

**CHAPTER 145**  
**THE ELECTRICITY ACT, 1999.**

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## CHAPTER 145

### THE ELECTRICITY ACT, 1999.

*Commencement:* 1 November, 1999,  
except sections 61, 119, 123, 130 and  
Part XIII.

**An Act to provide for the establishment of the Electricity Regulatory Authority; to provide for its functions, powers and administration; to provide for the generation, transmission, distribution, sale and use of electricity; to provide for the licensing and control of activities in the electricity sector; to provide for plant and equipment and for matters relating to safety; to liberalise and introduce competition in the electricity sector; to repeal the Electricity Act; to provide for a successor company to the Uganda Electricity Board and for connected purposes.**

#### PART I—PRELIMINARY.

##### **1. Commencement.**

This Act shall come into force on a day to be appointed by the Minister by statutory instrument, and different days may be appointed for the commencement of different provisions.

##### **2. Object of Act.**

The object of this Act is to regulate the generation, transmission, distribution, sale, export, import and distribution of electrical energy in Uganda.

##### **3. Interpretation.**

In this Act, unless the context otherwise requires—

- (a) “apparatus” means electrical apparatus, and includes all machines, apparatus and fittings in which conductors are used or of which they form part;
- (b) “area of distribution” means the area within which the holder of a distribution licence is, for the time being, authorised to distribute electrical energy;

- (c) “authority” means the Electricity Regulatory Authority established under section 4;
- (d) “bulk supplier” means the person responsible for transmission and sale of electricity in bulk to distribution and sales companies in accordance with section 56;
- (e) “chief executive officer” means the chief executive officer of the authority appointed under section 19;
- (f) “company” means a company within the meaning of the Companies Act;
- (g) “consumer” means any person supplied or entitled to be supplied with electrical energy for personal, industrial and commercial use but does not include a person supplied with electrical energy for delivery to another person;
- (h) “currency point” means the value of a currency point specified in the Second Schedule to this Act;
- (i) “distribution” means the ownership, operation, management or control of distribution facilities for the movement or delivery of electricity to consumers;
- (j) “distribution facilities” means electrical facilities operated at distribution voltage and used for the movement or delivery of electricity;
- (k) “distribution voltage” means any voltage below the minimum transmission voltage;
- (l) “electric supply line” means a wire, conductor or other means used or intended to be used for the purpose of conveying, transmitting, distributing, serving or using electrical energy, together with any casing, coating, covering, tube, pipe, insulator or support enclosing, surrounding or supporting the same or any part thereof; or any apparatus, including apparatus for switching, controlling, transforming, converting or otherwise regulating electric energy ancillary thereto, for the purpose of conveying, transmitting, distributing, serving or using electrical energy, but does not include any telegraph or telephone line;
- (m) “electrical energy” means electrical energy when generated, transmitted, distributed or utilised for any purpose except the transmission of any communication signal;
- (n) “electricity” means electric power generated from water, mineral oil, coal, gas, solar energy, wind energy, atomic energy or any other means;
- (o) “fair competition” has the meaning in section 74;
- (p) “fund” means the Rural Electrification Fund established under

section 64;

- (q) “generating station” means any station for generating electricity, including any building and plant used for that purpose, the site of the generating station and a site intended to be used for a generating station, but does not include a station for transforming, converting or distributing electrical energy;
- (r) “generation” means the generation of electricity from water, mineral oil, coal, gas or any other means;
- (s) “grid code” means a national grid code or similar regulations of national application prescribed by the authority, relating to the planning, scheduling or dispatch of electrical energy in Uganda;
- (t) “inspector” means an inspector appointed under section 73;
- (u) “installation” means the whole of any plant or equipment under one ownership or, where a management is prescribed, the person in charge of the management, designed for the supply or use or both, as the case may be, of electrical energy;
- (v) “licence” means a licence issued under this Act;
- (w) “licensee” means the holder of a licence under this Act;
- (x) “local government” means a local government council established under the Local Governments Act and includes a public officer authorised by a local government;
- (y) “minimum transmission voltage” means thirty-three kilovolts or such other voltage as the authority may, by regulation, determine to be the minimum voltage at which an electrical facility in Uganda is generally operated when used to deliver electricity in bulk;
- (z) “Minister” means the Minister responsible for electricity;
- (aa) “person” includes any individual, firm, company, association, partnership or body of persons, whether incorporated or not;
- (bb) “prescribed” means prescribed under this Act;
- (cc) “public lamp” means an electric lamp used for the lighting of a street or public place;
- (dd) “Public Service Commission” means the Public Service Commission established under the Constitution;
- (ee) “sale” means the sale of electrical energy to a consumer for the consumer’s own use or for resale to third parties;
- (ff) “secretary” means the secretary of the authority appointed under section 18;
- (gg) “supply” means the supply to consumers, generation, transmission, distribution and sale, including importation and exportation, of electrical energy;



(hh) “system operator” means a person designated to operate the power system as described in section 55 and in accordance with the grid code; (ii) “transmission” includes the ownership, operation, management or control of transmission facilities for whatever purpose; (jj) “transmission facilities” means electrical facilities, including but not limited to electrical circuits, transformers, and substations operating above a voltage of thirty-three kilovolts but does not include—

(i) electrical circuits forming the immediate connection between generation facilities and the transmission grid to the extent that those circuits are owned by a generator and are directly associated with the generation facilities; and (ii) specified facilities operating at or above minimum transmission voltage if the authority, upon application by a licensee, determines that those facilities should be owned and operated by a distribution licensee; (kk) “tribunal” means the Electricity Disputes Tribunal established under section 93; (ll) “Uganda Electricity Board” means the Uganda Electricity Board established under the Electricity Act.

## PART II—ELECTRICITY REGULATORY AUTHORITY.

### **4. Establishment of authority.**

- (1) There is established the Electricity Regulatory Authority.
- (2) The authority is a body corporate with perpetual succession and a common seal and may—
  - (a) acquire, hold and dispose of moveable and immoveable property;
  - (b) sue and be sued in its corporate name;
  - (c) do all other things as a body corporate may lawfully do.

### **5. Composition of authority.**

- (1) The authority shall consist of five members of high moral character and proven integrity and competence appointed by the Minister with the approval of Cabinet.
- (2) The Minister shall designate as chairperson of the authority one

of the members who is qualified and experienced in management, economics or the electric power sector.

- (3) The other members of the authority shall have proven experience in—
- (a) engineering, either in the generation, transmission or distribution of electricity;
  - (b) law, administration or management;
  - (c) finance or economics;
  - (d) the energy industry; or
  - (e) environmental matters.

(4) Of the other members of the authority, each shall be qualified in at least one of the areas specified in subsection (3).

(5) The chief executive officer shall be an ex officio member of the authority but shall not have a right to vote at any meeting of the authority.

## **6. Disqualification from appointment.**

A person shall not be appointed to the authority who—

- (a) is a shareholder, a member of the board, an employee, or the holder of a licence, of any entity operating in, or providing services to, the electricity industry likely to cause a conflict of interest;
- (b) is an undischarged bankrupt;
- (c) has been convicted of an offence under this Act or an offence involving fraud or dishonesty by a competent court in Uganda or elsewhere;
- (d) has been convicted of an offence and sentenced to a term of imprisonment of six months or more by a competent court in Uganda or elsewhere; or
- (e) is a public officer, a member of Parliament, a Minister or a member of a local government council.

## **7. Tenure of office of members.**

(1) A member of the authority shall hold office for a term of five years and is eligible for reappointment.

(2) A member shall not be appointed for more than two terms.

## **8. Termination of appointment.**

(1) A member of the authority may resign his or her office by sixty days' notice in writing delivered to the Minister.

(2) The Minister shall remove from office a member of the authority who—

- (a) is adjudged bankrupt under any law in force in Uganda and has not been discharged;
- (b) becomes a public officer, a member of Parliament, a Minister or a member of a local government council;
- (c) is convicted of an offence under section 6(c) or (d) or an offence under this Act by a competent court in Uganda or elsewhere;
- (d) has been absent, without leave of the authority, from more than three consecutive meetings of the authority;
- (e) without reasonable cause has refused to act or has become incapable of acting for a period of at least six months;
- (f) for any reason, is permanently incapable of performing the duties of a member;
- (g) where information relating to the conduct of a member, which could have precluded his or her appointment if it had been made available to the Minister, is brought to the attention of the Minister; or
- (h) has neglected the duties of a member or behaves in a manner unbecoming of the office of member.

(3) Where it appears to the Minister that there is cause to remove a member under subsection (2), the Minister shall notify the member concerned in writing and shall give the member an opportunity to submit his or her explanation to the Minister.

(4) Where a member is removed from office under this section, the Minister may appoint another person qualified in accordance with section 5 to replace the member to hold office for the remainder of the term of the previous member.

(5) A person removed under this section is not entitled to any benefits that may be payable to him or her under section 9.

## **9. Remuneration of members of authority.**

The members of the authority shall be paid such subsistence or other allowances as the Minister may, with the approval of Cabinet, specify in the instrument of appointment.

## **10. Functions of authority.**

The functions of the authority are—

- (a) to issue licences for—
  - (i) the generation, transmission, distribution or sale of electricity; and (ii) the ownership or operation of transmission systems;
- (b) to receive and process applications for licences;
- (c) to prescribe conditions and terms of licences issued under this Act;
- (d) to modify licences issued under this Act;
- (e) to make and enforce directions to ensure compliance with licences issued under this Act;
- (f) to establish a tariff structure and to investigate tariff charges, whether or not a specific complaint has been made for a tariff adjustment;
- (g) to approve rates of charges and terms and conditions of electricity services provided by transmission and distribution companies;
- (h) to review the organisation of generation, transmission and distribution companies or other legal entities engaged in the generation, transmission and distribution of electricity to the extent that that organisation affects or is likely to affect the operation of the electricity sector and the efficient supply of electricity;
- (i) to develop and enforce performance standards for the generation, transmission and distribution of electricity;
- (j) to encourage the development of uniform electricity industry standards and codes of conduct;
- (k) to establish a uniform system of accounts for licensees;
- (l) to advise the Minister regarding the need for electricity sector projects;
- (m) to prepare industry reports and to gather information from generation, transmission and distribution companies;
- (n) to prescribe and collect licence fees;
- (o) to provide for the procedure for investment programmes by

transmission and distribution companies; (p) to approve standards for the quality of electricity supply services provided; (q) to approve codes of conduct in respect of the operation of transmission and distribution systems; (r) to acquire information and carry out investigations relating to any of its functions; and (s) to perform any other function that is incidental or consequential to its functions under this section, or as may be conferred on it by any other law.

