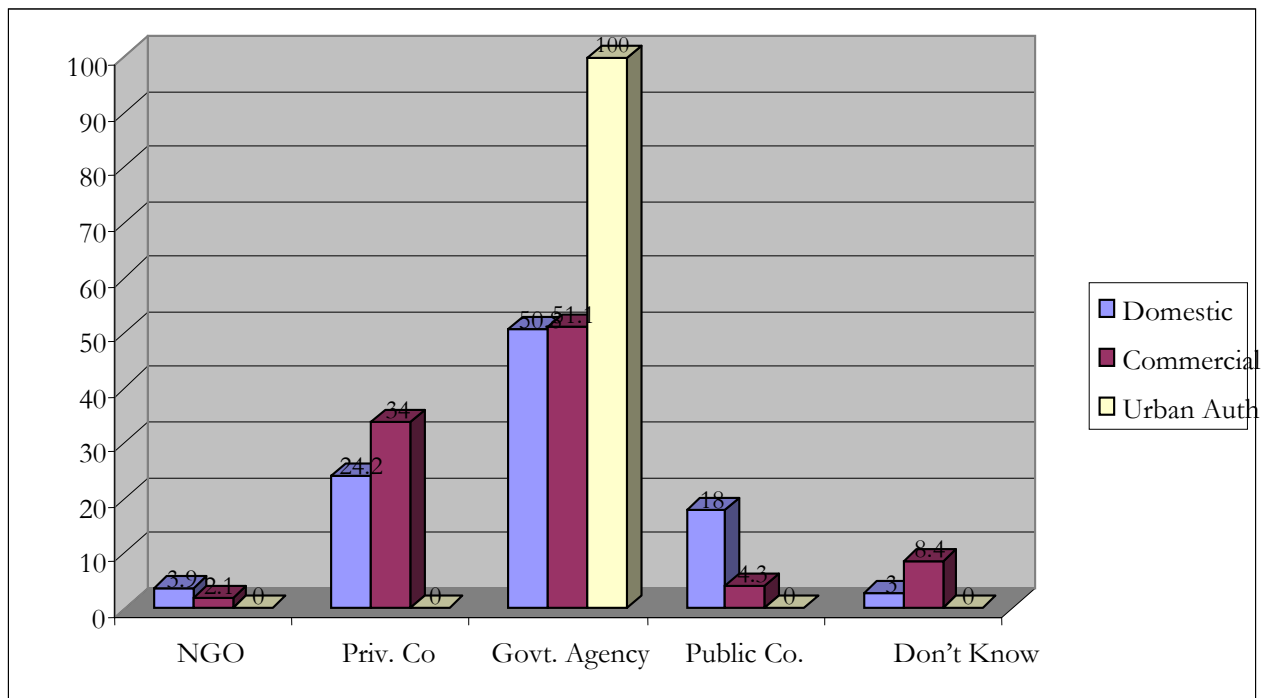
Figure 1: Percentage of ever heard of ERA by location



Of all the three study districts Arua had the highest number of consumers who had heard of ERA followed by Kampala. This high level of awareness could be attributed to WENRECO's presence in the area, and the difficulties that people in Arua had to endure in the past without reliable electricity, which galvanized people to discuss issues of power including ERA.

Knowledge and awareness were further assessed by the categorization which consumers made of ERA (i.e., an NGO, private company, government agency, and public company) by district of study. See Figure 2.

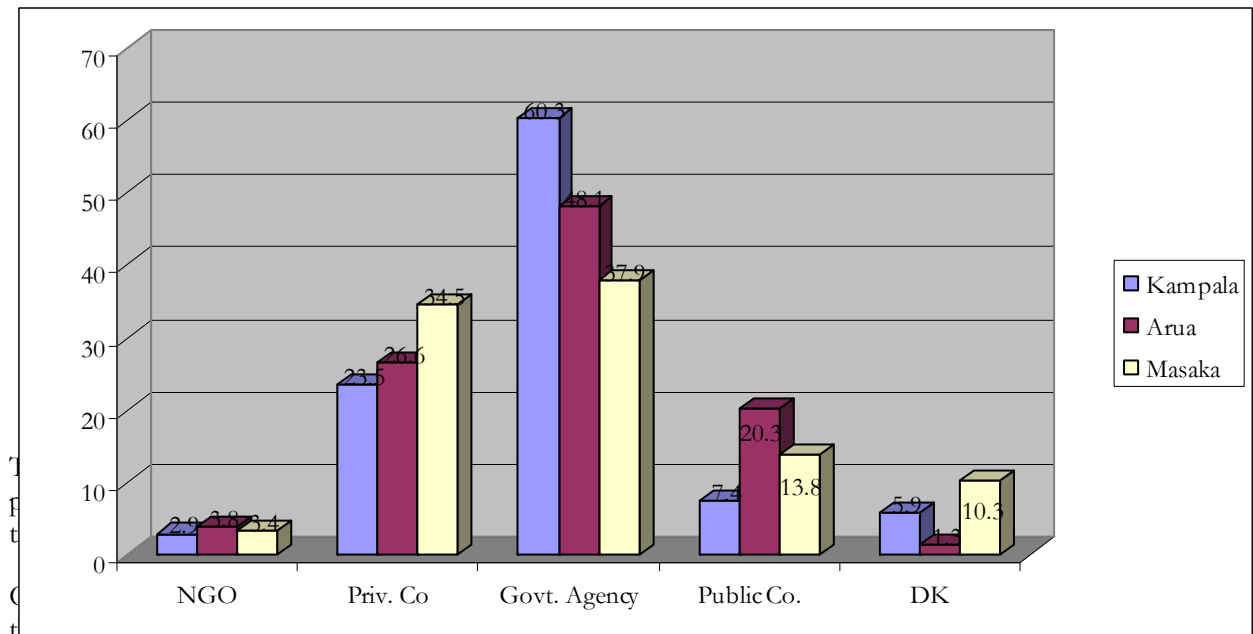
Figure 2: Categorization of ERA by consumer



It has to be noted that the urban authorities correctly observed that ERA was a government agency compared to just over a half of the domestic and commercial consumers (51.1%; n=90) who had ever heard of ERA correctly categorizing it as a government agency. It should be pointed out therefore that even among the consumers who had heard of ERA could not correctly tell what it was in terms of categorization. For instance, over a quarter of the consumers (26.7%) categorized ERA as a private company, while 14.2% thought ERA was a public company.

By district of study, most of the consumers who correctly categorized ERA as a government agency were located in Kampala (60.3%) followed by Arua (48.1%) and then Masaka (37.9%). See Figure 3.

Figure 3: Categorization of ERA by location (%)



misconceptions in their understanding of ERA. For instance, almost a fifth of the consumers (18.6%) understood ERA as a supplier of electricity, and 4.1% noted that it was another Uganda Electricity Board (UEB). Similarly on the issue of who pays ERA, a half of consumers (50%) reported that government was responsible, about a quarter (24.5%) indicated electricity consumers, while over a tenth (13.0%) reported UMEME, and slightly less than a tenth (8.9%) did not know who was responsible for paying ERA.

2.3 Assessment of Stakeholders' Satisfaction with ERA's Mandated Functions

The assessment of stakeholders' satisfaction with ERA's functions is based on interviews with key informants in government ministries and agencies, electricity sector participants, interest groups/professional bodies and consumers. Each of the functions is presented separately since no stakeholder reported on all of the functions.

2.3.1 Issuing of licenses and permits

ERA is mandated to issue licenses and permits to electricity sector participants. The stakeholders who are impacted on by the issue of licenses and permits include the electricity utility companies and the electricity prospecting companies. In performing this function ERA works in close collaboration with the Ministry of Energy and Mineral Development (MoEMD), which is responsible for policy direction of the sector.

To determine the extent to which affected stakeholders were satisfied with how ERA has performed in issuing licenses and permits, the following indicators were derived to guide the assessment:

- Stakeholders’ knowledge and perception of the license and permit process
- Stakeholders’ views on the duration of obtaining the license
- Stakeholders’ perceived fairness and transparency in issuing license
- Evaluation criteria knowledge for issuing license by the stakeholder
- Stakeholder consultation on issuing of license and permits

The application process involves ERA’s review of stakeholders’ applications for permits and licenses. The first stage of application for a license is the issue of a series of permits allowing the prospecting companies to carry out a number of studies to check the feasibility of the projects as well as environmental impact assessments. ERA reviews the various studies submitted depending on the basis of which it approves or disapproves application for a license to generate, transmit or distribute electricity. The Electricity Act, 1999 stipulates the conditions to be fulfilled in order to acquire the various permits and licenses. ERA’s role is to guide the applicants in the application process and review every stage of the application as stipulated by the Electricity Act. ERA finally issues an appropriate license on successful fulfillment of the requirements.

Key stakeholders who are either directly or indirectly affected or knowledgeable of the process of issuing of license and permits were requested to rate ERA on its performance. The performance of ERA in issuing license and permits was largely rated as **“very satisfactory”** as shown in Table 2.

Table 2: Satisfaction level with issuing of license and permits by affected stakeholders

Stakeholder	Rating	Comment
UMEME	Fairly satisfactory	The process is tedious, but necessary to protect the various stakeholders
WENRECo	Fairly satisfactory	The information on license processing is streamlined and therefore investors know where to go. Extensive and expensive studies that are a pre-requisite to issuing the license and permits could, however, discourage investors as it makes the process costly i.e., incurring a lot of costs prior to investing.
AGGREKO	Very satisfactory	The process is very straight forward
UETCL	Very satisfactory	Very transparent, straightforward and fair process
Uganda Investment Authority (UIA)	Very satisfactory	No complaints so far have been received from potential investors about ERA
NEMA	Very satisfactory	ERA can only issue a license or a permit once a satisfactory Impact Assessment Study has been carried out and approved by NEMA.
MoEMD	Very satisfactory	The process is transparent and straightforward
Utility Reform Sector	Fairly Satisfactory	Once the applicant meets all the requirements, there are no delays in issuing a license or permit.

