

UEDCL boss discloses how he keeps

Mr Mwesigwa explains how cheaper capital, strict financial discipline and nonstop repairs helped lower tariffs, fix the weak grid and keep Uganda's power on.

BY DEOGRATIUS WAMALA

On the morning of April 1, as Uganda woke up to a new era in its power sector, Paul Mwesigwa wasn't thinking about history or hashtags. He was thinking about one thing: "Don't let the lights go off."

"That day was just D-Day," he says. "To take over and conclude the transaction that started three or four years prior to that."

To the public, it looked simple enough. Umeme's 20-year concession had expired, and the State-owned Uganda Electricity Distribution Company Ltd (UEDCL) quietly took back the grid.

But that calm handover sat on years of tension—technical fights, political irritation and a complete rethink of who should control Uganda's power, and at what return.

For years, government officials grumbled that Umeme's guaranteed 20 percent return on investment, agreed in the early 2000s when Uganda badly needed private capital, had turned into a permanent weight on consumers. Tariffs stayed high and manufacturers complained.

President Museveni called the deal "punitive" and blamed it for stifling industrialisation.

By the time the concession approached expiry, the verdict was that the government would not renew. Instead, Uganda launched what it called "second-generation power sector reforms."

In plain language, this translates to swapping expensive private capital for cheaper public money, and trying to design a system where tariffs could fall without the whole sector collapsing.

Accountant who took the grid

Into that political and financial storm walked Mwesigwa, a soft-spoken economist who sounds like an auditor and thinks like a reformer.

Since 2013, he'd been quietly rebuilding UEDCL's muscles: taking back neglected rural lines, fixing abandoned feeders, slowly turning a forgotten State company into something that could one day run the whole grid again.

Now he wasn't just inheriting poles and wires. He was inheriting a promise: that electricity under State hands would be cheaper, fairer and more reliable.

"It's a commitment," he says. "Not excitement. Not ego. A commitment to serve the country. I've been in this sector since 2002," he says. "My experience is mainly in leadership and management projects as a finance person."

He's not an engineer. On paper, he's a classic technocrat: an economist, an ACCA-certified accountant, an Oxford Brookes accounting graduate with an MBA on top.

In practice, it means he looks at electricity as much in terms of balance sheets and incentives as volts and amps.

In 2012, he walked away from Umeme, where he had been chief internal auditor and later financial controller, to join

UEDCL as chief financial officer.

"The major decision that I made was to develop principles and concepts of financial stability when I left Umeme," he recalls. "My project was: How do I make a government company financially viable, with good governance, to expand the business?"

From 2013, UEDCL started absorbing rural and peri-urban lines in places like Moyo, Adjumani, Katakwi, Kazo and Masindi. In 2017, more followed.

In 2022, Cabinet made the big call: As private distribution licences expired, UEDCL would take back everything, including Umeme's network. By then, he was managing director. He hadn't just been handed the steering wheel; he'd helped redesign the car.

"It's a responsibility that anybody with a calling should appreciate," he says.

Reversing the logic

Ask him what UEDCL did differently from Umeme, and he doesn't talk first about wires. He talks about money.

"Our first move was to source for cheap capital," he says. "The cost of capital that we are using is below 10 percent return on investment, gross of tax. The cost of capital, which a private operator was using, was at 28 percent gross of tax."

In a regulated utility, an 18-point gap is huge. Cheaper capital means lower tariffs and more money left to reinvest in the network. Expensive capital means constant tariff fights and postponed maintenance.

Both Umeme and UEDCL borrow from commercial banks. The difference, he says, is stance: "We are a government company that has stronger negotiation skills and is more stable."

That 28 percent return was not a random number from the banks; it was a guaranteed deal signed when Uganda was desperate to attract a private operator. UEDCL has flipped that script.

"If you make any savings, reinvest it," he says. "We've put the concept of capital growth on the balance sheet... so you make the network strong for the population to have more megawatts, manufacturers to boom, employment to come up, and also for the population to benefit."

Dividends can wait. "The best dividend you can give this country is to have a fair and good tariff," he says.