## **11. Conduct of functions.**

(1) The authority shall perform its functions and exercise its powers in a manner that—

- (a) is open and objective;
- (b) is fair and reasonable;
- (c) is nondiscriminatory; and
- (d) promotes fair competition.

(2) Notwithstanding the generality of subsection (1), the authority shall, in the performance of its functions—

- (a) promote efficiency, economy and safety on the part of licensees and the efficient and safe use of electricity;
- (b) ensure that licensees carry out the activities which they are licensed to perform;
- (c) ensure that licensees comply with the conditions of their licences and protect the interests of consumers in respect of— (i) the prices, charges and other terms of supply of electricity; and (ii) the quality, efficiency, continuity and reliability of the supply services;
- (d) promote competition in the generation and marketing of electricity;
- (e) enable all licensees to connect to transmission systems and facilities in Uganda on a nondiscriminatory basis on terms and conditions that are fair and reasonable and, when practicable, ensure that licensees connect to distribution systems and facilities;
- (f) ensure transparency in relation to the activities of the power sector and the authority;

- (g) ensure a fair balance of the interests of the consumers, the Government and participants in the power sector; and (h) promote continuity in the supply of electricity.

## **12. Meetings of authority.**

The First Schedule to this Act has effect with respect to meetings of the authority and other matters to which it relates.

## **13. Special committees of authority.**

- (1) The authority may appoint one or more special committees—
  - (a) to inquire into and advise the authority on such matters within the scope of the authority's functions as the authority may refer to the special committee;
  - (b) to exercise such powers or perform such duties of the authority as the authority may delegate or refer to the special committee.

(2) A special committee appointed under subsection (1) shall consist of a chairperson and other persons, whether members of the authority or not as the authority may determine.

(3) Subject to any directions that may be given by the authority, a special committee may regulate its own procedure.

## **14. Consultants.**

(1) The authority may co-opt a person to assist it on any matter if the authority is satisfied that the person's qualifications are likely to assist the authority.

(2) A person co-opted to assist the authority under subsection (1) in relation to any matter may take part in the proceedings of the authority concerning that matter but is not entitled to vote at a meeting or take part in any other proceedings of the authority.

## **15. Delegation of functions.**

(1) Subject to subsection (2), the authority may, by instrument of delegation, delegate to the chairperson, a member of the authority, an officer of the authority or to a committee established under section 13, any of the

powers, duties or functions of the authority under this Act other than—

- (a) the power to issue, reject, amend, revoke or impose conditions in respect of a licence;
- (b) the power to approve or modify tariffs; and
- (c) the power to make regulations.

(2) The authority may delegate to any competent person, including a local government, in relation to an undertaking not exceeding two megawatts, the power to—

- (a) issue, reject, impose conditions in respect of, amend or revoke a licence; and
- (b) approve or modify tariffs under this Act.

(3) The terms and conditions regulating the exercise of the powers delegated under this section shall be contained in the instrument of delegation.

(4) A person aggrieved by the decision of a person or a local government in the exercise of its powers delegated under this section may appeal to the authority.

(5) A person or a local government shall, in the exercise of a delegated power, duty or function under this section, comply with such directions or guidelines as the authority may from time to time communicate in writing to the person or local government.

## **16. Independence of authority.**

The authority shall, subject to the declared policy of the Government and, except as is otherwise provided in this Act, be independent in the performance of its functions and duties and exercise of its powers and shall not be subject to the direction or control of any person or authority.

## **17. Powers of Minister.**

(1) The Minister may, from time to time, give directions in writing to the authority with respect to the policy to be observed and implemented by the authority, except that the policy shall not adversely affect or interfere with the performance of the functions and exercise of powers of the authority under this Act.

(2) The Minister shall cause a copy of any direction given to the authority under subsection (1) to be published in the Gazette.

### PART III—SECRETARIAT AND STAFF OF AUTHORITY.

#### **18. Secretariat.**

(1) The authority shall have a secretariat consisting of a chief executive officer and other staff.

(2) The authority shall have a secretary to be appointed by the authority on such terms and conditions as may be specified in the instrument of appointment.

(3) The secretary shall—

- (a) act as secretary to the authority and shall record the minutes of all proceedings of the authority;
- (b) keep the minutes and other records of the authority;
- (c) have custody of the seal of the authority; and
- (d) carry out such other functions as the authority or the chief executive officer may assign to him or her.

(4) The secretary shall, in the performance of his or her duties, be responsible to the chief executive officer.

#### **19. Chief executive officer.**

(1) The chief executive officer shall be appointed by the authority from among persons of high standards of integrity and maturity and who have substantial qualifications or experience in administration, economics, finance, law, management, environment or technical knowledge relating to the electricity industry.

(2) A person shall not be appointed chief executive officer who—

- (a) is a shareholder, a member of the board, an employee, or the holder of a licence, of any entity operating in, or providing services to, the electricity industry likely to cause a conflict of interest;
- (b) is an undischarged bankrupt;
- (c) has been convicted of an offence under this Act or an offence involving fraud or dishonesty by a competent court in Uganda or



elsewhere;

- (d) has been convicted of an offence and sentenced to a term of imprisonment of six months or more by a competent court in Uganda or elsewhere; or
- (e) is a public officer, a member of Parliament, a Minister or a member of a local government council.

(3) The chief executive officer shall hold office for five years on such terms and conditions as may be specified in the instrument of appointment and is eligible for reappointment for one term.

(4) The authority may terminate the services of the chief executive officer for—

- (a) abuse of office;
- (b) misconduct or misbehaviour;
- (c) physical or mental incapacity, namely, that he or she is incapable of performing the functions of his or her officer by reason of physical or mental incapacity;
- (d) mismanagement; or
- (e) incompetence.

(5) The authority may also terminate the services of the chief executive officer if he or she contravenes subsection (2).

## **20. Functions of chief executive officer.**

The chief executive officer is, subject to this Act, and subject, in particular, to the directions of the authority on matters of policy—

- (a) responsible for the day-to-day management of the affairs of the authority and the implementation of the policy decisions of the authority; and
- (b) responsible for the control of the staff of the authority.

## **21. Other staff.**

(1) The authority may appoint other officers and staff of the secretariat on such terms and conditions as may be specified in the instruments of appointment.

(2) The authority shall, with the approval of the Minister, make regulations governing the terms and conditions of employment of the staff of

the authority.

(3) Notwithstanding anything in the Interpretation Act, regulations made under this section shall not be statutory instruments and shall not be required to be published in the Gazette.

#### PART IV—FINANCE.

### **22. Funds of authority.**

The funds of the authority consist of—

- (a) money appropriated by Parliament for the purposes of the authority;
- (b) fees prescribed by the authority for processing of licence applications charged under this Act and such other fees, including fees payable annually by licensees, as may be prescribed under this Act;
- (c) a levy not exceeding 0.3 percent on the revenue received from generated electric energy;
- (d) money borrowed by the authority under this Act or any other law; and
- (e) grants from Government and grants, gifts or donations from other sources acceptable to the Minister and the Minister responsible for finance.

### **23. Estimates.**

(1) The chief executive officer shall, not less than two months before the beginning of each financial year, prepare and submit to the authority for its approval estimates of income and expenditure for that financial year.

(2) The chief executive officer may also, at any time before the end of the financial year, prepare and submit to the authority for approval any estimates supplementary to the estimates under subsection (1).

(3) The authority shall submit the estimates approved by it under this section to the Minister for his or her approval, and the Minister may, in consultation with the Minister responsible for finance, approve the estimates.

(4) No expenditure shall be made out of the funds of the authority unless the estimates in respect of the expenditure have been approved in the

manner provided by this section.

(5) The authority shall not incur any expenditure exceeding its budget without the approval of the Minister.

#### **24. Power to operate bank accounts.**

(1) The authority shall open and maintain such bank accounts as are necessary for the performance of its functions.

(2) The authority shall ensure that all money received by or on behalf of the authority is banked as soon as practicable after being received.

(3) The authority shall ensure that no money is withdrawn from or paid out of its bank accounts without its authority.

#### **25. Borrowing powers.**

The authority may, with the approval of the Minister given in consultation with the Minister responsible for finance with the approval of Parliament, borrow money from any source as may be required for meeting its obligations or for the discharge of its functions under this Act.

#### **26. Application and investment of surplus funds.**

- (1) The funds of the authority may be applied—
- (a) for the payment or discharge of its expenses, obligations or liabilities incurred in connection with the performance of its functions or exercise of its powers under this Act; and
  - (b) for the payment of any remuneration or allowances payable under this Act.

(2) Subject to subsection (1), the funds of the authority may be invested—

- (a) in fixed deposit with a bank approved by the authority;
- (b) in treasury bills and securities of the Government; or
- (c) in such other manner as may be approved by the authority after consultation with the Minister and the Minister responsible for finance, but not in any business licensed under this Act.

(3) Where, at the end of a financial year of the authority, and after—

- (a) setting aside the amount required for its capital expenditure and operations;
- (b) making provision for bad and doubtful debts;
- (c) making provision for depreciation of assets; and
- (d) taking into consideration any other contingencies,

any surplus is made from its operations, the authority shall declare the surplus to the Minister responsible for finance, and it shall be paid into the Rural Electrification Fund.

**27. Financial year of authority.**

The financial year of the authority shall be the twelve months beginning on the 1st July of each year and ending on the 30th June in the following calendar year.

**28. Accounts and audit.**

(1) The authority shall keep proper accounts of its income and expenditure and records in relation to them.

(2) The authority shall, within four months after the end of each financial year, cause to be prepared and submitted to the Auditor General for auditing by the Auditor General or an auditor appointed by the Auditor General, a statement of account of the authority for that financial year in a form approved by the Minister responsible for finance.

(3) The Auditor General or an auditor appointed by him or her is entitled to inspect all books, papers and other records of the authority relating to all matters dealt with in any statement of account required to be prepared under subsection (2).

(4) The Auditor General shall, within two months after receiving the accounts of the authority under subsection (2), cause them to be audited and shall deliver to the authority and the Minister a copy of the audited accounts together with his or her report on the audit.

(5) The Minister shall, as soon as possible after receiving the report of the Auditor General under subsection (4), cause the report to be laid before Parliament.

PART V—LICENSING.

**29. Notice of intended application.**

(1) A person who intends to establish a project for which a licence is required under this Act shall notify the authority of the intended project.

(2) Notice given under subsection (1) shall be in the prescribed form and shall as far as possible contain—

- (a) information on the financial and legal status and the technical and industrial competence and experience of the intended applicant;
- (b) a description of the project and the time plan for the execution of the project;
- (c) a review of the use of land for the project and the relation of the project to local authorities;
- (d) a review of public and private measures necessary to carry out the project;
- (e) information relating to permissions required from public authorities;
- (f) a description of the impact of the project on electricity supply, socioeconomics, cultural heritage, the environment, natural resources and wildlife; and
- (g) any other relevant information requested by the authority.