Although stakeholders’ satisfaction with how ERA has issued licenses and permits was rated satisfactory in overall, there were some aspects that stakeholders felt could be improved on. Some of these are as a result of ERA working according to the Electricity Act. For instance, the period given

to applicants to review the applications was perceived long, although necessary. The applications are sent in and followed by a series of meetings.

Reaching a middle ground with ERA regarding license applications is not easy; however ERA listens to UMEME's concerns (Key Informant, UMEME)

The satisfactory performance of ERA in terms of issuing licenses and permits by ERA was corroborated by, among others, informants at the Utility Reform Unit (URU), (MoFPED). It was revealed by the informants that URU was not aware of any genuine complaints on delay in licensing, but hastened to add that issuing of licenses is not automatic and that professional competency has to be checked. The informants were of the view that if there were to be delays, these would be attributed to limited information provided by the applicant/company.

In summary, it can be concluded that issuing licenses and permits is in a fair and reasonable manner as stipulated by the Electricity Act. The electricity utility companies that have undergone the process of application for license and permits appreciate the various procedures involved and are very satisfied with the entire process. The limitations inherent in ERA's performance in fulfilling this function are deemed inevitable and necessary.

2.3.2 Enforcing compliance with licenses

Licenses are issued with stipulated guidelines which the electricity utility companies have to comply with. It is the role of ERA to ensure that licensed electricity utility companies comply with the license requirements; hence stakeholders affected by this function are the electricity utility companies who already have the licenses and electricity prospecting companies who have permits to prospect for electricity. Indicators used in this review to assess stakeholders' satisfaction with this function were:

- Stakeholders' knowledge and attitude towards enforcing compliance with licenses
- Stakeholders' views on fairness and transparency of ERA in enforcing compliance with licenses
- Nature of action taken in the event of non-compliance with licenses
- Effectiveness of stakeholders consultation on enforcing compliance with license

Using the above indicators, a satisfaction checklist was administered to stakeholders affected by this function. The findings are summarized in the Table 3 below.

Table 3: Satisfaction level with enforcing compliance with licenses and permits by affected stakeholders

Stakeholder	Rating	Comment
UMEME	Very satisfactory	Healthy dialogue with ERA on issues deemed or amounting to non-compliance
ESKOM	Very satisfactory	The level of interaction once issues of non-compliance have been identified is motivating, and the timely feedback received after inspection visits by ERA officials
WENRECo	Very satisfactory	Extensive discussion and consensus reaching rather than rigid approach
AGGREKO	Fairly satisfactory	ERA monitors compliance with license requirements using a schedule of reports that are not relevant to Aggreko's operations.
UETCL	Fairly satisfactory	The relationship between ERA and UETCL is harmonious, but some requirements which the company has to comply with are very difficult.

Enforcement of compliance with licenses is regarded as very satisfactory by the various stakeholders. On matters where the stakeholder does not comply with the license's stipulation, ERA sends a letter stipulating the areas of non-compliance. There is a lot of interaction on issues of non-compliance and the stakeholder is given a chance to explain the challenges they face that stop them from complying with the license's requirements. Informants, for instance, at ESKOM noted that once ERA identified gaps with respect to compliance, it quickly points them out in advance and did not wait for expiry of the license to bring forth such issues.

UMEME officials expressed satisfaction with ERA especially with regard to the negotiations and debates with ERA on license requirements that are difficult to achieve in reality. To illustrate this point, it was reported that a losses target of 33% was set in the handover report, but the reality was that losses were higher than this at that time. UMEME is negotiating with ERA a possible change of this target. On the whole UMEME's view is that ERA is very rigorous in monitoring and enforcing compliance with licenses.

On the whole UETCL study participants reported a harmonious relationship with ERA as a regulator. However, UETCL finds some requirements of its license as impractical for the Ugandan situation. It was revealed that ERA sets the best practices for the licenses, which cannot easily be achieved.

Discussions with WENRECo officials revealed that the company was very satisfied with ERA in terms of enforcing compliance with licenses. It was reported that even when WENRECo has not met their targets, ERA gets back to them requesting for information, which is given. Both parties hold extensive discussions and consensus is reached. For instance, WENRECo did not reach financial closure in the stipulated time period but got an extension after discussion with ERA.

2.3.3 Establishment of a tariff structure

Establishment of a tariff structure is one of the functions of ERA, which is performed with the involvement of stakeholders who include, among others, the electricity utility companies, MoEMD, MoFPED, UIA, Local Governments, Parliamentary Committee on Natural Resources, electricity consumers etc. Each of the stakeholders is affected by this function differently. For instance, either capital investment costs or operational costs or both are considered hence the involvement of the electricity utility companies, MoFPED is affected in sense that the electricity generation, transmission and distribution assets are owned by the government of Uganda and it would be interested in recovering its capital expenditure and ensuring that enough money is collected to maintain its assets, while UIA is interested in a tariff structure that will attract investors who are looking for an acceptable return on investments. The Parliamentary committee on Natural Resources has a stake in the tariff structure in that the resulting tariff charge should be affordable for Ugandans and the Local governments are interested in a tariff structure that will ensure the given royalties are paid for development of the areas where generation of electricity is undertaken.

The study thus investigated the participation of all the stakeholders in establishing the tariff structure, the perception of the tariff structure or knowledge of the criteria used by ERA in coming up with a tariff structure. Electricity consumers were consulted on their knowledge of the tariff structure since they are affected by the tariff charge which is the end result of the tariff structure. Indicators to measure stakeholders' satisfaction with the establishment of a tariff structure were delineated. These included:

- Stakeholders' awareness and understanding of tariff structure
- Stakeholders involvement in the setting of tariff structure
- Perceived fairness of the tariff structure

- Existence and knowledge of documented procedure for establishing of tariff structure
- Frequency of review of tariff structure

In general, the satisfaction level of stakeholders reached by this study ranged from very satisfactory to fairly satisfactory. See Table 4 below.

Table 4: Satisfaction level with establishment of a tariff structure by affected stakeholders

Stakeholder	Rating	Comment
UMEME	Very satisfactory	Satisfied with the tariff model but has a problem with the figures which go into the tariff structure. The figures have to move away from theory and take into account the practicalities of the Ugandan situation. The tariff should be able to maintain the cost of generation, transmission and distribution.
WENRECO	Very satisfactory	Consulted on establishment of a tariff structure and amendments were considered.
Ministry of Energy and Mineral Development	Fairly satisfactory	ERA needs to look for ways of recovering the losses because it has not been discussed yet could help on reduction of the tariff. A lot of power is stolen so they try to compensate the stolen power by increasing the tariff.
Uganda Consumers Protection Association	Fairly satisfactory	At the beginning, a comprehensive process in tariff setting was carried out but now ERA's transparency is declining. There are no more public hearings on tariff setting.
Uganda Institute of Professional Engineers	Fairly satisfactory	ERA is doing well but government and politicians exert undue interference.
UIA	Very satisfactory	Aware of the process

With regard to consumers, only a tenth (10%) of the sample i.e., electricity consumers reported to have knowledge of the tariff structure in use. Of these, only 22% noted that the tariff structure was fair to all levels of consumers. Two-thirds (67%) of the consumers with knowledge about the tariff structure noted that tariff charged should be calculated to recover operational costs. However, these responses should be appreciated with caution as the consumers normally confuse tariff structure with tariff charges.

It has to be noted that under the Electricity Act, ERA is mandated to establish a tariff structure that promotes efficiency, economy and safety on the part of the licensees and the efficient and safe use of electricity. Study informants at UMEME felt that their company's operational costs are not adequately catered for in the tariff figures that go into the tariff structure, and hence the need for ERA to take a critical look at this since the former has to provide electricity in an efficient, economic and safe manner.

ERA is also mandated to enable all licensees to connect to transmission systems and facilities on terms and conditions that are fair and reasonable. In pursuing this, ERA has to ensure a fair balance of the interests of the consumers, the Government and electricity sector participants. The extent to which, ERA is balancing UMEME's, consumers' and government's interests as far as the charges that go into the tariff structure are concerned remains unclear.

Finally, consumers regardless of the category do not feel involved in the establishment of the tariff structure. It is, however, appreciated that consumers and politicians are more interested in the tariff charges/rates and not the tariff structure. ERA needs to come out and sensitize the public and consumers on how tariffs are set. ERA also needs to get actively involved in assisting UMEME to improve efficiency and lower operational costs as a result.

2.3.4 Investigation of tariff charges and specific complaints of tariff charges

The Electricity Act stipulates that ERA should investigate tariff charges and specific complaints on tariff charges. This entails electricity consumers and other stakeholders making direct complaints on tariff charges to ERA which is mandated to address them. In this study, indicators to guide the assessment of satisfaction by different stakeholders were formulated. These included:

- Mechanism of receiving tariff complaints from stakeholders.
- Complaints received on tariff charges.
- Action taken on complaints.
- Number and nature of investigations on tariff charges carried out.
- Action taken on recommended areas of the investigations.

Study informants in utilities such as UMEME were of the view that ERA was handling customer complaints very satisfactorily. Accordingly, that these statutory requirements are very satisfactorily followed by ERA when handling customer complaints. Customer complaints and how utility companies have handled them are reported in the periodic reports sent to ERA; which is viewed by UMEME as a very satisfactory way of investigating complaints. See Table 5.