So far, he says, the numbers back him. UEDCL reports that the overall average tariff has dropped by 14 percent.

Manufacturers, the people who watch every shilling on the power bill, are saving tens of

50,000 MW

Looking ahead, the government wants to push generation to 50,000 megawatts (MW) by 2040.

millions a month, money they can push back into production and jobs.

At the same time, more power is moving through the system.

"By the time we took over, the energy dispatch from the generators was 986 megawatts at peak," he says. "It has increased to 1,115 megawatts in just seven months. That's an increase of 13 percent over and above the GDP."

In most economies, power use grows roughly with the gross domestic product (GDP). A 13 percent jump in less than a year suggests more connections, smarter feeder configuration, and a willingness to run closer to the system's real limits, comfortable or not.

So why are people still complaining about power cuts?

On paper, the story sounds good: Cheaper capital, lower tariffs, more power

dispatched, backlog cleared.

Online, it sounds different. On X (formerly Twitter), UEDCL is tagged daily with complaints, sarcastic memes and angry jokes.

So what's wrong? Mwesigwa's answer is that he has inherited an institution which has had years of under-investment on the back of a weak distribution network, coupled with an aggressive connection drive.

When UEDCL walked in, it found 206 transformers that had failed; some had been off for six months.

"But the population had accepted," he says, still puzzled that people simply lived with it. All 206 have since been replaced.

Then there were 128,000 pending connections, some stuck in the system for up to 18 months. Those have now been cleared too. The cost? UEDCL budgeted Shs13 billion for repairs and maintenance for the first six months. It ended up spending Shs17 billion.

"An extra four," he says. "Just in six months, in order for us to put the transformers right."

And that's before you factor in the physical state of the grid: 12 percent of the 860,000 poles need replacement, 26 percent of transformers are overloaded and 11 of 65 primary substations are already overworked.

"So it is true the network has reached a certain level that we need to expedite," he admits.

On top of that, vandalism is quietly wrecking equipment. He estimates that 70 percent of transformer failures are linked to tamper-

ing and theft, from people cutting a single metre of cable to "camouflaged" technicians bypassing fuses and overloading transformers with illegal connections.

Reliability vs affordability

In Kampala slums, he says, one solid cable can be feeding up to 16 homes illegally. UEDCL has arrested 62 people as a result.

Is he angry at the public when they complain? He says no; he feels it too.

"I feel bad," he says. "Because even I don't want to be in the darkness."

But empathy doesn't fix lines. So he has set rules: if a feeder or substation is out, "you don't need to go to bed. Work on that feeder till morning."

Teams are paid overtime, but performance is tracked. Escalation groups kick in on unresolved faults and he personally responds to some complaints.

"The population wants 100 percent," he says. "And they are right to demand." At 100 days, UEDCL calculated national power availability at 97.5 percent, above the regulator's 95 percent target. He graded his own performance at 9.5 out of 10, "on achieving our strategic objectives."

The person whose fridge has been off for six hours may not agree, and Mwesigwa knows that gap is where his real work lives.

Politically, "cheap and always on" is the dream. In reality, it's a trade-off. "You can't say a lower tariff with an unreliable grid," he argues. "You'd rather have a slightly better tariff, but a reliable supply. Because if there's no power, what will the population use?"

Looking ahead, the government wants to push generation to 50,000 megawatts (MW) by 2040. Data centres are already emerging to use current surplus; AI and e-mobility will need even more.

But all that generation is worthless if the distribution company can't move it.

That's what UEDCL's \$995 million (Shs3.5 trillion), five-year capital plan is supposed to prepare for.

Renewables problem

Even as he fights to stabilise a tired grid and defend his tariff logic, another constraint is quietly tightening around him, one he doesn't control at all.

In October 2025, the Electricity Regulatory Authority (ERA) issued a notice that effectively hit pause on new grid-connected solar and wind projects.

The reason was that the national grid, in its current state, can no longer safely absorb more "variable renewable energy" without risk-



Mr Paul Mwesigwa, UEDCL managing director.
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