**30. Publication of advertisement.**

(1) The authority shall, within thirty days after receipt of a notice under section 29, cause the notice to be published in the Gazette and in at least one national newspaper of wide circulation in Uganda.

(2) Publication of a notice under subsection (1) shall—

- (a) contain a summary of the notice; and
- (b) inform members of the public that the notice may be inspected at the offices of the authority and at a public office within the jurisdiction of the local governments affected by the project.

(3) The authority shall invite directly affected parties and affected public agencies to make comments on the notice within a fixed period of not less than thirty days after publication of the notice.

### **31. Permits.**

(1) The authority may, not more than thirty days after the receipt of the comments under section 30, issue a permit in the prescribed form to the intended applicant.

(2) A permit issued under subsection (1) shall allow the intended applicant to carry out studies and any other activity that may be necessary to enable the intended applicant to prepare an application for a licence.

### **32. Authority may invite applications.**

Notwithstanding sections 29, 30 and 31, the authority shall, through a fair, open and competitive process in accordance with procedures prescribed by the authority by regulations or any other law, invite applications for any licence under this Act.

### **33. Applications.**

(1) An application for a licence shall be submitted to the authority and shall contain—

- (a) the legal and financial status of the applicant;
- (b) a technical and economic description of the project;
- (c) a description of how the project fits in with the existing and planned power supply system;
- (d) the planned time of commencement and completion of the construction of the project;
- (e) a view of the project's adaption to the landscape, including necessary maps and drawings;
- (f) the impact of the project on public interests and possible mitigation;
- (g) the results of assessments, including environmental impact assessments, and studies carried out and reports of those assessments and studies;
- (h) impacts of the project on private interests, including the interests  
of affected landowners and holders of other rights; and (i)  
consents and permits required under any other law.

(2) An application shall be accompanied by an evaluation by the applicant of all comments made under section 30.

(3) The authority shall within thirty days after receipt of the application, confirm in writing to the applicant, that the application is complete in all aspects.

- (4) The authority—
  - (a) may require an applicant to make such arrangements as may be satisfactory to the authority for the execution of a bond or other form of security for the performance and observance of the conditions to which the licence may be subject; and
  - (b) shall require the applicant to take the necessary insurance policies to protect against liabilities that may arise as a result of activities done under the licence.

#### **34. Processing of applications.**

The authority shall process all applications for a licence expeditiously and in any case not later than one hundred and eighty days after the authority receives the application.

#### **35. Publication of notice of applications.**

(1) The authority shall, within forty-five days after receiving the application, cause a notice of the application to be published in the Gazette and in at least one national newspaper of wide circulation in Uganda.

- (2) A notice published under subsection (1) shall—
  - (a) indicate the receipt of the application for a licence;
  - (b) contain a description of the nature and location of the proposed undertaking;
  - (c) inform members of the public that the application may, within the limits of commercial confidentiality, be inspected at the offices of the authority;
  - (d) invite directly affected parties and local authorities in areas affected by the project who object to the granting of the licence, whether on personal, environmental or other grounds, to lodge with the authority an objection within a specified time, being not less than thirty days of the notice.

#### **36. Objection to grant of licence.**

An affected party may lodge with the authority an objection to the grant of

a licence, setting out the grounds of the objection.

### **37. Factors to be considered for application.**

(1) The authority shall, in granting or rejecting an application for a licence, take into consideration, as far as is adequate for the project applied for—

- (a) the energy needs of the country, region or community;
- (b) the impact of the operations of the undertaking on the social, cultural and recreational life of the community;
- (c) the need to protect the environment and to conserve the natural resources;
- (d) land use and siting or route of the project;
- (e) the costs of the project;
- (f) the ability of the applicant to operate in a manner designed to protect the health and safety of users of the service for which the licence is required and other members of the public who would be affected by the operations of the applicant;
- (g) the technical, economic and financial capacity of the applicant to render the service for which the licence is required;
- (h) energy efficiency;
- (i) any representations and objections made under section 36;
- (j) other public and private interests affected by the operation for which the licence is required; and
- (k) the price or tariff offered.

(2) Notwithstanding subsection (1), the authority shall, in granting a licence, take into consideration the policies of the Government and any other matter that the authority may consider likely to have a bearing on the operations of the applicant.

### **38. Refusal to grant licence.**

(1) The authority shall, where it refuses to grant a licence, give the applicant a statement of its reasons for the refusal within thirty days after the refusal.

(2) A person aggrieved by the refusal of the authority to grant a licence may appeal to the tribunal.



### **39. Other licences.**

Except for the promotion of efficiency and fair competition, nothing in this Act shall prevent the holder of a licence who has fulfilled all the obligations under that licence from applying for and obtaining any other licence under this Act.

### **40. Authority may order compliance.**

(1) Where the authority is of the opinion that a licensee is contravening a condition of a licence or a requirement under this Act, or regulations, codes or standards made under this Act, it shall direct the licensee to comply with that condition or requirement.

(2) A notice containing the direction to comply under subsection (1) shall be sent to the licensee and other directly affected parties and shall—

- (a) contain the relevant licence condition or requirement of legislation to which the breach is related;
- (b) contain the acts, omissions or other facts which, in the opinion of the authority, constitute a contravention of the condition or requirement;
- (c) specify the period within which the licensee may rectify the breach or contravention; and
- (d) specify the period, not being less than twenty days from the date of receiving the notice, within which representations or objections may be made by the licensee or directly affected parties.

(3) All representations and objections made under subsection (1) shall be considered before the authority notifies the licensee and directly affected parties of its decision to either—

- (a) uphold the order of compliance;
- (b) vary the original order of compliance; or
- (c) withdraw the order of compliance.

(4) The licensee may, within twenty days from the date of receiving the decision, appeal to the tribunal against a decision of the authority under subsection (3).

#### **41. Emergencies.**

(1) Where the authority, following consultation with the relevant licensee and a directly affected party, is satisfied that a licensee is contravening or likely to contravene a condition of a licence or any requirement under this Act or regulations, codes or standards made under this Act, and where the authority is satisfied that immediate action is necessary—

- (a) to protect public health, safety, the environment; or
- (b) to prevent the dissipation of property or assets, it may direct the licensee to take immediate action to discontinue or refrain from that practice.

(2) Where the licensee does not take action under subsection (1), the authority may take action on behalf of the licensee at the cost of the licensee.

#### **42. Revocation of licence.**

(1) The authority may revoke a licence where it is satisfied that the licensee is not operating in accordance with the terms and conditions of the licence or provisions of this Act or any regulations, codes or standards made under this Act if the breach—

- (a) inflicts significant damage on public or private interests affected by the breach;
- (b) lasts for a considerable period of time;
- (c) takes place repeatedly; or
- (d) causes the authority to have strong reasons to believe that the licensee may not be able to fulfill his or her obligations under the licence or this Act.

(2) The authority shall give a licensee forty-five days notice to show cause why the licence should not be revoked and the notice shall be published in the Gazette and in one or more newspapers circulating in the area where the breach occurred.

- (3) A notice under subsection (2) shall set out—
  - (a) the relevant condition of the licence or the requirement of legislation to which the breach is related;
  - (b) the acts, omissions or other facts which, in the authority's opinion, constitute a contravention of the condition or legislation, and the reasons why the authority is of the opinion that any of the circumstances mentioned under subsection (1) exists; and

- (c) the period not being less than twenty-eight days from the date of issuing of the notice within which representations or objections may be made by the licensee.

(4) A decision made by the authority to revoke a licence after considering all representations and objections received under this Act and other relevant factors may be appealed by the holder of the revoked licence to the tribunal within thirty days after receipt of the decision of the authority.

(5) Where a licence is revoked, the authority shall take such action as is necessary to ensure that the supply of service to consumers is not unduly interrupted as a result of the revocation.

#### **43. Modification of licence.**

(1) The authority may modify the terms and conditions of a licence if the benefits of the public interest of such modification significantly exceed the disadvantages of the licensee.

(2) The authority shall before making modifications under subsection (1) give notice to the licensee—

- (a) stating that it intends to make the modifications and setting out their effect;
- (b) stating the reasons for modification and why it is of the opinion that the grounds for modification under subsection (1) are fulfilled; and
- (c) specifying the period, not being less than thirty days from the date the licensee received the notice, within which representations or objections with respect to the intended modification may be made.

(3) The authority shall take into account all representations and objections before notifying the licensee of its decision to—

- (a) modify the licence as intended;
- (b) vary the intended modification; or
- (c) withdraw the intended modification.

(4) Where the licensee is aggrieved by the decision of the authority, the licensee may, within twenty-eight days after receipt of a notice given under subsection (3), appeal to the tribunal.

(5) The authority shall, following an appeal to the tribunal under subsection (4) and, taking into account the results of the appeal—

- (a) modify the licence;
- (b) vary the intended modification; or
- (c) withdraw the proposed modification.

(6) The modification of a licence by the authority shall be by— effected

- (a) serving notice of the modification in question on the licensee; and
- (b) publishing the notice in such manner as the authority considers appropriate for the purpose of bringing the notice to the attention of the public.

#### **44. Licensee's application for modification.**

(1) Where, in the opinion of a licensee, a condition of its licence has become unduly onerous and is impacting on its ability to fulfill its obligations under the licence, it may apply in writing to the authority requesting that the licence be modified, setting out—

- (a) the provision of the licence which it requires to be modified;
- (b) the reason why either that condition has become unduly onerous or how circumstances have changed, rendering that condition unduly onerous;
- (c) the proposed modification; and
- (d) any other evidence in support of the application.

(2) The authority may modify a licence under this section only if a condition of the licence has become unduly onerous and is significantly impacting on the licensee's ability to fulfill the obligations under the licence.

(3) The authority shall, on receipt of the application, review the application and communicate its opinion to the licensee within thirty days of receipt of the notice.

(4) The authority may make a decision to—

- (a) approve the licensee's application for modification of the licence;
  - (b) make modifications different from those stated in the application;
  - (c) require further information from the licensee before making its decision; or
  - (d) reject the application to modify the licence,
- and any such refusal shall be accompanied by a written report stating the

reasons for the refusal.

(5) Where the authority approves the licensee's application under subsection (4)(a), it shall publish a notice of its intention to modify the licence in such manner as the authority considers appropriate for the purpose of bringing the notice to the attention of the public, and the public shall be invited to make representations or objections to the authority within thirty days.

(6) Where no representations or objections are made under subsection (5), the modification of the licence shall be effected.

(7) Where representations or objections are made, the authority may request further information from the licensee; and within thirty days after receiving the required information, the authority shall make a decision.

(8) The licensee shall have a right to appeal to the tribunal against a decision of the authority made under this section.