Table 5: Satisfaction level by affected stakeholders with investigation of tariff charges and specific complaints of tariff charges

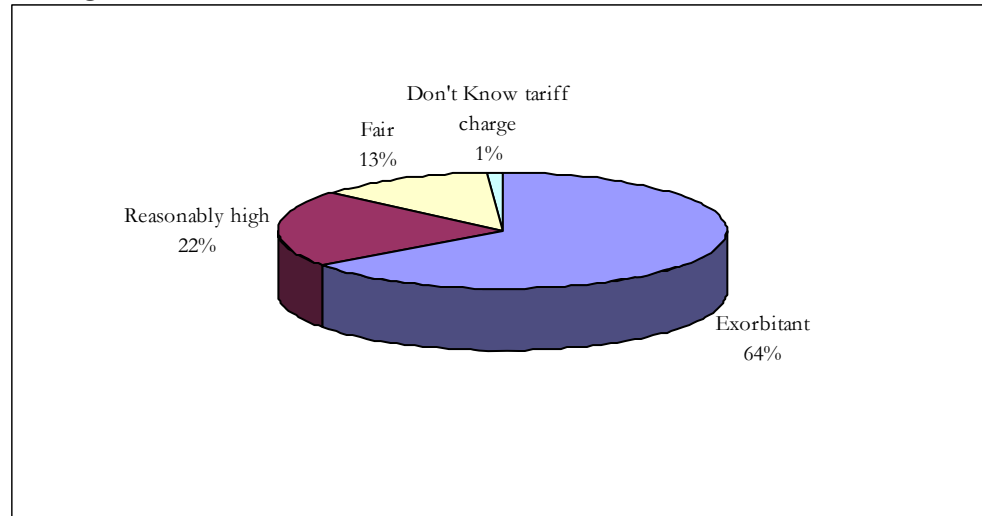
Stakeholder	Rating	Comment
UMEME	Very satisfactory	Satisfied with the way ERA handles legal cases on tariff complaints. ERA has statutory requirements which it follows.
Uganda Consumers Protection Association	Not satisfactory	ERA does not solve disputes but refers them to the tribunal. ERA needs to handle issues before people come to complain and should also be more sensitive to community centered problems for instance a hospital in Mbale had its power supply disconnected.
The Monitor Publications	Not satisfactory	ERA does not seem to have a method of monitoring whether the electricity utility companies are supplying the correct amount of power and that there has been no change from the UEB era.
UIPE	Not satisfactory	ERA should lower tariffs to squeeze electricity utility companies to improve efficiency, was the opinion of UIPE. ERA should also take a further step and impose punitive measures on electricity utility companies in order for them to improve efficiency.
UIA	Very satisfactory	Reasons regarding tariff level are always explained, but consumers will always complain.
Local Governments	Not satisfactory	Even when complaints have been made, tariff rates remain the same or are hiked.

Of all the study stakeholders reached, study informants with local governments, Uganda Consumers Protection Association (UCPA) and The Monitor Publications expressed dissatisfaction with ERA's performance of this function; *“ERA does not solve disputes; these end up with the Electricity Disputes Tribunal (Informant, UCPA)”*. Informants at UCPA felt that ERA needed to do more work on the issues before they are brought up as complaints. In addition informants at UCPA were of the view that ERA should prevail over electricity utilities to be more sensitive to community-centered problems, citing an incident in Mbale when a hospital was disconnected putting many lives at risk.

With regard to domestic and commercial consumers as stakeholders, over a half (55%) of those reached by this survey expressed dissatisfaction with the way ERA handles specific complaints on tariff charges, 2% noted that ERA has performed satisfactorily, and almost a quarter (23%) expressed

that ERA had done reasonably well. Complaints on tariff charges arise from consumers, government and from the utility companies. From the findings of this review, a big number of consumers (64%) noted that the tariff charges were exorbitant, while slightly over a tenth (13%) felt that the tariff charges were fair. See Figure 4:

Figure 4: Opinion of consumers on current level of tariff charge



It has to be pointed out that less than a half (46.2%) reported to have ever complained about tariff charges and of these only 45.8% received a response with regard to their complaints. However, majority of the consumers (77.0%) who received the response, were dissatisfied with the kind of response received. This is, however, compounded by the fact that a third (33.3%) of the domestic and commercial consumers did not have knowledge about their rights as consumers. Of those who reportedly knew their rights, majority (89.8%) alleged that their rights have at times been violated.

The issue of electricity tariff charge is a sensitive one. The situation is even compounded further by the politicians seeking to win over the electorate. Politicians need to be countered with facts as soon as they resist tariff charges. The Public Relations Desk of ERA needs to reach out with the facts on tariff charges to counteract negative sentiments sowed by the politicians and other activists.

2.3.5 Review of organisation of electricity utility companies

In the review of organisation of electricity utility companies, ERA is meant to closely monitor their operations to the extent that they are likely to affect the operation of the electricity utility companies and the efficient supply of electricity. This involves monitoring financial performance to ensure continuity of electricity supply as well as quality of electricity supplied and safety standards adhered to among other things. This is done through site visits and regular reports submitted to ERA. The stakeholders reviewed under this function were the electricity utility companies only. Guidelines are issued by ERA and performance under these guidelines captured in the regular reporting system, hence the following indicators were used to assess ERA's performance:

- Monitoring operations of electricity utility companies through regular reports to ERA.
- Guidelines issued on organization and operation of electricity utility companies.
- Compliance of electricity utility companies with operational guidelines issued by ERA.

The level of satisfaction with ERA's review of the organization of the electricity utility companies has been tabulated in the Table 6 below.

Table 6: Satisfaction level by affected stakeholders with review of organization of electricity utility companies

Stakeholder	Rating	Comment
UMEME	Not satisfactory	Required to submit periodic reports, but are time consuming and cumbersome to prepare as they cover too many operational details.
ESKOM	Very satisfactory	Eskom was given Reporting Schedules with clear guidelines regarding standards, the grid code and quality management.
UETCL	Very satisfactory	Quarterly reports on performance are submitted. Issues on staff, financial management, incidents and accidents are reported.
WENRECo	Very satisfactory	ERA Compliance Engineer and Financial analyst inspected Arua. ERA has carried out extensive inspection of generation, distribution and commercial sections in Arua.
AGGREKO	Not satisfactory	Review of the Aggreko's organisation is done using a series of reporting schedules that are not relevant to Aggreko's operations, for these were compiled before the major thermal generating stations came in place.

The electricity utility companies are required to submit regular reports to ERA. These reports are a tool for monitoring the organization of the electricity utility companies. These reports include among other things staffing, financial management, incidents, accidents, operational losses, customer complaints, performance standards, and compliance with the grid code and quality standards.

ERA has issued comprehensive reporting schedules for generation, transmission and distribution for the electricity utility companies, which enables ERA to review the organisation and operation of these companies. Detailed operational performance is reported to ERA.

2.3.6 Development and enforcement of performance standards

ERA issues performance standards to the electricity utility companies in line with the respective companies' activities; hence the companies are key stakeholders under this function. The role of professional bodies such as UIPE in development of these performance standards was assessed. Similarly, the involvement of the Uganda Law Society (ULS) in defending ERA's actions in enforcing these performance standards, or the electricity utility companies' rights within the law in adhering to these performance standards was studied.

Stakeholders' satisfaction with the development and enforcement of performance standards was determined guided by the following indicators:

- Reports from electricity utility companies checking their performance.
- Audits carried out by ERA to check performance of electricity companies.
- Guidelines on performance standards given by Uganda Institution of Professional Engineers.
- Dissemination of performance standards to the electricity sector stakeholders.
- Electricity consumers and stakeholders' perception and awareness of performance standards.

Apart from two stakeholders who expressed dissatisfaction, the rest of the stakeholders expressed fair satisfaction. See Table 7.

Table 7: Satisfaction level by affected stakeholders with development and enforcement of performance standards

Stakeholder	Rating	Comment
ESKOM	Fairly satisfactory	There are general codes and standards for the electricity industry.
UETCL	Very satisfactory	Just finished formulating our key performance indicators.
WENRECo	Fairly satisfactory	Performance standards are specified in license and implementation agreement. Enforcement is ensured by submission of reporting schedules and written reminders issued to fulfill requirements.
AGGREKO	Fairly satisfactory	Aggreko works closely with UETCL and its performance is monitored by UETCL and not ERA
NEMA	Not satisfactory	NEMA is only consulted on carrying out EIAs, but still expects to receive reports from ERA once it has licensed the utility companies and are in operation.
UIPE	Not satisfactory	ERA should have been part of setting up of utility terms, but has found these in place and its hands are tied.

Stakeholders such as study informants with UIPE felt that the electricity industry sector is wide and ERA is performing fairly satisfactorily in monitoring the practices. ERA is commended by UETCL for the development and enactment of the quality of power standards, safety standards and the grid code. The view expressed by study participants with WENRECo Ltd was that ERA should consider delegating monitoring of smaller utilities like WENRECo Ltd to the local authorities, in cases where the local authorities have enough capacity to monitor the remote areas and ensure that performance standards are adhered to. ERA would then concentrate on big players in the industry like UMEME and ESKOM.

According to NEMA officials, they expect ERA to share regular environmental audit reports with them as evidence of ERA's its monitoring of the environmental impact of electricity utility companies. A particular complaint that was cited by NEMA was the treatment of electricity poles at Lugogo in Kampala. NEMA informants reported that the oil spillage is destroying the environment; despite the fact that this has been communicated, no mitigation measures have been put in place and neither are workers protected. On the other hand, officials at ERA reported that NEMA is responsible for carrying the function of monitoring the environment and advise the former as and when it cancels certificates it issues.

