

Power tariffs reduced by Shs2

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KAMPALA. Increased uptake of electricity from the Kiira and Nalubaale hydropower stations has led to the reduction of end-user power tariffs by about Shs2 per unit.

The plant, which last quarter contributed an average of 176 megawatts (MW) to the national electricity grid, will this quarter generate an average of 177MW.

The increase is on account of increased discharge of water, from 930 cubic metres per second to 1,000 cubic metres per second.

Of Uganda's 20 electricity generation plants, Eskom Uganda Limited, which operates the Kiira and Nalubaale hydropower plants, charges the lowest generation tariff - US¢1 (Shs35) per unit.

For the period 2017 to 2032, Bujagali Energy Limited will charge US¢13.38 per unit (Shs482.3).

On Thursday, the Uganda Manufacturers Association (UMA) hosted Electricity Regulatory Authority (ERA) officials to, among other things, talk about Buy Uganda Build Uganda as well as this quarter's tariffs.

ERA, which sets the end-user tariffs after considering the tariff proposals of the different electricity utilities, is yet to formally announce the new tariffs.

When contacted on Friday, ERA's communications manager John Julius Wandera, said ERA is still consulting some stakeholders.

He said ERA would release the tariff schedule for this quarter only after engaging more stakeholders.

Pressed for specifics on the tariff,

Mr Wandera said 'the tariff is reducing'. He however, refused to discuss the matter any further.

According to other source, the end-user tariffs for all consumer categories will be reduced by a weighted average 0.3 per cent.

Tariffs

Last quarter, a household paid Shs687.1 for each unit [above the 15th unit], whereas a miller or a welder who uses three-phase low voltage loads of under 100 amperes paid Shs620.9 per unit.

A medium industrial consumer (one who uses up to 500kilovolts) paid Shs569.7 per unit whereas a large industrial consumer (one who uses between 500kVA and 1,500 kVA paid Shs370.2 per cent.

An extra-large industrial consumer paid Shs366.9 per unit whereas the

urban authorities or municipalities paid Shs671.2 per unit.

Each of the above consumer categories will now pay just Shs2 less.

Whereas some domestic consumers have in the past dismissed the reductions as too thin to translate into lower power bills, UMA said even a saving on one shilling on each unit is important since UMA members consume a lot of power.

UMA members altogether consume 70 per cent of the electricity distributed in Uganda. They have for years called for the lowering of the end-user tariffs to reduce their costs of production and boost their competitiveness.

To that end, President Museveni pledged that the government would work to reduce the tariff for the manufacturers to Shs177 per unit.

To that end, the government wants to refinance the Bujagali Energy Limited loan, that is, to get a cheaper loan to repay the Bujagali loan.