#### **45. Duration of licence.**

(1) Subject to any other provision of this Act, a licence shall remain in force for the period specified in it, but that period shall not in any case exceed forty years from the date of issue.

(2) A licensee may, within three years before the expiry of a licence, apply to the authority for the renewal of the licence.

(3) The authority may renew a licence on such terms and conditions determined by the authority, and on payment to the authority of the prescribed fee.

(4) This section does not apply to licences for hydropower generation of a capacity not exceeding ten megawatts.

#### **46. Transfer of licence.**

(1) A licence shall not be transferred without the written consent of the authority.

(2) A licensee may apply to the authority, in the prescribed form and

manner, for the transfer of a licence.

(3) An application under subsection (2) shall be accompanied by the application in the prescribed form of the person to whom the licensee intends to transfer the licence; and the prescribed transfer fee shall be paid on the approval of the transfer.

(4) The authority shall satisfy itself of the legal, technical and financial competence of the transferee.

(5) In this section—

- (a) “control”, as used with respect to any person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management of that person, whether through the ownership of shares, voting, securities, partnership or other ownership interests, agreements or otherwise; and
- (b) “transfer of licence” includes the acquisition of control by the licence holder.

(6) The authority shall not unreasonably withhold consent to any application to transfer unless it has reason to believe that the public interest is likely to be prejudiced by the transfer.

(7) A licensee may, within thirty days after receiving the decision of the authority not to consent to a transfer, appeal against the refusal to the tribunal.

#### **47. Performance of activities.**

A licensee under this Act shall carry out his or her activities in accordance with his or her licence, this Act and Regulations made under this Act.

#### **48. Records and reports.**

(1) A licensee shall keep records and prepare reports relating to the licensee’s operations.

(2) The authority shall, by statutory instrument, make regulations prescribing the contents of records and reports required under subsection (1).

(3) A licensee shall, at the request of the authority and at the cost of

the licensee, provide all available information about the technical, financial, hydrological or environmental issues and any other relevant information relating to the operations of the licensee.

(4) A licensee shall keep financial records of his or her operations in accordance with requirements specified by the authority.

(5) The authority shall require licensees undertaking more than one licensed operation to keep separate financial records for each operation.

#### **49. Removal of installations.**

(1) The licensee shall, on the expiry of the licence, remove at his or her own expense and to the satisfaction of the authority, all installations considered by the authority as inappropriate for further operations.

(2) The removal of installations under subsection (1) shall be in accordance with the National Environment Act and any other relevant law.

#### **50. Notice of accidents.**

(1) A licensee shall send to the authority notice of any accident which has occurred in any part of the licensee's works or transmission lines, together with notice of any loss of life or serious personal injury occasioned by the accident.

(2) A licensee who fails to send notice to the authority under subsection (1) as soon as possible after the occurrence of the accident has become known to him or her commits an offence.

(3) Nothing in subsection (1) shall absolve a licensee from the requirement to comply with the provisions of any other written law relating to accidents.

### **PART VI—LICENCES.**

#### **51. Generation licence.**

(1) No person shall construct, own or operate a generating station with a capacity of or exceeding 0.5 megawatts without a generation licence issued under this Act.

(2) The authority shall, subject to the payment of the prescribed fee, register a generating station constructed, owned and operated for commercial purposes of a capacity not exceeding 0.5 megawatts.

## **52. Reversion of hydropower plant.**

(1) On the expiry of a licence for a hydropower plant with a generation capacity exceeding ten megawatts, the plant, including all existing installations, property and rights needed for power generation, shall be transferred to the Government without any compensation being paid to the licensee.

(2) The power plant and installations transferred under subsection (1) shall be operational and well maintained at the time of transfer.

(3) On the transfer under subsection (1), the power plant, including all installations, property and rights required for power generation, shall be dealt with by the Government in any manner it deems appropriate.

(4) This section does not apply where 50 percent or more of the power plant, or of the company which owns the power plant, is owned by the Government.

## **53. Transmission licence.**

No person shall construct, own or operate an installation for the transmission of electricity without a transmission licence granted by the authority.

## **54. Licensee to provide access.**

(1) A holder of a transmission licence shall provide access to all existing and potential users of the transmission network on the payment of fees and other charges for network services, as may be approved by the authority.

(2) A licensee shall provide the authority with such information as the authority may prescribe to enable the authority to approve the fees and charges under subsection (1).



## **55. System operator.**

- (1) The authority shall designate a person holding a transmission licence to be a system operator and license that person—
  - (a) to coordinate the power supply system to obtain instantaneous balance between the generation and consumption of electricity;
  - (b) to be responsible for dispatching generation installations;
  - (c) to coordinate transmission outages;
  - (d) to monitor the import and export of electricity;
  - (e) to prepare forecasts of capacity requirements;
  - (f) to make rules, with the approval of the authority, for the dispatch of generating installations;
  - (g) in consultation with the authority, to publish standardised tariffs based on the avoided cost of the system for sales to the grid of electricity generated by the renewable energy systems of up to a maximum capacity of twenty megawatts; and
  - (h) to perform such other functions as may be prescribed by the authority in the licence or by regulations.
- (2) The system operator shall not, in the performance of his or her functions, show undue preference to any person or execute any kind of undue discrimination of any parties affected by his or her decisions.
- (3) The system operator may recover all reasonable costs connected to the execution of his or her functions under this section.
- (4) All licensees shall comply with the decisions of the system operator in connection with the execution of his or her functions under this Act or regulations made under this Act.

## **56. Bulk supplier.**

- (1) The authority shall designate a bulk supplier who will be responsible for transmission and sale of electricity in bulk to distribution and sales companies.
- (2) The terms and operating conditions of the bulk supplier shall be specified in the sales licence.

## **57. Distribution licence.**

(1) No person shall distribute electricity without a distribution licence granted by the authority.

(2) The area of distribution shall be defined in the licence.

(3) The authority may, by instrument of authorisation, delegate to a local government its power to license distribution systems with annual sales of less than four gigawatt hours.

(4) The authority may withdraw the delegation if the bulk supplier does not exercise its functions in accordance with the authorisation.

## **58. Access to users.**

(1) A holder of a distribution licence shall provide access to all existing and potential users of the distribution network on the payment of fees and other charges for network services, as may be approved by the authority.

(2) A licensee shall provide the authority with such information as the authority may prescribe to enable the authority to approve the fees and charges under subsection (1).

(3) Where a holder of a distribution licence cannot, due to any reason other than lack of capacity or technical conditions, allow access to the distribution system, a consumer may apply to the authority for permission to access the distribution system and construct an electric supply line to his or her premises.

(4) The authority may, upon receipt of an application under subsection (3), order the holder of a distribution licence to allow the consumer to connect to the distribution system on such terms and conditions as the authority may prescribe, including the method through which the consumer may recover his or her costs for constructing the electric supply line and access by other consumers to the electric supply line.

(5) Where a connection is made to the distribution system on the application of the distribution licence holder, the authority may direct the owner of the line constructed under subsection (3) to transfer the ownership

of the line to the distribution licence holder on such terms, including terms as to compensation, as may be agreed between the distribution licence holder and the consumer.

(6) The quality of the distribution services shall be in accordance with standards prescribed by the authority.

#### **59. Sale licence.**

(1) The sale of electricity shall be subject to a sale licence granted by the authority.

(2) The authority may, by instrument of authorisation, delegate to a competent person, including a local government, the power to issue licences to sell electricity within the jurisdiction of the local government to a licensee, provided that the annual sales of the licensee are less than 4 gigawatt hours.

(3) The authority may withdraw the delegation under subsection (2) if the person or local government does not exercise its functions in accordance with the authorisation.

#### **60. Export and import licences.**

(1) No person shall import or export electricity without an export or import licence, as the case may be, granted by the authority.

(2) An agreement for the import or export of electricity shall accompany an application for a licence under subsection (1).

#### **61. Prohibition of unlicensed activity.**

A person who—

- (a) generates, transmits or distributes electricity for the purpose of giving a supply to any premises or enabling a supply to be so given;
- (b) sells electricity to any premises; or
- (c) exports or imports electricity,

except under the authority of or under an exemption given under this Act, commits an offence.

## PART VII—RURAL ELECTRIFICATION.

### **62. Obligations of Government.**

The Government shall undertake to promote, support and provide rural electrification programmes through public and private sector participation in order to—

- (a) achieve equitable regional distribution access to electricity;
- (b) maximise the economic, social and environmental benefits of rural electrification subsidies;
- (c) promote expansion of the grid and development of off-grid electrification; and
- (d) stimulate innovations within suppliers.

### **63. Rural electrification strategy.**

(1) The Minister shall prepare a sustainable and coordinated rural electrification strategy and plan for Uganda for the approval of the Cabinet.

(2) The Minister shall, once in each year, submit to Parliament an annual report on the progress and achievement of the plan which shall contain information relating to—

- (a) the expansion of the main grid;
- (b) the development of isolated and mini-grid systems for relatively concentrated areas with a potential for productive use;
- (c) the renewable energy power generation for sale to the main grid and for mini-grids; and
- (d) the installation of solar photovoltaic systems for isolated settlements that cannot be economically connected to the grid.

(3) The Minister shall periodically evaluate the impact of the rural electrification programme.

(4) The Minister may, from time to time, with the approval of the Cabinet, amend the rural electrification strategy and plan.

### **64. Rural Electrification Fund.**

(1) The Minister shall establish a fund to be known as the Rural Electrification Fund.

- (2) The monies of the fund shall consist of—
  - (a) monies appropriated by Parliament;
  - (b) any surplus made from the operations of the authority and declared to the Minister responsible for finance under section 26(3);
  - (c) a levy on transmission bulk purchases of electricity from generation stations to be determined by the Minister with the approval of the Cabinet; and
  - (d) donations, gifts, grants and loans acceptable to the Minister and the Minister responsible for finance.
- (3) The Minister shall—
  - (a) administer the fund in accordance with this Act;
  - (b) develop criteria for eligibility to receive financial support from the fund;
  - (c) define the subsidy level that will provide maximum access to electricity; and
  - (d) carry out any other functions necessary for promoting rural electrification.
- (4) The Minister shall, by statutory instrument, make regulations for the management of the fund.

**65. Criteria for subsidy access.**

- (1) The eligibility criteria for the subsidy level defined under subsection 64(3)(c) shall be developed through open and public consultation.
- (2) The Minister shall determine the criteria and the appropriate level of the subsidy, taking into account—
  - (a) the rate of progress of rural electrification;
  - (b) the resources available from the fund;
  - (c) the extent to which the proposed activity demonstrates support for rural development, taking into account the priorities of the local community;
  - (d) the level of community and investor commitment to the proposed activity;
  - (e) the extent to which the proposed activity can demonstrate technical, economic and financial viability after the initial subsidy; and
  - (f) the extent to which the proposed activity makes appropriate use

of renewable energy resources.