On development and enforcement of performance standards, Utility Reform Unit in Ministry of Finance and Economic Planning had the following view:-

This is where I have a big problem with ERA. ERA has tried to be populist. They listen a lot more to what public says. Generation has got more money over time than distribution. That is why we got a concession in this sector. Yet distribution has got a lot more problems than generation. So problem with ERA it has not explained to people that infrastructure is not going to change in a short time. The trade-off between quality and cost needs to be explained out by ERA and we see whether people are ready for that (Director, Reform Utility).

On the whole, stakeholders from electricity utility companies are satisfied with the setting of performance standards, an area which impacts them greatly. Organizations such as NEMA and UIPE feel that ERA has not adequately involved them in setting performance standards, and neither has it played a major role in setting existing performance standards.

2.3.7 Development and approval of uniform electricity industry standards and codes of conduct

Uniform standards in terms of quality of service, safety, technical standards (grid code) are required for an electricity industry; hence ERA is mandated to develop and approve these codes of conduct for the electricity utility companies. These standards and codes of conduct spell out the manner in which the electricity utility companies will carry out their functions to ensure quality, reliability, efficiency and continuity of electricity supply. The key stakeholders under this function are the electricity utility companies. Electricity consumers were also consulted with regard to this function because the satisfactory performance of this function ensures that they receive quality, reliable, safe and continuous supply of electricity. Specific satisfaction indicators that guided the assessment of this function included:

- Documents stating electricity industry standards and codes of conduct.
- Reports from electricity utility companies on achievement of industry standards and codes of conduct.
- Guidelines on industry standards and codes of conduct given by Uganda Institution for Professional Engineers.
- Dissemination of industry standards and codes of conduct.
- Electricity consumers and stakeholders' perception and awareness of industry standards and codes of conduct.

Of the seven stakeholders mainly affected by this function, 4 were very satisfied with the way ERA has fulfilled this function, 1 expressed fair satisfaction and 2 were not satisfied. See Table 8.

Table 8: Satisfaction level by affected stakeholders with development and approval of uniform electricity industry standards and codes of conduct

Stakeholder	Rating	Comment
ESKOM	Very satisfactory	The codes are clear and are as required by the generation company. ERA asked for responses from ESKOM on the codes which the latter sent.
UETCL	Very satisfactory	Quality of power, safety and the grid code have been developed and enacted by ERA. The measures are stringent, but high standards are required because electricity is being handled.
WENRECo	Very satisfactory	WENRECo access electricity codes of conduct through ERA website. WENRECo was consulted on the development of the uniform electricity standards and also participates in the grid code meetings.
AGGREKO	Not satisfactory	Aggreko's operations might require modifications to the grid code. Copy of the grid code was obtained from UETCL and not ERA. ERA should issue the grid code and not UETCL.
NEMA	Not satisfactory	NEMA has not got any reports for review and nothing to do with electricity industry standards and codes of conduct.
Uganda Institution of Professional Engineers	Fairly satisfactory	ERA does not have the required capacity to monitor practices in the electricity industry because the area is wide.

Another aspect that was looked at under the electricity industry standards and codes of conduct that concerned electricity consumers was the provision of suitable metering facilities. Under the grid code, the electricity distribution company is required by license to provide suitable metering facilities to a location provided by an electricity consumer. From the electricity consumers' survey, majority of the consumers (96%) from the districts of Arua, Masaka and Kampala had metering facilities, an indication that this requirement of the grid has been largely implemented to the benefit of the electricity consumers. Of the 384 respondents to the electricity consumers' survey, 94% received a monthly electricity bill; as required by the grid code. Further still, of the 373 electricity consumers

surveyed, slightly over a half (52%) reported to be receiving an electricity bill that was a true reflection of their electricity consumption. This is an indication that some aspects of the grid code are working and benefits are being felt by the electricity consumers.

The uniform electricity industry standards and codes of conduct should protect the interests of the consumers with respect to terms of supply of electricity, quality, efficiency, continuity and reliability of the electricity supply services. ERA is also mandated to promote continuity in the supply of electricity in performance of its functions. ERA has endeavored to guide the electricity utility companies by issuing a grid code and monitoring performance by convening a grid code meeting. Quality of electricity standards has also been issued but there is no evidence of stringent follow up by ERA.

2.3.8 Establishment of uniform system of accounts for licensees

In order to monitor financial viability of the electricity utility companies and ensure that financial performance of the companies does not affect their ability to supply quality, reliable, safe and efficient electricity, ERA is mandated to establish a uniform system of accounts for licensees. Stakeholders impacted by this function are thus the electricity utility companies and the following satisfaction indicators were used to assess the extent they were satisfied with ERA's performance:

- Uniform system of accounts for each licensee.
- Guidelines given by ERA to licensees on establishment of systems of accounts.
- Stakeholders' view on the uniform system.

Two companies out of five reached by this study noted that they were very satisfied with ERA's performance, one was fairly satisfied and two not satisfied. Varying reasons were also expressed as shown in Table 9 below.

Table 9: Satisfaction level by affected stakeholders on establishment of a uniform system of accounts for licensees

Stakeholder	Rating	Comment
UMEME	Not satisfactory	Information required is time consuming and costly to gather.
ESKOM	Fairly satisfactory	Quarterly financial reports in standard format are submitted to ERA, but the worksheets need to be more user-friendly. Reporting schedules are important for ERA's information, but operating in US dollars and making financial reports to ERA in Uganda Shillings at times causes some problems.
UETCL	Very satisfactory	ERA carries out close monitoring of financial performance.
WENRECo	Very satisfactory	Clear financial reporting guidelines are given by ERA.
AGGREKO	Not satisfactory	A uniform financial reporting format is not applicable to AGGREKO.

ERA provided a uniform financial reporting format for the utility companies thus fulfilled its functions, but stakeholders argued that these did not take into consideration the unique operations of the different utility companies. Huge amounts of data are required part of which do not apply to the electricity utility company to which it is addressed.

2.3.9 Advise on the need for electricity sector projects

Being a regulator, ERA is mandated to monitor the growth in demand for electricity and identify gaps in the sector so as to ably advise the Minister for Energy and Mineral Development on the need for electricity sector projects. The key stakeholders under this function are those dealing with planning, possible funding for electricity sector projects, attraction of investors to the electricity sector and those who oversee natural resources used to generate electricity. These include MoFPED, REA, MoEMD, MoWLE/DWD, UIA, NPA, etc.

ERA's performance on advice on the need for electricity sector projects was rated as merely "fairly satisfactory" by the MoEMD. It was noted that ERA tries its best because it issues licenses and permits but the projects take long to mature. The Utility Reform Unit also noted that ERA has not met the expectations and has mostly left this function to MoEMD.

2.3.10 Preparation of industry reports and gathering information from electricity utility companies

A comprehensive series of reports is required by ERA from the electricity utility companies in fulfilling its mandate of gathering information from the distribution and transmission companies. These reports show information on finances, investments, technical aspects, operations, and non-compliance. The stakeholders in this case are the electricity utility companies and the satisfaction indicators below were used to assess ERA's performance in preparation of industry reports and gathering of information from these electricity utility companies.

- Reports submitted to ERA by electricity utility companies on standards, codes of conduct and operations of the companies.
- Consumer surveys carried out by ERA.
- Documentation of customer complaints.

The survey findings reveal that except for UMEME and AGGREKO the rest of the affected stakeholders expressed various satisfaction levels with the extent ERA has fulfilled this function. See Table 10 below.

Table 10: Satisfaction level by affected stakeholders with preparation of industry reports and gathering of information from electricity utility companies

Stakeholder	Rating	Comment
UMEME	Not satisfactory	ERA should make strategic decisions and should deal with strategic reports and not operational details.
ESKOM	Very satisfactory	Reports submitted to ERA include investments reports, technical reports, financial reports, non-compliance reports. The information required is what would ordinarily be gathered in the course of business.
UETCL	Fairly satisfied	Reporting format was agreed with all stakeholders and these were to give comments on the reports. Workshops on the reporting format were held, however thermal generation was not envisaged at that time. Some of the reports are too theoretical. Best practices are targeted with some key areas being unachievable. There is a need to benchmark with the regions.
WENRECo	Fairly satisfactory	Reporting guidelines are given on generation, quality of service and forced outages. Some report requirements are not relevant to WENRECo's operations hence need to be ironed out together with ERA.
AGGREKO	Not satisfactory	Reports required by ERA are not applicable to Aggreko's operations.
Utility Reform Unit	Fairly satisfactory	ERA has published a number of reports on the electricity sector industry and has done well in this respect.

According to study informants at UMEME, reports required by ERA are cumbersome and cover too many operational details. They argued that the reporting formats are not tailored to UMEME's financial reporting format and reports have to be manually generated.

ERA may not need all the details requested for to understand operation of the sector. The process of preparing reports to ERA is time consuming and costly to UMEME. Since ERA takes strategic decisions,

it should deal with strategic reports only and not operational details like vouchers, bills and salaries paid. It is questionable whether operational details requested for are required to regulate the sector. ERA should therefore scale down on information requested for (Key Informant, UMEME)

Overall, ERA is doing very well in as far as gathering information from the electricity utility companies. This is evidenced by the observations by the utility companies on the volume of data and detail required by ERA. The detailed operational reports help ERA review the organization of the electricity utility companies to the extent that their organization is likely to affect the operation of the electricity sector and the efficient supply of electricity.

