

By Benon Ojiambo

# Govt considers listing electricity agencies on stock exchange

The Government is considering listing its electricity agencies on the stock exchange as a way of raising finances.

This was revealed by the energy and mineral development minister, Ruth Nankabirwa, while presiding over the signing of internal performance contracts between the Uganda Electricity Generation Company Limited (UEGCL) and management of Kiira and Nalubaale power plants in Jinja city yesterday.

Nankabirwa's revelation was against a background of a request for financing of up to \$100m (about sh372b) to invest in the rehabilitation of Nalubaale power plant in order to extend its lifespan.

April this year marked 70 years of the plant's operations. Together with the 200MW Kiira, the 180MW Nalubaale was repossessed by UEGCL from Eskom (U) Limited, a subsidiary of Eskom South

Africa in March last year, after expiry of the latter's 20-year operation and maintenance concession.

Shortly after, UEGCL said they needed to invest up to \$10m (about sh37.23b) in repairs and replacement of equipment that had long been ignored by Eskom if the plant's sanctity was to be maintained.

Eng. Harrison Mutikanga, the UEGCL chief executive officer, said they have since invested over \$10m (sh37.2b) in the two plants "to make sure that we carry out maintenance that Eskom did not do".

However, Mutikanga said they currently need up to \$100m (about sh37.23b) to invest in the rehabilitation of Nalubaale power plant and extend its lifespan by another 30 years.

"This dam is not only helpful



Nankabirwa

for electricity generation, but also necessary for flood management and control. It is a critical asset for the Government," Mutikanga said.

With such demands, Nankabirwa said they are faced with a dilemma of competing

## KENGEN CASE

KenGen was incorporated in 1954 with the mandate to generate electricity through the development, management and operation of power plants.

In 2006, the Kenyan government sold 30% of its stake in the company following a successful initial public offer, subsequently listing the company on the Nairobi Securities

Exchange. During the financial year ended June 30, 2023, KenGen reported a 48% growth in profit after tax surging to Ksh5.02b (about sh145b), up from Ksh3.4b (about sh98b) in the previous year.

In February this year, the company announced a dividend of Ksh545.2m (about sh15.7b) in dividends to the 30% private shareholders.

priorities from the Government, conditions that may result in a situation not being able to raise all the finances needed by UEGCL.

This, she said, necessitates exploring other avenues of raising finances, one of which is allowing UEGCL and other companies like Uganda

Electricity Transmission Company Limited and Uganda Electricity Distribution Company Limited to raise money on their own.

"We are thinking about letting you operate as companies that can borrow money and invest. This is what we are discussing with the finance ministry. The President has already sent a team to Kenya to benchmark on how Kenya Electricity Generating Company PLC (KenGen) is doing it. They are even paying dividends back to the Government. This is what we would like to see UEGCL going into," Nankabirwa said.

She explained that UEGCL for instance, has sound assets like Karuma, Isimba, Nalubaale and more to come, that would easily attract investors if the company listed its shares on the stock exchange.