#### **66. Rural electrification database.**

The Minister shall maintain a national rural electrification database to assist in the monitoring of progress and establishment of the targets of rural electrification.

### **PART VIII—USE OF LAND FOR INSTALLATIONS.**

#### **67. Power of licensee to use land.**

(1) A licensee authorised by the authority either generally or on a particular occasion may place and maintain electric supply lines in, over or upon any land and for that purpose it shall be lawful, upon written authorisation by the authority, for the licensee or his or her representative—

- (a) at all times, on reasonable notice, to enter upon any land and put up any posts which may be required for the support of any electric supply lines;
- (b) to fasten to any tree growing on that land a bracket or other support for the line;
- (c) to cut down any tree or branch which is likely to injure, impede or interfere with any electric supply line; and
- (d) to perform any activity necessary for the purpose of establishing, constructing, repairing, improving, examining, altering or removing an electric supply line, or for performing any other activity under this Act.

(2) A licensee shall not, in the exercise of the powers conferred under this section, except with the consent of the owner of the land under, over, along, across, in or upon which any electric supply line is placed—

- (a) acquire any right other than that of the user of the land under, over, along, across, in or upon which an electric supply line or post is placed and for the reason of that exercise;
- (b) exercise those powers in respect of any land vested in or under the control or management of a local government or other public authority, except in accordance with the procedure set out in section 68.

(3) A licensee shall do as little damage as possible to the land and to the environment and shall ensure prompt payment of fair and adequate

compensation to all interested persons for any damage or loss sustained by reason of the exercise of the powers under this section.

(4) A licensee shall, except for the maintenance or repair of an electric supply line, before entering any private land for the purposes specified under subsection (1), give sixty days' notice to the owner of the land, stating as fully and accurately as possible the nature and extent of the acts intended to be done.

(5) The owner of the land for the purposes specified in subsection (1) may, within thirty days after the receipt of the notice under subsection (4), lodge a written objection with the authority; and the authority shall specify a date to inquire into the objection.

(6) If no objection is lodged within the time specified under subsection (4), the licensee may enter the land and do all or any of the acts specified in the notice given under subsection (4).

(7) The authority may, taking into account the conclusions of any inquiry under subsection (5), authorise either unconditionally or subject to such terms and conditions as it considers fit, any of the acts mentioned in the notice given under subsection (4).

(8) A person aggrieved by the decision of the authority may, within sixty days, appeal to the tribunal.

(9) A licensee authorised by the authority under this Part, or whose licence falls under section 52 shall, for the purposes of this Act, be an authorised undertaker within the meaning of the Land Act.

## **68. Procedure for using public land.**

(1) Where a licensee authorised by the authority intends to enter land under the management or control of the Uganda Land Commission or a district land board, the licensee shall give thirty days' notice to the Uganda Land Commission or a district land board, stating the nature and extent of the acts intended to be done.

(2) The Uganda Land Commission or a district land board may, within thirty days after the receipt of the notice under subsection (1), permit the licensee to exercise any of the powers under section 67, subject to

conditions, including the payment of any fee or compensation, as the case may be, for the use of land, the time or mode of execution of any works or for any other related activity undertaken by the licensee under that section.

(3) Where a licensee considers unacceptable the terms set by the Uganda Land Commission or a district land board to use the land specified in the notice referred to under subsection (1), the licensee may, after the expiration of the notice, apply to the authority for a decision on the matter; and the authority may specify a date to inquire into and decide upon the matter.

(4) The authority may, taking into account the conclusions of an inquiry under subsection (3), authorise, either unconditionally or subject to such terms and conditions as it considers fit, any of the acts mentioned in the notice given under subsection (1).

(5) A person aggrieved by the decision of the authority under subsection (3) may, within thirty days of the decision, appeal to the tribunal.

#### **69. Removal or alteration of electric supply line.**

(1) On application by the owner of land in, over or upon which a licensee has placed an electric supply line under section 67, the authority may, upon presentation of convincing evidence, order the licensee, subject to any condition that may be imposed by the authority, to alter the position of the line or remove it.

(2) Where an electric supply line is removed or its position altered under subsection (1), the cost of removal or alteration of the line shall be borne by the owner of the land.

(3) On application by a local council or other public authority, the authority may, upon presentation of convincing evidence—

- (a) order the licensee, subject to conditions that the authority may determine, to alter the route of any electric supply line situated or proposed to be situated within the jurisdiction of the local council or other public authority; or
- (b) prohibit the construction or maintenance by the licensee of any electric supply line, except as directed by the authority.

(4) A person aggrieved by the decision of the authority under



subsection (3) may, within thirty days after the decision is made, appeal to the tribunal.

#### **70. Compensation.**

(1) Any question as to the entitlement of any person to compensation for right of use or as to the sufficiency of compensation under section 67(3) shall, in default of agreement, be determined as if the land had been acquired under the Land Act and the Land Acquisition Act.

(2) A claim for compensation under this section shall be lodged with the authority within one year of the date of the act of the operator which gave rise to the claim, except that the time for lodging the claim may be extended on application to the authority, showing sufficient reasons for the extension.

(3) A person aggrieved by the decision of the authority may, within thirty days after the decision is made, appeal to the tribunal.

#### **71. Compulsory acquisition of land.**

(1) If a licensee considers that he or she requires the acquisition of land, or an interest in land greater than the right of use necessary for the purpose of providing or maintaining electricity supply lines as provided in sections 67 and 68, the licensee may, with the approval of the authority, request action by the Minister responsible for lands in accordance with this section.

(2) The authority shall not unreasonably withhold or delay its approval under subsection (1).

(3) The authority shall provide a copy of its approval to the Minister responsible for lands and to the owner of or the person having interest in the land.

(4) Where the Minister responsible for lands is satisfied that the land or interest in land is required for the purpose of providing or maintaining electricity supply services to the public, and that it is required in the public interest, regardless of whether the licensee is a public or private entity, the Minister shall pursue the acquisition of the land on behalf of the licensee in accordance with the Constitution, the Land Act and the Land Acquisition Act.

(5) The licensee shall, where the Minister acquires land on behalf of the licensee under subsection (3), bear all the costs involved.

#### PART IX—INSPECTION.

### **72. Reports.**

Every licensee shall, at the end of every financial year, prepare and submit to the authority, in a form prescribed by the authority, a report on the operations and services of the licensee and the extent to which the conditions of the licence are being followed.

### **73. Inspectors.**

(1) The authority may appoint inspectors for the purposes of verifying compliance by a licensee with this Act and with the decisions of the authority under this Act.

(2) The authority shall issue to an inspector a certificate of identity verifying his or her appointment and authorising the inspector to exercise the powers conferred on him or her by this Act.

(3) An inspector exercising powers conferred on him or her by this Act shall, if requested by the person appearing to be in charge of any premises entered by the inspector in accordance with subsection (1), or by any person in relation to whom the power is sought to be exercised, produce to that person the certificate issued under subsection (2).

(4) Subject to subsection (3), an inspector may enter and inspect at any reasonable time any premises owned by or under the control of a licensee in which the inspector believes on reasonable grounds to be a document or information relevant to the enforcement of this Act and examine the document or information or remove the document or information for examination or reproduction, as the case may be.

(5) An inspector shall sign for any information or document removed by him or her under subsection (4) and shall leave a copy with the licensee.

(6) The owner or person in charge of premises entered by an

inspector shall—

- (a) give the inspector all reasonable assistance to enable the inspector to carry out his or her duties of the inspector under this Act; and
- (b) give the inspector all information requested by him or her.

#### **74. Investigations.**

(1) The authority may investigate any licensee or system operator who commits any act or omission in breach of fair competition.

(2) A person with a complaint of a breach of fair competition against a licensee or system operator shall lodge a complaint to the authority; and the authority shall, if it appears that a breach of competition has been committed, investigate the act or omission and where appropriate take steps in order to remedy the breach.

(3) In this section, a licensee is in breach of fair competition if he or she conducts any activity, alone or together with others, the effect of which, in the opinion of the authority, is intended to have or is likely to have the effect of restricting, distorting or otherwise preventing competition in connection with any activity licensed under this Act, or which is prejudicial to the interests of the consumers.

(4) A licensee found to be in breach of fair competition by the authority shall pay such amount of compensation to the consumer for any loss caused to him or her as the authority may determine.

### **PART X—TARIFFS.**

#### **75. Tariffs and terms of supply.**

(1) The tariff structure and terms of supply shall be in accordance with principles of tariff calculation and terms of supply prescribed by the authority taking into account the licensee's total revenues from tariffs covering all reasonable costs and a reasonable rate of return.

- (2) An application for a licence shall contain—
  - (a) a proposal for terms of supply and for fixing the tariffs, including total tariff revenues;
  - (b) the structure of calculation of tariffs; and

- (c) information about existing and planned investments and the present and future quantity of electricity transmitted, distributed or sold.

(3) A proposal under subsection (2) shall be in accordance with principles prescribed by the authority under subsection (1).

(4) The methodologies and procedures of tariff calculation and terms of supply shall be approved by the authority and included in the licences.

(5) The authority may prescribe different tariffs and terms of supply for different classes of consumers.

(6) A licensee shall not, in fixing tariffs and terms of supply under this section, show undue preference or discrimination among customers similarly situated, having regard to—

- (a) the place and time of supply;
- (b) the quantity of electricity supplied;
- (c) consumer load and power factor; and
- (d) the purpose for which the supply is taken.

(7) The holder of a licence for hydropower generation shall pay to the district local government in which his or her generating station, including any dam or reservoir, is situated a royalty agreed upon by the licensee and the district local government, in consultation with the authority.

(8) Where the licensee and the district local government fail to agree upon the royalty, the authority shall determine the royalty to be paid to the district local government by the licensee.

(9) Where the generating station is situated in more than one district local government area, the royalty paid under subsection (7) shall be shared proportionately among the district local governments.

(10) The authority shall prescribe, in the instrument of delegation, the procedures for the approval of tariffs of licensees subject to regulation by local governments under section 15.

PART XI—RIGHTS AND DUTIES OF CONSUMERS.

**76. Duties of consumers.**

(1) A consumer shall comply with safety regulations made by the authority.

(2) A consumer who fails to comply with regulations made under subsection (1) commits an offence.

**77. Supply of electricity.**

(1) Subject to this Part and to any regulations made to give effect to this Part, a licensee shall, upon being required to do so by the owner or occupier of any premises—

- (a) supply electricity to those premises; and
- (b) so far as may be necessary for that purpose, provide supply lines or any electrical plant or equipment.