However, from the dissatisfaction of the consumers, consumer protection organizations and NEMA, it is evident that ERA is yet to effectively utilize this information to regulate the electricity utility companies to the satisfaction of other stakeholders. It is appreciated that not all stakeholders can be satisfied, but this information should be disseminated selectively to stakeholders to ensure a better understanding of the challenges in the electricity sector. This information should feature very prominently in ERA's public relations campaign. Facts should be availed to stakeholders so that they can talk from an informed point of view. Dissemination of information gathered to the relevant stakeholders will ensure ERA is transparent in relation to the activity of the power sector as stipulated in the Electricity Act.

2.3.11 Prescription and collection of license fees

The Electricity Act, 1999 allows ERA to prescribe and collect license fees which should go towards meeting part of the regulatory body's budgetary requirements. The major stakeholders impacted by this function are the electricity utility companies and the electricity prospecting companies who pay license and permit fees respectively. The following satisfaction indicators were derived to enable the assessment of ERA's performance on the prescription and collection of license fees:

- License fees guide stipulating amount to be paid by various electricity utility companies and other stakeholders.
- License fees revenue included in the financial reports of ERA.
- Stipulated and known procedures for payment or collection of license fees.
- Stipulated procedures for dealing with defaulters on license fees.

The four electricity utility companies covered in this review expressed various levels of satisfaction with one company reporting no satisfaction. See Table 11.

Table 11: Satisfaction level by affected stakeholders with prescription and collection of license fees

Stakeholder	Rating	Comment
UMEME	Very satisfactory	License fees are passed onto the consumers; the tariff model takes this into account. The license fees are small compared to operational costs.
ESKOM	Fairly satisfactory	License fee does not impact on ESKOM because it is recovered from the price of power, but it is higher than the water license fee and the royalties' fees.
UETCL	Fairly satisfactory	UETCL is required to pay for four licenses which could have been reduced. However appreciates that ERA needs revenue.
AGGREKO	Not satisfactory	License fees levied are high compared to other operations elsewhere in the world. Aggreko negotiated the power price before it knew what license fees were to be levied. Application fee of USD 2000 is also high. License fees should be a percentage of the investment.

All the licensed companies pass on the license fees levied by ERA to their customers; hence they do not feel the impact of the license fees on their operations. The tariff structure takes into account the license fees levied by ERA. In overall terms, ERA is doing well in prescription and collection of license fees. A mechanism is in place to pass on fees levied to the electricity consumer or purchaser; hence the electricity utility companies do not feel the impact.

Other stakeholders such as UMA argued that license fees should be prescribed by ERA, but it should not collect license fees. UMA also expressed the view that advice on the need for electricity projects should be given by UIA (Uganda Investment Authority) and not ERA. ERA’s involvement in investment procedures is minimal.

2.3.12 Provision of procedures for investment programs by transmission and distribution companies

ERA is mandated to set up procedures for investment programs by distribution and transmission companies, and hence the need to be involved in Power Purchase Agreements with investors in the electricity utility sector. Key stakeholders who work with ERA on procedures for investments programs are the transmission and distribution companies, MoFPED, REA, MoEMD, UIA and NPA. The extent to which stakeholders were satisfied with ERA’s performance of this function was measured along the following indicators:

- Knowledge/awareness of procedures for investment programs.
- Weaknesses and strengths of the procedure.

Satisfaction with provision of procedures for investment programs by transmission and distribution companies is summarized in Table 12 below.

Table 12: Satisfaction level by affected stakeholders with provision of procedures for investment programs by transmission and distribution companies

Stakeholder	Rating	Comment
UETCL	Fairly satisfactory	ERA developed a standard PPA which is customized by UETCL who negotiate the PPA subject to ERA’s approval. ERA required by law to license a PPA whereas UETCL is mandated to buy all the power resulting in a conflict where ERA has to attract the IPP and also approval the resulting PPA.
Ministry of Energy and Mineral Development	Fairly satisfactory	Aware of procedures provided by ERA and think the procedures are ok since they were involved with ERA in dialogue over the procedures.
NAPE	Not satisfactory	ERA not entirely open in performing some of its functions

Study participants with the National Association of Professional Environmentalists (NAPE) were of the view that ERA was not entirely treating all stakeholders in equal measure. They argued that ERA seemed to consider greatly government and investors as stakeholders while downplaying other stakeholders. They further argued that NAPE as a stakeholder is not consulted where it can play its professional role and mandate.

Other investors such as Aggreko and WENRECo noted that their agreements were negotiated prior to the license application and that the MoEMD was heavily involved in negotiations for investments and the role and participation of ERA is not clear. Hence it is questionable whether ERA is in position to promote competition in generation and marketing of electricity as mandated in the Electricity Act.

Provision for procedures for investment programmes by distribution and generation companies requires clear cut guidelines on the extent of ERA's involvement, because of the conflicting roles in attracting investors and approving PPAs. In such a situation, it would be difficult to ensure objective and fair handling of investments programmes due to the conflicting involvement. ERA needs to re-look at this function and retain those aspects that will allow it to make objective decisions on approving PPAs and issuing licenses and permits.

3.0 CROSSCUTTING ATTRIBUTES AND CHALLENGES FACED BY ERA: A PERSPECTIVE OF STAKEHOLDERS

3.1 Introduction

This Section presents an analysis of crosscutting positive attributes of ERA in fulfilling its functions as perceived by government and other entity stakeholders. The Section attempts to present what various stakeholders “liked” most about ERA when performing its functions on one hand, and what they “disliked” about ERA as it performs its functions, which have been depicted as challenges on the other. Thus, stakeholders’ satisfaction with ERA performance of its function was further assessed from the general point of view in terms of how it transacts its day-to-day business with the stakeholders. From the commercial and domestic consumers point of view an attempt is made to analyse their overall rating of ERA’s performance.

3.2 Positive Attributes: A Perspective of ERA Entity Stakeholders

3.2.1 Progressive Bureaucracy

All entity stakeholders that have interacted with ERA routinely reached by this survey concurred that ERA does not suffer from unnecessarily bureaucracy that characterizes most organizations. It was reported in several instances that ERA staff was freely accessible and open, coupled with a method of work that is flexible, which is characterized by a lot of discussion and accommodation of stakeholders’ concerns and views. A case observation by a study key informant with Aggreko succinctly summarizes this positive attribute:

ERA has been flexible in accommodating a short-term emergency measure as given by Aggreko. Although Aggreko's operations do not fit into the grid code, they have been allowed to operate flexibly. ERA understands what it is doing and gives prompt information with no bureaucracy as compared to other countries where for instance Aggreko has operated. The licensing process is not cumbersome and has simple and straightforward requirements.

3.2.2 Public Relations and consultation with stakeholders

According to some informants in this study such as UIPE and UETCL, ERA has very good public relations. It was often reported that ERA interacts well with the public and makes its presence felt. It involves all stakeholders in its decision-making. They affirmed that for instance, ERA holds workshops to disseminate information on such issues as tariff charges. However, ERA still has a lot of ground to cover in terms of reaching the commercial and domestic consumers given the fact that only 56% of the consumer respondents had heard of ERA, and quite many asserted that the current level of tariff charge was exorbitant.

3.2.3 Professionalism

Electricity sector participants in this study such as those at UMEME, UETCL, Eskom, Aggreko, WENRECo, MoFPED etc., commended ERA for handling its work in a professional manner. They commended the professional approach adopted by ERA and further noted that it could possibly be the best electricity regulatory body in the region. Some verbatim recording below corroborate these observations:

ERA and other stakeholders view each other as partners in the industry in solving a problem or crisis. ERA has maintained control of the situation with forward planning to manage the crisis. ERA appears to be more efficient than other regulatory authorities in other countries. It uses a common sense and friendly approach to solving problems (AGGREKO, UETCL).

ERA is very professional when it comes to giving timely response to the queries. ERA has addressed the staffing issue and built capacity and given that it is a new organization, it has really come a long way in areas like these (Informant, WENRECo Ltd).

ERA has done a good job overall, given the time they have been in existence. They had no executive, had small staff and little funding less than 5 years ago; they now have full staff and have done a lot of work for a 5 year old body. ERA is willing to learn; they learn quickly, do not repeat same mistakes and try to balance between public and utility. (Utility Reform Unit, MoFPED).

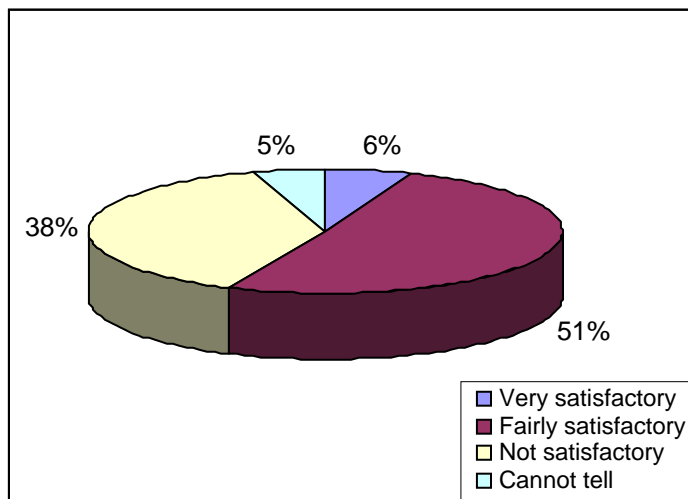
The Utility Reform Unit in Ministry of Finance and Economic Planning gave specific examples of ERA professional performance as follows:-

- ERA came at a time of divesture and quickly got into tough issues like tariff setting.
- They have become keener on informing the public on how electricity prices are determined which reduces friction between them and public.
- Have done a lot in increasing supply; brought in many people at affordable prices to increase supply.
- Have tried to create an enabling environment for new entrants in the sector.
- Have worked on public relations for example meeting parliamentarians.
- Have tried to make it easier for people who want to supply electricity and more investors are coming into the sector e.g. West Nile.

