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## 2023 ELECTRICITY END-USER TARIFFS

### MEDIA STATEMENT

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- i. The Honorable Minister of Energy and Mineral Development;
  - ii. The Executive Director & Staff of the Uganda Media Center;
  - iii. Members of the Press; and,
  - iv. Distinguished Ladies and Gentlemen.
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1. I am pleased to welcome you to this media briefing regarding the **2023 Electricity End-User (Retail) Tariffs**, which also double as the **Tariffs for the Base or First Quarter of 2023 (January to March)**.
  2. I would like to thank the **Honorable Minister of Energy and Mineral Development** for tirelessly **supporting the Electricity Supply Industry**.
  3. Honorable Minister, and members of the press, in line with the mandate of the authority as enshrined in the Electricity Act 1999 as amended; and regulations thereof and the respective licenses issued with respect to the generation, transmission, and distribution of Electricity, on an annual basis, the Authority receives applications for Tariff Review.

4. Consequently, at the start of November 2022, Applications for Tariff Review for the Year 2023 were received from:
  - **Uganda Electricity Generation Company Limited (UEGCL);**
  - **Eskom (U) Limited.**
  - **Uganda Electricity Transmission Company Limited (UETCL);**
  - **Uganda Electricity Distribution Company Limited (UEDCL); and,**
  - **Umeme Limited;**
5. Regulation 5 (a) of the Electricity (Tariff Code) Regulations of 2003 calls for transparency in the Tariff Review Process, and therefore, on 7<sup>th</sup> November 2022, a Notice was published in the New Vision informing the Public about the receipt of these Applications and on 8<sup>th</sup> December 2022, a Public Hearing was conducted to further provide the public with the opportunity to take part in the Tariff Review process.
6. During the 382<sup>nd</sup> Authority Meeting held on 19<sup>th</sup> December 2022, the Board considered the submissions by the aforementioned Companies and the views of the relevant stakeholders consulted (including the public), and took a decision on the Applications for the 2023 Annual Tariff Review.
7. Honorable Minister and Members of the Press, in the determination of the Electricity Tariffs for 2023, the following major assumptions were taken into consideration:

- a) The Uganda Shilling has appreciated against the United States Dollar from Ush/USD 3,810.74 used in the determination of the Retail Tariffs for the Fourth Quarter of 2022 to Ush/USD 3,738.33 on 30<sup>th</sup> November 2022 as published by the Bank of Uganda. This represents an appreciation of 1.9%;
- b) With effect from April 2023, UEGCL will assume the operations of the Nalubaale and Kiira complex;
- c) Electricity demand is expected to grow at an annual rate of approximately 8.31% in 2023;
- d) We will commence implementation of the US 5-Cents industrial tariff for Extra-Large Industrial Consumers with the potential to increase uptake and production. The pilot project is ending at the end of this year.
- e) We will continue to implement the declining block tariff structure for the Large Industrial and Extra-Large Industrial Tariff Year 2023;
- f) We will continue to implement the domestic cooking Tariff (declining block) to encourage domestic consumers to cook using electricity – between 81kWh and 150kWh per month; and;
- g) We will continue to implement the Institutional Cooking Tariff of UGX 451 that targets to support over 500 institutions such as schools, hospitals, and prisons to transition from the use of biomass energy sources such as firewood and charcoal to cooking using electricity.

8. From the foregoing major assumptions and initiatives, the Annual Base **Electricity End-User Tariffs for 2023 that double as the First Quarter of 2023 ( January to March 2023)** are as follows:

**Table 1: Summary of the Electricity end-user tariff for Quarter one ( January to March) 2023**

	Domestic		Commercial	Medium Industrial	Large Industrial	Extra Large	Street-lights	Weighted average
	Lifeline Tariff	Above Lifeline						-
Approved Q4 2022 Tariffs	250.0	820.9	637.7	482.3	388.5	328.5	370.0	504.2
<b>Approved 2023 Base-Year Tariffs</b>	<b>250.0</b>	<b>808.9</b>	<b>624.6</b>	<b>472.3</b>	<b>386.3</b>	<b>326.6</b>	<b>370.0</b>	<b>498.3</b>
Percentage Change from Q4 2022	0.0%	-1.5%	-2.1%	-2.1%	-0.6%	-0.6%	0.0%	-1.2%

**Table 2: Detailed Annual Base End-User Electricity Tariffs, which also double as the Tariffs for the First Quarter of 2023 (January to March).**

<b>DOMESTIC CONSUMERS - CODE 10.1</b>					
Lifeline - First 15 Units (Ush/kWh)		250.0			
Energy Charge between 16 – 80 units (Ush/kWh)		808.9			
Energy Charge between 81 – 150 units (Ush/kWh)		412.0			
Energy Charge above 150 units (Ush/kWh)		808.9			
<b>COMMERCIAL CONSUMERS - CODE 10.2</b>			<b>Average</b>	<b>Peak</b>	<b>Shoulder</b>
Energy Charge (Ush/kWh)			624.6	820.3	628.3
<b>MEDIUM INDUSTRIAL CONSUMERS - CODE 20</b>			<b>Average</b>	<b>Peak</b>	<b>Shoulder</b>
Energy Charge (Ush/kWh)			472.3	646.9	476.8
<b>LARGE INDUSTRIES CONSUMERS - CODE 30</b>			<b>Average</b>	<b>Peak</b>	<b>Shoulder</b>
<b>Block 1:</b> Energy Charge (Ush/kWh)			386.3	521.3	387.2
<b>Block 2 (Declining Block*):</b> Energy Charge (Ush/kWh)			369.7	498.9	370.5
<b>EXTRA - LARGE INDUSTRIES CONSUMERS - CODE 40</b>			<b>Average</b>	<b>Peak</b>	<b>Shoulder</b>
<b>Block 1:</b> Energy Charge (Ush/kWh)			326.6	431.1	328.2
<b>Block 2 (Declining Block*):</b> Energy Charge (Ush/kWh)			297.8	393.2	299.3
<b>STREET LIGHTING - CODE 50</b>					
Energy Charge (Ush/kWh)		370.0			

9. The 2023 Base Tariffs above will be subject to adjustment quarterly in line with the Authority Quarterly Tariff Adjustment Methodology.
10. Honorable Minister, I take this opportunity to:
  - I. Once again, thank you for your continued guidance and supervision; and,
  - II. Through you, to **thank His Excellency the President of the Republic of Uganda** for prioritizing the Energy Sector and for his relentless support to the Electricity Supply Industry.

I now take the pleasure to invite you, Honorable Minister, to address this gathering.

For God and My country!

Dr. Sarah Kanaabi Wasagali

**CHAIRPERSON – ELECTRICITY REGULATORY AUTHORITY**  
**30<sup>TH</sup> DECEMBER 2022**