(2) Where a person requires a supply of electricity under subsection (1), he or she shall give to the licensee a notice, in writing, specifying—

- (a) the premises in respect of which the supply is required;
- (b) the day on which the supply is required to commence;
- (c) the maximum power which may be required at any time; and
- (d) the minimum period for which the supply is required to be given.

(3) Where the licensee receives from any person a notice under subsection (2) requiring the licensee to supply electricity to any premises and—

- (a) the licensee has not previously given a supply of electricity to those premises;
- (b) the supplying of electricity requires the provision of supply lines or electrical equipment or plant; and
- (c) other circumstances exist which make it necessary or expedient for him or her to do so,

the licensee shall, as soon as practicable after receiving the notice, give to that person a notice in accordance with subsection (4).

(4) A notice under subsection (3) shall—

- (a) state the extent to which the proposals specified in the notice under subsection (2) are acceptable to the licensee;

- (b) state whether the prices to be charged by the licensee will be determined by a tariff under section 75 or by a sale agreement and specify the tariff or the terms of the agreement;
- (c) specify any payment which the person will be required to make under section 75; and
- (d) specify any security, which the person will be required to give under section 80.

(5) In this section and in sections 75, 76, 78, 79 and 80—

- (a) a reference to giving a supply of electricity includes a reference to continuing to give such a supply;
- (b) a reference to requiring a supply of electricity includes a reference to requiring such a supply to continue to be given; and
- (c) a reference to the provision of a supply line or an item of electrical equipment or plant is a reference to the provision of such a line or item either by the installation of a new one or by the modification of an existing one.

(6) Subject to this Act, where a licensee defaults in supplying electricity to a consumer to whom the licensee is required to give a supply of electricity under this Part, the consumer may appeal to the authority.

(7) Notwithstanding subsections (5) and (6), a licensee may interrupt the supply of electricity to a consumer for such periods as may be necessary for carrying out inspections, tests, repairs, alterations, reconstructions or the making of new connections, and the licensee shall, except in the case of an emergency, give twenty-four hours' notice by advertisement in a local newspaper or other media to a consumer whose supply it intends to interrupt and who may reasonably be expected to require a supply during the period of interruption.

(8) Where damage or loss is caused to the consumer by the negligence of the licensee in the exercise of powers conferred on the licensee by this Part, the consumer is entitled to prompt payment of fair and adequate compensation by the licensee for the damage or loss sustained as a result of the exercise of those powers.

(9) Compensation shall not be paid under subsection (8) unless a written claim for compensation has been lodged with the licensee within six months after either the consumer learning of the act giving rise to the claim, or the completion of any works in respect of which compensation is sought,

whichever is later.

(10) A dispute as to the liability of the licensee to pay compensation under subsection (8) or the amount of that compensation shall be determined by the tribunal.

(11) In this Part, “licensee” means the holder of a distribution licence.

#### **78. Licensee’s fees.**

Where a supply line or electrical equipment or plant is provided to a consumer by the licensee, the licensee may require the consumer to pay such access fees and other charges for services as may be approved by the authority, having regard to the circumstances.

#### **79. Exceptions to duty to supply electricity.**

(1) Nothing in section 77 shall be taken as requiring a licensee to give a supply of electricity to any premises if—

- (a) a supply of electricity is already being given to the premises by another licensee; and
- (b) that supply is given wholly or partly through the licensee’s supply lines and electrical equipment or plant;
- (c) the licensee is prevented from doing so by circumstances beyond the licensee’s control;
- (d) circumstances exist by reason of which the licensee’s doing so will or may involve a breach of regulations made under this Act; or
- (e) it is not reasonable in the circumstances to do so.

(2) This section does not apply in relation to a supply of electricity which is being given to any premises unless the licensee has given to the occupier or to the owner, if the premises are not occupied, a notice of not less than seven working days of the licensee’s intention to discontinue the supply of electricity.

(3) A person refused a supply of electricity by a licensee under this section may make a complaint to the authority, and the authority shall take such action against the licensee as it deems necessary in accordance with this Act.

## **80. Security.**

(1) A licensee may require a person who requires a supply of electricity under section 77 to give to the licensee reasonable security for all monies that may become due to the licensee—

- (a) in respect of the electricity supply; or
- (b) where the supply line or electrical plant or equipment has to be provided under section 77, in respect of the provision of that facility.

(2) Where a person fails to give the security required under subsection (1), the licensee may if he or she thinks fit, refuse to give the supply or equipment until the security has been given.

## **PART XII—OFFENCES AND PENALTIES.**

## **81. Offences relating to installations and equipment.**

(1) Any person who tampers with or adjusts any installation or part of an installation, or manufactures or imports or sells any equipment so as to cause or to be likely to cause harm to human life or damage to any equipment or other property commits an offence and is liable on conviction to a fine not exceeding fifty currency points or to imprisonment for a term not exceeding five years or to both.

(2) Any person who, without the consent of the licensee or the authority, affixes or causes to be affixed any advertisement, bill or notice or any paper against or upon or otherwise defaces any building, post or bracket or other equipment or the enclosure thereof used for or in connection with any electrical installation commits an offence and is liable on conviction to a fine not exceeding ten currency points.

(3) Any person who by any rash or negligent act or omission causes injury or damage to any person or property in respect of any installation or equipment or part thereof commits an offence and is liable on conviction to a fine not exceeding thirty currency points or to imprisonment for a term not exceeding three years or to both.

(4) Any person who damages any meter or other instrument used on or in connection with any licensed installation for recording the output or consumption of energy commits an offence and is liable on conviction to a



fine not exceeding twenty currency points or to imprisonment for a term not exceeding two years or to both.

- (5) Any person who in any manner dishonestly—
  - (a) abstracts electrical energy;
  - (b) consumes electrical energy;
  - (c) uses electrical energy; or
  - (d) alters the index of any meter or other instrument used on or in connection with any installation for recording the output or consumption of energy, or prevents any such meter or instrument from duly recording the output or consumption of energy,

commits an offence and is liable on conviction to a fine not exceeding thirty currency points or to imprisonment for a term not exceeding three years or to both.

(6) Any person who in contravention of section 61 uses, works or operates, or permits to be used, worked or operated any installation commits an offence and is liable on conviction to a fine not exceeding three hundred currency points and to a further fine not exceeding five currency points for every day or part of a day during which the offence continues after conviction.

(7) Any person who, in contravention of section 61, supplies energy from an installation to or for the use of any person commits an offence and is liable on conviction to a fine not exceeding two hundred currency points and to a further fine not exceeding five currency points for every day or part of a day during which the offence continues after conviction.

## **82. Offences relating to supply of electricity and electrical works.**

(1) A licensee who without the express authority of the authority supplies electricity or lays down any supply lines or constructs any electrical works outside the distribution area specified in his or her licence commits an offence and is liable on conviction to a fine not exceeding one hundred currency points.

(2) Any unauthorised line or work referred to under subsection (1) may, after conviction of the licensee, be removed by order of the authority; and if the order of the authority is not complied with, the reasonable costs of removal may be recovered from the licensee.

### **83. Offences relating to licences.**

A licensee who without lawful excuse fails to comply with any term of his or her licence commits an offence and is liable on conviction to a fine not exceeding one hundred currency points and to a further fine not exceeding ten currency points for every day or part of a day during which the offence continues after conviction.

### **84. Offences relating to registration.**

A person who fails or neglects to register any installation under section 51(2) commits an offence and is liable on conviction to a fine not exceeding ten currency points and a further fine not exceeding one currency point for every day or part of a day during which the offence continues after conviction.

### **85. Damage to public lamps, etc.**

A person who, negligently and without lawful authority, extinguishes or damages any public lamp or defaces any post, bracket or other means of support of a public lamp commits an offence and is liable on conviction to a fine not exceeding five currency points or to imprisonment for a term not exceeding one year or both.

### **86. Diversion of energy and damage to supply lines.**

Any person who willfully or negligently causes energy to be diverted from its proper course or to be wasted, or who breaks, throws down, causes to fall or damages any supply line, post, pole or other equipment, installation or any part thereof, as the case may be, connected with the supply of energy, commits an offence and is liable on conviction to a fine not exceeding thirty currency points or to imprisonment for a term not exceeding three years or to both.

### **87. Interference with electrical installations.**

(1) No person shall, without the lawful permission of the authority or the licensee, as the case may be, undertake any work or engage in any activity in the vicinity of any electrical installation or part of the installation in a manner likely to interfere with any electrical installation or to cause danger to any person or property.

(2) Any person who contravenes this section commits an offence and is liable on conviction to a fine not exceeding twenty currency points or to imprisonment for a term not exceeding two years or to both.

#### **88. Installation of electrical wiring.**

(1) No person shall install any electrical wiring or extension to existing wiring on any premises without first obtaining an installation permit issued by the authority.

(2) Any person who contravenes this section commits an offence and is liable on conviction to a fine not exceeding twenty currency points or to imprisonment for a term not exceeding two years or to both.

#### **89. General penalty.**

A person convicted of an offence against this Act for which no penalty is expressly provided is, on conviction, liable to a fine not exceeding ten currency points and in case of the continuing of the offence to a fine not exceeding one currency point for every day or part of a day during which the offence continues after conviction.

#### **90. Compensation.**

Any person who removes, destroys or damages whether willfully or otherwise, any installation or any part of an installation or a public lamp, post, bracket or other means of support of a public lamp, or other instrument used in connection with any installation for recording the output or consumption of energy is, in addition to any penalty to which he or she may be liable under this Act, liable to pay full compensation for the damage he or she has done; and the compensation is recoverable by civil action or suit before any court.

#### **91. False information.**

(1) A person who knowingly provides false or incorrect information to the authority commits an offence.

(2) A person convicted of an offence under this section is liable to a fine not exceeding ten currency points or to imprisonment for a term not exceeding one year or to both.

## **92. Compensation order.**

(1) A person convicted of an offence under this Act may be held liable for any loss or damage caused by the offence and may be ordered by the court, in addition to any penalty imposed by the court for the offence, to pay an amount of compensation for the damage.

(2) An order made under subsection (1) may be enforced as if it were a judgment in a civil action or suit before a court.

## **PART XIII—ELECTRICITY DISPUTES TRIBUNAL.**

## **93. Establishment of tribunal.**

There is established the Electricity Disputes Tribunal.

## **94. Chairperson and vice chairperson of tribunal.**

(1) The Minister, in consultation with the Judicial Service Commission, shall appoint the chairperson and vice chairperson of the tribunal.

(2) A person is not qualified to be appointed chairperson or vice chairperson of the tribunal unless he or she is qualified to be a judge of the High Court.

## **95. Appointment of other members.**

(1) The other members of the tribunal shall be appointed by the Minister on the recommendation of the Public Service Commission.

(2) A member of the tribunal may be appointed on a part-time or full-time basis.