3.3 Overall Rating of ERA’s Performance: A Perspective of Commercial and Domestic Consumers

Overall, over a half of the sample of domestic and commercial consumers who had ever heard of ERA (51%) reported to be fairly satisfied with its performance. See Figure 5.

Figure 5: Consumers overall rating of ERA



When asked about what consumers liked most about ERA, almost a fifth of the consumers (18.4%) who had heard of ERA were not in position to single out any aspect on what they liked most about

ERA. Suffice to note, however, that over a tenth of the respondents (12.5%) reported “controlling and coordinating” electricity services provided as what attracted them to ERA, while 8.1% revealed their liking of ERA as based on its awareness and sensitization campaigns of the public.

3.4 ERA Challenges

This sub-section is an attempt to document the stakeholder analysis of the challenges faced by ERA in fulfilling its mandated functions. The Section is built on the information that was gathered from all stakeholders ranging from consumers to other government and non-governmental entities reached by this survey.

3.4.1 Awareness of ERA and image perception

One of the major challenges faced by ERA is how sell itself to all stakeholders amidst low awareness and knowledge of ERA. It is appreciated that ERA through its Public Relations Desk has endeavoured to reach out to the public, but still a significant proportion of the stakeholders is yet to be reached. At both national and local levels, quite a number of stakeholders confused ERA with other electricity utility companies. ERA needs to clear this image perception so that stakeholders are aware of the boundaries of ERA in terms of its mandated functions.

Feelings among stakeholders for ERA not being assertive enough were echoed. For instance, according to an informant in one of the entities, ERA is seen as not being assertive enough to position itself well, in performing its role with MoEMD and other electricity utility companies. Problems of load shedding being blamed on ERA, UMEME etc., were seen as limitations on part of ERA to educate the stakeholders on the functions of the various players in the electricity sector. In relation to this, some stakeholders express concerns that ERA is becoming another arm of government that “dances” to the tune of government. For instance, some stakeholders wrongly or correctly argue that ERA should execute its duties and regulate all sources of energy and allow minimum political interference in its work. For instance, an informant representing UMA in this study expressed discomfort with ERA, which according to him; ERA is meant to be a regulator but works too closely with electricity utility companies like UMEME, a relationship which makes such other stakeholders uncomfortable.

“They always come to defend utility companies all the time. They are not serving consumers instead they are always like they are part and parcel of UMEME (Key Informant, UMA).

3.4.2 A Multiplicity of stakeholders

By nature of its mandate, ERA deals with a multiplicity of stakeholders with differing interests and perceptions of what ERA should actually be doing. Striking a harmonized position on issues, for instance, to do with electricity tariffs poses daunting challenges, and more especially, when the “politics” of the day come in. Indeed, it becomes a challenge for ERA to adjust the power price due to the numerous stakeholders involved. There is political interest in managing the price of power. This observation was corroborated by UIPE that interference by Government of Uganda (GoU) and politicians especially those riding on cheap popularity was a challenge to ERA. Thus, there is a challenge of meeting politicians’ needs vis-à-vis affordability and viability of proposed investments.

ERA is meant to be independent, a start of which has been made with the good regulatory framework in place, but it still meets pressure from politicians and ministries, (UETCL, Informant)

The study attempted to pick more case illustrations as expressed by individual stakeholders on the challenge of multiplicity of stakeholders.

Key informants at NAPE expressed the view that ERA is faced with the challenge of lack of independence. Accordingly, ERA works under the influence of government without professionally questioning i.e., having to do what government says and the inability to take independent decisions as an informant illustrated, “*ERA’s intentions are good but whether they perform their functions without due influence remains doubtful*”. Similarly, there was a feeling expressed at NAPE that there was no difference between ERA, the electricity generators, transmitters and distributors. According to informants at NAPE, ERA approves projects wanted by government regardless of whether a proper environmental impact assessment has been carried out for the projects or not. This however, points to the need for ERA to educate stakeholders on its mandated roles.

Other stakeholders such as UIPE expressed the view that some of the issues in the electricity industry were beyond the control of ERA and thus posing a challenge. Informants at UIPE, for instance, noted that ERA has no power to attract investors and give incentives but relies on influencing government to do so. Noted further that the most comfortable position would have been that of ERA acting as an advisor and thus balancing the needs of the utility companies and government ministries.

3.4.3 Information on investments and power shortages

Key informants at WENRECo observed the limited availability of investment information e.g., market and demand forecast as a challenge to ERA in a bid to carry out its functions. Although WENRECo appreciated that this issue is being addressed by ERA and the MoEMD, there was still a need to have more comprehensive information.

ERA is facing the challenge of ensuring protocol is followed in the event of communication on power. The recent communication from the Minister on possible closure of one of the dams at Jinja should have followed protocol.

The regulator should educate the public and clear its perception on power shortage. Communication on power shortage should be handled by ERA; in particular press briefings should be cleared by ERA before being issued. The problem of water levels should be clearly explained to the public (Key Informant, ESKOM).

It was argued by the informant at ESKOM that only one player in the industry communicates power shortages i.e., the distributor, yet ESKOM is also involved in generating this power. On the other hand, it was cautioned that before electricity utility companies have a press briefing; ERA should be informed of the issues and should clear and approve the content of the press briefing.

3.4.4 Capacity

Although capacity of ERA was largely reported to have been fully built, some stakeholders such as NEMA and UETCL felt that that ERA was faced with a challenge of adequate personnel and financial resources to monitor the electricity utility companies. According to informant with NEMA, ERA can improve its performance by recruiting personnel who understand environmental issues. These would help in monitoring and auditing the electricity utility companies’ environmental performance. The informant was of the view that ERA should have an Environmental Desk Officer to advise on environment and development issues before approving an investor a go ahead to invest. “*ERA is faced with a challenge of monitoring the power sector (Key Informant, UETCL).*”

4.0 CONCLUSIONS AND AREAS OF IMPROVEMENT FOR ERA

4.1 Introduction

This Section presents the conclusions of the study, and arising out of the stakeholders' feedback and the challenges identified in Section 3.0 some areas of improvement have been suggested.

4.2 Conclusions

The study findings have revealed that majority of stakeholders and especially domestic and commercial consumers have low knowledge and awareness regarding ERA, and in particular the functions it performs. Apart from entity stakeholders, consumers who had even ever heard of ERA cannot properly categorizing ERA as a government agency or a regulator of electricity activities in the country. The survey findings reveal a lot of confusion among other entity stakeholders in terms of differentiating ERA from electricity utility companies such as UMEME, UETCL, and UEDCL etc.

Regarding ERA's stakeholders' satisfaction with how ERA has carried out its functions to-date, electricity utility companies as major stakeholders expressed total satisfaction with most of the functions such as issuing of licenses and permits, and enforcing compliance with licenses of ERA. However, entity stakeholders such as NEMA and environmental organizations still have problems with ERA's work methods in as far as enforcing environmental standards is concerned. This, however, points to inadequate understanding of such stakeholders of the function boundaries of ERA. It also points to the need of ERA reaching out to such stakeholders on what its role/functions are.

Not only entity stakeholders require sensitization, but also electricity consumers especially on what ERA does, and how they can reach ERA with complaints concerning those functions that impact on them such as tariff charges. The bigger challenge is for ERA to manage the government, electricity utility companies and consumers expectations on the tariff charges amidst political influence. Review of the electricity industry organization is well managed by ERA with comprehensive reporting schedules with clear guidelines availed to the electricity utility companies. On the investment front, ERA participation has been limited and not clear cut, which is an area that need addressing. Overall, the entity stakeholders are satisfied with ERA's methods of work, which they described as professional, less bureaucratic, and good public relations.

4.3 Areas for Improvement

4.3.1 Communication, information and education for stakeholders

The study findings have revealed that where stakeholders have not been satisfied with ERA's performance, it has been largely due to inadequate communication, information and education. It is therefore suggested that ERA needs to design an effective Communication Strategy to reach all its stakeholders.

In relation to the above, there is need to give timely feedback on reports submitted by electricity utility companies. This concern was expressed by ESKOM, which noted that feedback on capacity pricing is delayed which creates uncertainty and impacts on planning cycles. An alternative is to allow ESKOM to carry out the capacity pricing without a need to get permission from ERA to proceed with implementation. This is due to the fact that the principles and standards agreed upon do not change; only external factors like foreign exchange rates would alter the price. ESKOM should proceed with implementation and report to ERA. ERA would only question the price if there were an issue to be addressed.

The need for more consumer education was more emphasized by UCPA. The association's view is that ERA could have a resources constraint. UCPA further suggested that ERA should institute a public response mechanism and should not wait for consumers to come and report problems. Related with this, UETCL noted that ERA needs to keep up the constant stakeholder communication and dialogue.

Other gap areas rotate around failure by ERA to explain to the consumers electricity tariffs amidst outcry. ERA is yet to come out to sensitize and explain to electricity consumers why the electricity tariffs are high and why they cannot be reduced; given that ERA approves electricity tariffs.

*They should market themselves because people do not know exactly what they do. Even if they have tried, I do not think it is enough, still lacking. A lot of publicity is needed so that people can know their rights and who to complain to. They should use leaflets and not only newspapers (**Informant, The Daily Monitor**)*

Issues of unreliable power supply and high electricity tariffs were also echoed by UMA study informants. UMA informants were of the view that ERA could improve its performance by carrying out consumer surveys, more consultative meetings before decisions are taken especially about electricity tariffs, encouraging alternative energy sources (tariffs are high because maybe supply is limited) and publication of a regular bulletin to inform people of what ERA is doing. Sensitization on the energy policy, strengthening of consumer interaction, encouraging investment in energy by highlighting opportunities available, were suggestions given to ERA by UMA.