## **96. Qualifications for appointment.**

A person may only be appointed as a member of a tribunal if the person is of high moral character and proven integrity and has proven experience in at least one of the following areas—

- (a) technical knowledge, either in the generation, transmission or

- distribution of electricity;
- (b) law or administration;
- (c) finance or economics;
- (d) the energy industry; or
- (e) environment.

**97. Tenure of office.**

A member of the tribunal shall hold office for five years and is eligible for reappointment.

**98. Conditions of appointment.**

Subject to this Act, a member of the tribunal shall hold office on such terms and conditions as are prescribed in his or her letter of appointment.

**99. Disqualification from appointment to tribunal.**

A person shall not be appointed a member of the tribunal or be requested to give technical advice who—

- (a) is a shareholder, a member of the board, an employee, or the holder of a licence, of any entity engaged in providing services to the electricity industry likely to cause a conflict of interest;
- (b) is an undischarged bankrupt or has made any arrangements with his or her creditors;
- (c) is incapacitated by mental or physical illness;
- (d) has been convicted of any offence involving moral turpitude in Uganda or elsewhere; or
- (e) is otherwise unable or unfit to discharge the functions of member of the tribunal or to give technical advice.

**100. Oath of office.**

A person who is appointed a member of the tribunal shall, before assuming the duties of his or her office, take and subscribe the Oath of Allegiance and the Judicial Oath in the Fourth Schedule to the Constitution.

**101. Termination of appointment.**

- (1) This section applies to all members of the tribunal.

(2) A member of the tribunal may resign his or her office by notice in writing delivered to the Minister.

(3) The Minister may, in consultation with the Judicial Service Commission, remove from office a member of the tribunal who—

- (a) is unable to perform the functions of his or her office arising from infirmity of body or mind;
- (b) misbehaves or conducts himself or herself in a manner unbecoming of the office of member of the tribunal;
- (c) is incompetent;
- (d) becomes an undischarged bankrupt;
- (e) fails to disclose to the tribunal any interest in any contract or matter before the authority in accordance with section 102; or
- (f) is convicted of an offence and sentenced to imprisonment for six months or more by a competent court in Uganda or elsewhere.

#### **102. Disclosure of interest.**

Where a member of the tribunal as constituted for the purposes of a proceeding has any interest, pecuniary or otherwise, that could conflict with the proper performance of the member's functions, he or she shall disclose the interest to the parties to the proceedings and shall not take part in the proceeding or exercise any powers in relation to the matter to which the proceeding relates.

#### **103. Official seal.**

(1) The tribunal shall have a seal which shall be judicially noticed.

(2) The seal of the tribunal shall be affixed by or with the authority of the tribunal to such documents as are required by direction of the chairperson to be sealed with the seal of the tribunal.

#### **104. Arrangement of business.**

(1) Subject to this Act, the chairperson is responsible for ensuring the orderly and expeditious discharge of the business of the tribunal.

(2) Without limiting the operation of subsection (1), the chairperson shall give directions relating to—

- (a) the arrangement of the business of the tribunal;

- (b) the places at which the tribunal may sit generally; and
- (c) the procedure of the tribunal at a particular place.

(3) The times and places of the hearings of the tribunal shall be determined by the chairperson with a view to securing a reasonable opportunity for applicants to appear before the tribunal with as little inconvenience and expense as is practicable.

#### **105. Constitution of tribunal for exercise of powers.**

(1) The tribunal shall be constituted for a proceeding when three of the members are present.

(2) The chairperson shall preside at all sittings of the tribunal and in the absence of the chairperson, the vice chairperson shall preside.

#### **106. Technical advice.**

(1) The tribunal may seek technical advice from persons whose specialised knowledge or experience may assist the tribunal in its proceedings.

(2) A person giving technical advice shall cease to advise the tribunal if he or she—

- (a) is subsequently disqualified from appointment in accordance with section 99;
- (b) fails to disclose to the tribunal any interest in the electricity sector or in a contract or other matter before the authority or the tribunal;
- (c) subsequently acquires any interest in the electricity sector.

#### **107. Remuneration.**

A member of the tribunal or a person giving technical advice to the tribunal shall be paid an allowance that may be determined by the Minister.

#### **108. Funds of tribunal.**

The funds of the tribunal shall consist of—

- (a) monies appropriated by Parliament for enabling the tribunal to perform its functions;

- (b) grants or donations from sources acceptable to the Minister and the Minister responsible for finance.

#### **109. Jurisdiction of tribunal.**

(1) The tribunal shall have jurisdiction to hear and determine all matters referred to it relating to the electricity sector.

(2) For the avoidance of doubt, the jurisdiction of the tribunal does not include the trial of any criminal offence or the hearing of any dispute that a licensee and any other party may have agreed to settle in accordance with their agreement.

(3) The tribunal shall in the exercise of its jurisdiction under this Act have all the powers of the High Court.

#### **110. Power of review and appeals from tribunal.**

(1) The tribunal may, of its own motion or upon application by an aggrieved party, review its judgments and orders.

(2) Judgments and orders of the tribunal shall be executed and enforced in the same manner as judgments and orders of the High Court.

(3) Any person aggrieved by a decision of the tribunal may, within thirty days from the date of the decision or order, appeal to the High Court.

(4) The law applicable to appeals from the High Court in civil matters shall, with the necessary modifications or other adjustments as the Chief Justice may direct, apply to appeals from the tribunal to the High Court.

(5) Except in the case of an appeal under this section, it shall not be lawful for any court or tribunal to entertain any action or proceeding of any nature for the purpose of questioning any judgment, finding, ruling, order or proceeding of the tribunal.

(6) A person aggrieved by the decision of the High Court under this section may, within thirty days of the date of the decision, appeal to the Court of Appeal.



### **111. Procedure of tribunal.**

- (1) The tribunal shall meet as and when there is need to exercise its jurisdiction under this Act.
- (2) A decision of the tribunal shall be binding if it is supported by a majority of the members.
- (3) A witness before the tribunal shall have the same immunities, obligations and privileges as a witness before the High Court.
- (4) The tribunal shall conduct its proceedings without procedural formality but shall observe the rules of natural justice.
- (5) Except as prescribed in this Act, the tribunal may regulate its own procedure.

### **112. Registrar of tribunal.**

- (1) The tribunal shall have a registrar who shall be a person qualified to be a registrar of the High Court and who shall be appointed by the Minister in consultation with the Judicial Service Commission.
- (2) The registrar shall be responsible for the day-to-day administration of the tribunal, the keeping of a public record of the discussions of the tribunal and the processing of the papers of the tribunal.
- (3) The tribunal shall have a registry and such other staff as may be necessary for the functioning of the registry.

## **PART XIV—MISCELLANEOUS.**

### **113. Exemptions.**

- (1) The authority may, by statutory order, grant an exemption from the requirement to hold a license for the generation, distribution or sale of electricity by categories of persons or by a particular person, for the promotion of rural electrification where the generation capacity does not exceed two megawatts, but that exemption shall not preclude the authority from exercising its other regulatory functions under this Act.

(2) An exemption granted to persons of a particular class shall be published in such manner as the authority considers appropriate for bringing it to the attention of persons of that class.

(3) An exemption granted by the authority under this section shall be in writing and may be revoked in accordance with any term contained in the exemption.

(4) Unless previously revoked, an exemption will continue in operation for such period as may be specified in or determined by or under the exemption.

#### **114. Administrative procedures.**

The Minister shall, in consultation with the authority, lay down administrative procedures for the regulation of electricity distribution and sales to consumer activities involving generation systems of a capacity not exceeding two megawatts.

#### **115. Annual and other reports.**

(1) The authority shall, within four months after the end of each financial year, submit to the Minister, a statement of its activities in the preceding financial year, containing such information as the Minister may require.

(2) The authority shall also submit to the Minister such other reports on its activities or on any other matter as the Minister may, from time to time, require.

#### **116. Common seal and other instruments of authority.**

- (1) The common seal of the authority shall—
  - (a) be in a form to be determined by the authority; and
  - (b) not be affixed to any document except by order of the authority.

(2) The common seal of the authority shall be authenticated by the signatures of the chief executive officer and two other members of the authority.

- (3) An instrument or contract which if executed or entered into by a

person other than a body corporate would not require to be under seal may be executed or entered into on behalf of the authority by the chief executive officer or by any member of the authority or any other person if that member of the authority or other person has been duly authorised by resolution of the authority to execute or enter into the instrument or contract, as the case may be.

(4) Every document purporting to be an instrument or contract executed or issued by or on behalf of the authority in accordance with this section shall be deemed to be so executed or issued until the contrary is proved.

#### **117. Documents to be public documents.**

(1) Subject to subsection (2), all applications for licences and documents related to resolution of disputes, handling of cases regarding breaches of safety or technical regulations or any other matter dealt with by the authority shall be regarded as public documents.

(2) The authority may, of its own motion or on the application of a licensee, exempt such documents as it may prescribe from access to the public under subsection (1) in order to prevent the revealing of business secrets and other sensitive matters.

(3) The authority shall keep a register in which shall be entered the particulars of—

- (a) every exemption granted to a licensee;
- (b) every licence granted by the authority;
- (c) every modification or revocation of a licence;
- (d) every compliance order or revocation of a compliance order; and
- (e) every requirement imposed and every consent or approval given by the authority under the terms of a licence.

(4) All decisions of the authority shall be in writing, and the authority shall give reasons for every decision made by it.

#### **118. Immunity of members and staff of authority.**

(1) A member of the authority or of a committee of the authority is not personally liable for any action done or omitted to be done by him or her in good faith without negligence for the purpose of carrying into effect the

provisions of this Act.

(2) An officer or employee of the authority or other person acting on behalf of the authority is not liable for any act done by him or her in good faith, without negligence, for the purpose of carrying into effect the provisions of this Act.

### **119. Regulations.**

(1) The authority shall, within twelve months after the commencement of this Act, by statutory instrument, make regulations relating to the generation, transmission, distribution and utilisation of the electricity system.

(2) Without prejudice to the generality of subsection (1), regulations made under this section may provide for—

- (a) standards regarding safety;
- (b) technical equipment and skills;
- (c) the quality of deliverance of electricity;
- (d) the fees to be charged under this Act; and
- (e) any other matter necessary or convenient for giving full effect to this Act.

(3) Notwithstanding the Interpretation Act, regulations made under this section may prescribe, in respect of a contravention of the regulations, a penalty of a fine not exceeding two hundred currency points or imprisonment not exceeding twenty-four months or both, and in the case of a continuing offence, an additional fine not exceeding five currency points in respect of each day on which the offence continues.

### **120. Grid code.**

The authority shall, by statutory instrument, make regulations to establish a grid code.