On areas of improvement for ERA, the Utility Reform Unit noted the following:

They need to be assertive to the agenda. They need to take the lead like on tariffs. If you attack them, they will explain to you well which makes them not very successful. When you explain to people before hand it makes them more understanding because they will have the facts. Some may simply refuse to understand, but ERA needs to tell Ugandans the truth that low prices are not going to come tomorrow; we are operating in a high expenditure market. We are not like South Africa which has a big base to spread the cost".

The Utility Reform Unit further advised that ERA needed to do better on public education and soliciting for proposals for electricity supply, and should consolidate their gains in the 5 years and work on the gaps. According to the informant URU, ERA needs training, financing and more resources to keep on doing a good job.

We need to note, however, that consumer education has been carried out by ERA to an extent especially on tariff charges. However, other concerns such as the justification for load shedding have not been tackled. There is an information gap with information being given after the public has become agitated and is demanding for answers. ERA should be proactive and have a consumer education program that runs throughout the year educating consumers on issues in the electricity industry.

4.3.2 Increased dialogue with stakeholders

Some stakeholders feel that ERA needs to increase its dialogue and consultations. Due to reported limited dialogue with some stakeholders such as UCPA and NAPE; the stakeholders have formed opinions of the electricity sector and are in position to influence the thinking of consumers and politicians. ERA has to come out strongly and create rapport with these stakeholders and give them the facts on the electricity sector to ensure any communication to the public is based on facts.

4.3.3 Industry Reporting Guidelines

The electricity utility companies have expressed the opinion that ERA requires comprehensive information on their organization, some of which is not relevant to their organizations. ERA needs to re-look at the reporting schedules for the electricity utility companies and tailor them to the specific organizations.

The information gathered should be used in such a way that it will impact on the industry and will be felt positively by the electricity consumers as well as the utility companies.

REFERENCES

1. Government of Uganda, Electricity Act, 1999
2. Quality of Service Document
3. Electricity Grid Code

Appendix 1: Electricity Entity Stakeholders Questionnaire

ELECTRICITY REGULATORY AUTHORITY (ERA)

ERA STAKEHOLDER SATISFACTION SURVEY

Good Morning/Good Evening. My name is _____ I am working for Makerere University in collaboration with Electricity Regulatory Authorities (ERA) on a Survey of ERA Stakeholders to determine their level of satisfaction with how ERA has carried out its functions to date. You have been selected as one of the stakeholders who can provide the required information, which can help ERA better improve on execution of its functions. You are, however, free to either participate or not, though I would so much want to hear your views on the issue of discussion. I would like to thank you for your time and views in advance. Any information you provide us will be kept highly confidential.

Date of Interview _____

Name of Interviewer _____

A. STAKEHOLDER IDENTIFICATION			
100	Nature of the entity stakeholder	<ol style="list-style-type: none"> 1. Local Govts 2. GoU—Ministry 3. Other Govt. Agencies 4. Electricity Sector Participant 5. Interest Bodies/Prof. Gps/ Devt. Partners 	
101	Name of the entity stakeholder		
101	District of location of the stakeholder		
B. GENERAL KNOWLEDGE AND AWARENESS OF ELECTRICITY REGULATORY AUTHORITY			
200	When did you first hear of Electricity Regulatory Authority (ERA)	<ol style="list-style-type: none"> 1. Never 2. <2000 3. Between 2000 & 2001 4. Between 2001 & 2002 5. Between 2003 & 2004 6. Between 2004 & 2005 7. Between 2005 & 2006 	SKIP-300
201	Where is Electricity Regulatory Authority (ERA) located	<ol style="list-style-type: none"> 1. All districts of Uganda 2. Kampala 3. Jinja 4. Others (Specify) 5. Don't know 	
202	What is your understanding of ERA?	<ol style="list-style-type: none"> 1. Another Uganda Electricity Board 2. Supplier of electricity 3. Controller of electricity activities 4. Others (Specify) 5. Don't know 	
203	How would categorize or best describe Electricity Regulatory Authority?	<ol style="list-style-type: none"> 1. An NGO 2. A Private Company 3. A Government Agency 4. A Public Company 5. Others (Specify) 6. Don't know 	

B. GENERAL KNOWLEDGE AND AWARENESS OF ELECTRICITY REGULATORY AUTHORITY			
204	Who do you think directs Electricity Regulatory Authority's actions and decisions?	1. Nobody 2. Its Board 3. Government 4. UMEME 5. ESKOM 6. Donors 7. Others (Specify) 8. Don't know	
205	Who pays the Electricity Regulatory Authority? <i>(This question has multiple responses)</i>	1. Electricity consumers 2. Government 3. UMEME 4. Others (Specify) 5. Don't know	
206	Who do you think should Electricity Regulatory Authority pay most attention to?	1. Electricity consumers 2. Electricity utilities 3. Government 4. All the above 5. Others (Specify)	

C. KNOWLEDGE AND SATISFACTION WITH THE ESTABLISHMENT OF A TARIFF STRUCTURE

300	Do you have any knowledge of the current tariff structure?	1. Yes 2. No	SKIP-400
301	Do you think the current electricity tariff structure is fair to all levels of consumers?	1. Yes 2. No	SKIP-400
302	Are you satisfied with the current tariff structure	1. Yes, very satisfied 2. Reasonably satisfied 3. Not satisfied	
303	What would be a satisfactory/acceptable electricity tariff structure?	1. Tariff charges should be calculated to recover costs of generation & transmission 2. Tariff charges should be calculated to recover operational costs of the electricity utility company 3. Others. Please specify.....	

D. ERA STAKEHOLDER SATISFACTION CHECKLIST (THIS HAS TO BE ANSWERED SELECTIVELY FOR EACH STAKEHOLDER AGAINST THE FUNCTIONS THAT IMPACTS ON HIM/HER AND VICE VERSA

Key Informant (s) _____

ERA Function	Stakeholders Level of Satisfaction					Reason for the Answer Given
	Very Satisfactory	Fairly Satisfactory	Not Satisfactory	Not Applicable	Don't Know	
400. Issue of license						
401 Enforcing compliance with licenses						
402. Establishment of a Tariff Structure						

403. Investigation of Tariff charges and specific complaints of tariff charges						
404. Review of organization of electricity utility companies						
405. Development and enforcement of performance standards.						
406. Development of uniform electricity industry standards and codes of conduct.						
407. Advise on the need for electricity sector projects.						
408. Establishment of a uniform system of accounts for licensees.						
409. Prepare industry reports and gather information from electricity utility companies.						
410. Prescribe and collect license fees.						
411. Provide procedures for investment programmes by transmission and distribution companies.						

ERA Function	Stakeholders Level of Satisfaction					Reason for the Answer Given
	Very Satisfactory	Fairly Satisfactory	Not Satisfactory	Not Applicable	Don't Know	
412. Approve standards for the quality of electricity supplied.						
413. Approve codes of conduct in respect of operation of transmission and distribution systems.						
F. OVERALL STAKEHODLER SATISFACTION MEASUREMENT AND AREAS OF IMPROVEMENT FOR ERA [THIS SECTION APPLIES TO ONLY CONSUMERS WHO HAVE EVER HEARD OF ERA, SEE QN. 200]						
500	What do you like most about ERA?					
501	What do you dislike most about ERA?					
502	What roles or functions do you feel ERA is not fulfilling?					
503	What additional roles do you think should assigned to ERA					
504	What roles should be taken away from ERA?					
505	In what ways are you impacted by current ERA's performance of its functions?					
506	What challenges/gaps do you think ERA is facing in carrying out its functions?					
507	How do you think ERA can be improved to perform effectively its functions?					
508	If you have any observations to make in relation to ERA's performance of its functions, feel free to make them.					

Appendix 2: electricity consumers questionnaire

ELECTRICITY REGULATORY AUTHORITY (ERA)

ERA STAKEHOLDER SATISFACTION SURVEY

Good Morning/Good Evening. My name is _____ I am working for Makerere University in collaboration with Electricity Regulatory Authorities (ERA) on a Survey of ERA Stakeholders to determine their level of satisfaction with how ERA has carried out its functions to date. You have been selected as one of the stakeholders who can provide the required information, which can help ERA better improve on execution of its functions. You are, however, free to either participate or not, though I would so much want to hear your views on the issue of discussion. I would like to thank you for your time and views in advance. Any information you provide us will be kept highly confidential.