### **121. Amendment of Schedules.**

The Minister may, by statutory instrument, amend any of the Schedules to this Act.

PART XV—TRANSITIONAL PROVISIONS.

**122. Initial licences.**

(1) For the purposes of establishing the licensing regime provided for under Part V, the Minister may, before the commencement of the operations of the authority, with the approval of Cabinet, exercise the functions of the authority for a period not exceeding six months after the commencement of this Act, and may issue licences, for—

- (a) the generation of electricity;
- (b) the transmission of electricity;
- (c) system operation;
- (d) the export of electricity;
- (e) the import of electricity;
- (f) the sale of electricity; and
- (g) the distribution of electricity.

(2) The Minister shall, before issuing a licence under subsection (1), lay before Parliament the terms of the agreement for the licence.

(3) Only the Uganda Electricity Board may be issued with a licence under subsection (1) for the transmission of electricity and systems operation, but this shall not in any way restrict the Uganda Electricity Board from holding a licence under subsection (1)(a), (d), (e), (f) and (g).

(4) A licence granted by the Minister under subsection (1)—

- (a) shall have effect as if granted by the authority; and
- (b) shall, unless previously revoked or modified in accordance with any term contained in the licence, continue in force for such period as may be specified or determined by or under the licence.

(5) The authority may, on the application of the licensee, renew a licence issued under this section.

**123. Continuance of operations of Uganda Electricity Board.**

Notwithstanding the repeal in section 130(1), the Uganda Electricity Board established under the Electricity Act, shall continue to operate under a licence to be issued by the Minister under section 122.

#### **124. Saving of licences.**

Without prejudice to section 130, a licence issued under the Electricity Act which is in force immediately before the commencement of this Act—

- (a) shall have effect as from the commencement of this Act as if granted under this Act; and
- (b) in the case of a licence for a specified period, shall remain in force, subject to this Act, for so much of that period as falls after the commencement of this Act.

#### **125. Successor company.**

The Minister shall, in accordance with the Public Enterprises Reform and Divestiture Act, cause to be incorporated under the Companies Act, a successor company or companies to assume all the duties, objectives and functions of the Uganda Electricity Board, except those to be exercised by the authority under this Act, and to take over the property, rights and liabilities to which the Uganda Electricity Board is entitled or subject to.

#### **126. Vesting of property in successor company.**

(1) The Minister may, by order published in the Gazette, appoint a transfer date and on that date, all property, rights and liabilities to which the Uganda Electricity Board was entitled or subject to immediately before that date shall become, by virtue of this section, the property, rights and liabilities of the successor company.

(2) On the transfer date appointed under subsection (1), the Uganda Electricity Board shall cease to exist and shall be taken to be dissolved.

- (3) For the avoidance of doubt—
  - (a) a reference to property to which the Uganda Electricity Board was entitled is a reference to land and choses-in-action of the Uganda Electricity Board whether situated in Uganda or elsewhere; and
  - (b) a reference to rights and liabilities to which the Uganda Electricity Board was entitled or subject to is a reference to rights which the Uganda Electricity Board is entitled to or, as the case may be, liabilities to which the Uganda Electricity Board is subject, whether under the laws of Uganda or any other country outside Uganda and includes rights and liabilities arising under

loans raised.

(4) Every chose-in-action transferred under subsection (1) to the successor company or companies may, after the transfer date, be sued on, recovered or enforced by the successor company in its own name, and it shall not be necessary for the company of the Uganda Electricity Board to give notice to the person bound by the chose-in-action of the transfer effected by subsection (1).

(5) Every right and liability transferred under subsection (1) to the successor company or companies may, after the transfer date, be sued on, recovered or enforced by or against the successor company in its own name, and it shall not be necessary for the successor company or the Uganda Electricity Board to give notice to the person whose right or liability is transferred by this section of that transfer.

(6) In the case of rights and liabilities arising under any loans which vest in the successor company on the transfer date, the company may enter into such arrangements or agreements over such rights and liabilities with the Government of Uganda or any third party.

## **127. Issuing of securities and shares.**

(1) As a consequence of the vesting in the successor company by virtue of this Act of all property, rights and liabilities to which the Uganda Electricity Board was entitled or subject to, the successor company shall, in accordance with the Public Enterprises Reform and Divestiture Act, issue such securities of the company as the Minister responsible for finance may from time to time direct.

(2) The Minister responsible for finance shall not give a direction under subsection (1) at a time when the successor company has ceased to be wholly owned by the Government of Uganda.

(3) Securities required to be issued under this section shall be issued or allotted at such time and on such terms as to allotment as the Minister responsible for finance may direct.

(4) Shares issued under this section—

(a) shall be of such nominal value as the Minister responsible for finance may direct; and

(b) shall be issued as fully paid and treated for the purposes of the Companies Act as if they had been paid up by virtue of the payment to the successor company of their nominal value.

(5) The Minister responsible for finance may dispose of any securities issued or of any rights to securities initially allotted to the successor company under this section.

(6) Any dividends or other sums received by the successor company in right of, or on the disposal of, any securities or rights acquired by virtue of this section shall be paid into the Consolidated Fund.

(7) Where, immediately before the transfer date, any person holds any shares in the Uganda Electricity Board, those shares shall, as from the transfer date, be held by that person in the successor company; and the successor company shall issue shares to that person of a value not less than the value of the shares held by that person in the board immediately before the transfer date.

#### **128. Employees of Uganda Electricity Board.**

(1) The successor company shall, on the transfer date, accept into its employment, every person who, immediately before the transfer date, is employed by the Uganda Electricity Board and who was given an option by the Uganda Electricity Board and has opted to serve as an employee of the successor company.

(2) A person who opts under subsection (1) to be an employee of the successor company shall be employed by that company on terms and conditions of service not less favourable than the terms and conditions of service to which he or she was entitled immediately before the transfer date.

(3) A person who opts not to serve as an employee of the successor company shall be paid his or her terminal benefits and pensions in full in accordance with the existing terms and conditions of service of that employee.

#### **129. Pension fund and former employees.**

(1) All former employees of the Uganda Electricity Board who at the commencement of this Act are receiving retirement benefits and pensions



from the Uganda Electricity Board shall continue to be paid by Government on terms and conditions not less favourable than those to which they were entitled before the commencement of this Act.

(2) All employees of the Uganda Electricity Board who may be retrenched as a result of the implementation of this Act shall, on the date of retrenchment, be paid in full the calculated and ascertained retrenchment benefits and pensions.

(3) There shall be established a Contributory Pension Fund initially funded by Government for the benefit of those employees in the permanent employment of the Uganda Electricity Board immediately before the commencement of this Act who are transferred to the successor company.

(4) All employees of the Uganda Electricity Board who transfer their services to the successor company under section 128 shall have their terminal benefits and pension calculated and ascertained and transferred to the Contributory Pension Fund.

(5) Any employee who, at any time after the transfer of his or her services to the successor company, retires or is dismissed or whose services are terminated for whatever reason shall be paid his or her calculated and ascertained retirement benefits or pension from the Contributory Pension Fund.

(6) The calculated and ascertained retirement benefits and pension entitlement of each employee of the Uganda Electricity Board shall be recorded in a pension certificate; and whenever that employee terminates his or her services with the successor company, the pension certificate shall be conclusive evidence of the employee's entitlements relating only to the period of employment for the employee in the Uganda Electricity Board.

### **130. Repeal and savings.**

(1) The Electricity Act is repealed.

(2) Any statutory instruments made under the Electricity Act repealed by subsection (1) which are in force immediately before the commencement of this Act shall remain in force until specifically revoked under this Act.

## **SCHEDULES**

### *First Schedule.*

ss. 12, 121.

#### **Meetings of authority and other matters.**

##### **1. Meetings of the authority.**

(1) The authority shall meet for the discharge of business at least once in every month or upon a request in writing to the chairperson by at least three members of the authority.

(2) The authority shall meet at such time and place as the chairperson may appoint.

(3) The chairperson may also call a special meeting of the authority.

(4) A meeting of the authority shall be convened by a notice to each member issued and signed by the secretary at least fourteen days before the meeting, except that a shorter notice may be given for a special meeting.

(5) The chairperson shall preside at all meetings of the authority, and in his or her absence a member elected by the members present shall preside.

##### **2. Quorum.**

The quorum at a meeting of the authority shall be three members.

##### **3. Minutes of meetings of authority.**

(1) The secretary shall cause to be recorded and kept minutes of all meetings of the authority in a form approved by the authority.

(2) The minutes recorded under this paragraph shall be submitted to the authority for confirmation at its next meeting following that to which the minutes relate and when so confirmed shall be signed by the chairperson and the secretary in the presence of the members present at the latter meeting.

##### **4. Decisions of the authority.**

(1) The decisions of the authority shall be by majority vote.

(2) Each member shall have one vote; and the chairperson shall not have a casting vote except in circumstances where, for whatever reason, the constitution of the authority amounts to an uneven number.

**5. Decision by circulation of papers.**

(1) Subject to subparagraph (2), a decision of the authority may be made by circulation of the relevant papers among members of the authority and the expression of their views in writing; except that any member is entitled to require that the decision be deferred until the subject matter has been considered at a meeting of the authority.

(2) A decision made by circulation of papers under this paragraph is not valid unless it is supported by four members of the authority.

**6. Validity of meetings not affected by vacancy, etc.**

The validity of any proceedings of the authority shall not be affected by any vacancy among its members or by any defect in the appointment of any of them.

**7. Disclosure of interest.**

(1) A member of the authority who is in any way directly or indirectly interested in a matter being considered at a meeting of the authority or in which his or her spouse is interested in a private capacity shall, as soon as practicable after the commencement of the meeting, disclose the nature of his or her interest to the meeting.

(2) A member making a disclosure under subparagraph (1) shall not take part in any consideration or discussion of, or vote on, any question relating to the matter.

(3) A disclosure of interest made under this paragraph shall be recorded in the minutes of the meeting at which it is made.

**8. Service of documents and other notices.**

A notice or other document may be served on the authority by delivering it to the office of the secretary or by sending it by prepaid registered post

addressed to the secretary.

**9. Authority may regulate procedure.**

Except as otherwise provided under this Act, the authority may regulate its own procedure.

*Second Schedule.*

ss. 3, 121.

**Currency point.**

A currency point is equivalent to twenty thousand shillings.

**History:** Act 6/1999; S.I. 42/1999.

**Cross References**

Companies Act, Cap. 110.

Constitution of 1995.

Electricity Act, Cap. 144.

Interpretation Act, Cap. 3.

Land Acquisition Act, Cap. 226.

Land Act, Cap. 227.

Local Governments Act, Cap. 243.

National Environment Act, Cap. 153.

Public Enterprises Reform and Divestiture Act. Cap. 98.