Date of Interview _____

Name of Interviewer _____

A. STAKEHOLDER IDENTIFICATION			
100	Nature of the consumer	<ol style="list-style-type: none"> 1. Domestic 2. Commercial 3. Industrial 4. Urban authority—street lighting 	
101	Location of the stakeholder	<ol style="list-style-type: none"> 1. Kampala 2. Arua 3. Masaka 4. Others (Specify) 	
B. GENERAL KNOWLEDGE AND AWARENESS OF ELECTRICITY REGULATORY AUTHORITY			
200	When did you first hear of Electricity Regulatory Authority (ERA)	<ol style="list-style-type: none"> 8. Never 9. <2000 10. Between 2000 & 2001 11. Between 2001 & 2002 12. Between 2003 & 2004 13. Between 2004 & 2005 14. Between 2005 & 2006 	SKIP-300
201	Where is Electricity Regulatory Authority (ERA) located	<ol style="list-style-type: none"> 6. All districts of Uganda 7. Kampala 8. Jinja 9. Others (Specify) 10. Don't know 	
202	What is your understanding of ERA?	<ol style="list-style-type: none"> 6. Another Uganda Electricity Board 7. Supplier of electricity 8. Controller of electricity activities 9. Others (Specify) 10. Don't know 	
203	How would categorize or best describe Electricity Regulatory Authority?	<ol style="list-style-type: none"> 7. An NGO 8. A Private Company 9. A Government Agency 10. A Public Company 11. Others (Specify) 12. Don't know 	

B. GENERAL KNOWLEDGE AND AWARENESS OF ELECTRICITY REGULATORY AUTHORITY			
204	Who do you think directs Electricity Regulatory Authority's actions and decisions?	9. Nobody 10. Its Board 11. Government 12. UMEME 13. ESKOM 14. Donors 15. Others (Specify) 16. Don't know	
205	Who pays the Electricity Regulatory Authority? <i>(This question has multiple responses)</i>	6. Electricity consumers 7. Government 8. UMEME 9. Others (Specify) 10. Don't know	
206	Who do you think should Electricity Regulatory Authority pay most attention to?	6. Electricity consumers 7. Electricity utilities 8. Government 9. All the above 10. Others (Specify)	
C. KNOWLEDGE AND SATISFACTION WITH THE ESTABLISHMENT OF A TARIFF STRUCTURE [ONLY FOR COMMERCIAL AND INDUSTRIAL CONSUMERS]			
300	Do you have any knowledge of the current tariff structure?	3. Yes 4. No	SKIP-400
301	Do you think the current electricity tariff structure is fair to all levels of consumers?	3. Yes 4. No	SKIP-400
302	Are you satisfied with the current tariff structure	4. Yes, very satisfied 5. Reasonably satisfied 6. Not satisfied	
303	What would be a satisfactory/acceptable electricity tariff structure?	4. Tariff charges should be calculated to recover costs of generation & transmission 5. Tariff charges should be calculated to recover operational costs of the electricity utility company 6. Others. Please specify.....	
D. INVESTIGATION OF TARIFF CHARGES & SPECIFIC COMPLAINTS OF TARIFF CHARGES			
400	What do you have to say about the current level of tariff charges?	1. Very high/Exorbitant 2. Reasonably high 3. Fair 4. Low 5. Do not know the tariff charge	
401	Have you ever complained about tariff charges?	1. Yes 2. No	SKIP-407
402	To whom did you direct the complaint	1. UMEME/WENRECO 2. ERA 3. Area MP 4. Local Government 5. Central Govt 6. Others (Specify)	
403	Which forum did you use to lodge the complaint?	1. Letter to Electricity Utility company 2. Electricity Utility Official 3. Letter to ERA 4. Call in to television Talk Shows 5. Call in to Radio Talk shows 6. Letter to Newspaper Editor 7. Demonstration 8. Other (specify)	

404	Have you ever received any response to your complaint(s)?	1. Yes 2. No	SKIP-406
405	Were you satisfied with the response you received?	1. Yes 2. No	
406	Do you think ERA has done a satisfactorily job in investigating tariff charges and handling specific complaints of tariff charges	1. Yes, satisfactorily performed 2. Yes, reasonably performed 3. No 4. Don't know	
407	Do you know your rights as a consumer of electricity?	3. Yes 4. No	SKIP-500
408	What are the rights that you are aware of?	
409	How did you get to know your rights as a consumer of electricity?	1. Reading the Electricity Act 2. Reading codes of conduct issued by ERA 3. public campaigns by ERA 4. Public campaigns by UMEME/WENRECO 5. Information from the Newspapers 6. Information from the Radio 7. Public campaigns by the Ministry of Energy & Mineral Development 8. Public campaigns from MPs. 9. Public campaigns from consumer protection groups	
410	Do you think your rights as an electricity consumer are being violated?	10. Yes, to a small extent 11. Yes, to a large extent 12. No 13. Don't know	
411	Which of your rights as an electricity consumer are being violated? Please specify	
E. DEVELOPMENT AND ENFORCEMENT OF PERFORMANCE STANDARDS & CODES OF CONDUCT FOR THE ELECTRICITY INDUSTRY			
500	Do you have an electricity meter used to bill you for electricity consumed?	1. Yes 2. No	
501	Do you suffer from load shedding or power blackout without prior communication from the utility company?	1. Yes 2. No 3. Sometimes	
502	Has any of your electrical appliances been damaged as a result of sudden power blackout?	1. Yes 2. No	
503	Do you experience low voltage electricity supply for a prolonged period of time?	1. Yes 2. No	
504	Have you failed to operate any of your electrical equipment as a result of this low voltage electricity supply?	1. Yes 2. No	

505	Have you installed a UPS or a voltage stabilizer to safeguard your equipment from over voltages and power blackout?	1. Yes 2. No	
506	Do you know the consumer telephone hotline for your electricity utility company?	1. Yes 2. No	SKIP-509
507	Have you called this hotline to report an electricity fault or blackout?	1. Yes 2. No	
508	Were you attended to and your complaint rectified within a reasonable period of time?	1. Yes 2. No	
509	How often do you receive an electricity bill?	1. Monthly 2. Every 2 months 3. Every 3 months 4. Rarely 5. Never	
510	Do you receive an electricity bill that is a correct reflection of your electricity usage?	1. Yes 2. No	
F. OVERALL STAKEHODLER SATISFACTION MEASUREMENT AND AREAS OF IMPROVEMENT FOR ERA [THIS SECTION APPLIES TO ONLY CONSUMERS WHO HAVE EVER HEARD OF ERA, SEE QN. 200]			
600	What do you like most about ERA?		
601	What do you dislike most about ERA?		
602	What roles or functions do you feel ERA is not fulfilling?		
603	What additional roles do you think should assigned to ERA		
604	What roles should be taken away from ERA?		
605	In what ways are you impacted by current ERA's performance of its functions?		
606	What challenges/gaps do you think ERA is facing in carrying out its functions?		
607	How do you think ERA can be improved to perform effectively its functions?		
608	If you have any observations to make in relation to ERA's performance of its functions, feel free to make them.		
609	Overall, how do you rate ERA in performing its functions? 1. Very satisfactory 2. Fairly satisfactory 3. Not satisfactory 4. Can't tell		

Appendix 3: Terms of Reference

ELECTRICITY REGULATORY AUTHORITY

REVIEW OF STAKEHOLDER SATISFACTION WITH ERA

BACKGROUND

The governments of Norway and Uganda entered into a cooperation agreement in 2000 under NORAD funding involving capacity building support from the Norwegian Water Resources and Energy Directorate (NVE) to the Electricity Regulatory Authority (ERA). The two NVE and ERA entered into an implementation agreement having an agreed plan. An important component of the work plan under **local consultancy services** was to carry out a “Review of Consumer (Stakeholder) satisfaction with ERA”.

Pursuant to this requirement ERA now seeks to survey its major stakeholders to determine their level of satisfaction with how ERA has carried out its functions to-date.

STAKEHOLDER OF ERA

ERA was established by the Electricity Act 1999 where the following are implied as persons, entities upon whom the activities of ERA have an impact and vice versa.

- (1) **The Government of Uganda and particularly:**
 - (a) The Ministry of Energy and Mineral Development
 - (b) The Ministry of Finance, Planning and Economic Development
 - (c) The Ministry of Water, Lands and Environment
 - (d) The Committee of Parliament for Natural Resources
 - (e) Local Governments at District levels

- (2) **Other Government Agencies**
 - (a) The Rural Electrification Agency
 - (b) The Electricity Disputes Tribunal
 - (c) The National Environmental Management Authority
 - (d) The Directorate of Water Development
 - (e) The Uganda Investment Authority
 - (f) The National Planning Authority

- (3) **Electricity Sector Participants**
 - (a) Licensed Electric Utilities: Generation, Transmission and Distribution Companies
 - (b) Electricity Consumers—domestic, industrial, commercial and street lighting
 - (c) Prospecting electric companies and would-be consumers

- (4) **Interest Bodies, Professional Groups and Development Partners**
 - (a) Consuming Trade Organizations (UMA, PSF, Workers Unions, Workers Employers)
 - (b) Donor and Multi-lateral lenders
 - (c) Investment Banks
 - (d) Media People
 - (e) Conservation Groups
 - (f) Consumer Protection Associations etc.,
 - (g) Non-Governmental Organizations

FUNCTIONS OF ERA

The Electricity Act, 1999 at Section 11 defines the functions of ERA. Additionally at Section 12 the manner in which ERA is to carry out the said functions is also prescribed by law.

Since ERA can only perform lawful functions, the survey of stakeholders should seek to link the satisfaction with these roles. A sample questionnaire based on these would be as per sample attached. This can be changed and/or improved.

CONSULTANCY SPECIFICATION:

General consultant Requirements:

The successful bidder, from the open bidding process (inline with the Public Procurement and Disposal Act) will sign a formal contract with ERA before commencing work. Demonstrated capacity (previous similar work) to carry out surveys

and analyze outcomes into report. The successful bidders is expected to have a team including individuals qualified in Sociology and Statistical methods and those with expert knowledge of the Uganda Electricity Sector

Format of Expression of Interest:

A clear methodology to be followed must be given

Statement and justification of the survey sample size is required

Number of personnel and statement of their short experiences

Man hours to be dedicated to the exercise must shown

Total costs and their approximate break down must be given

Timeframe (on Gantt chart) for execution of the task is needed

Submission of samples of reports on similar and related tasks recently executed will be a clear advantage

Reporting Methodology

The Consultant will formally report to the Chief Executive Officer of ERA and be assigned a liaison Officer at ERA for operational purposes.

Inception report must be presented to ERA management within 2 weeks of engagement (or contract signing).

Draft report after survey must be presented for discussion by the sixth week from engagement

Final report (4 computer CD-ROM diskettes and 4 bound hardcopy paper reports) including ERA remarks to the draft report must be submitted to ERA by the eighth week from engagement.

KAMPALA

JUNE 2005.