

ELECTRICITY AUTHORITY OF CAMBODIA

ELECTRICITY LAW OF THE KINGDOM OF CAMBODIA

**CONSOLIDATED LICENSE FOR PROVIDING ELECTRIC POWER
GENERATION, NATIONAL TRANSMISSION AND DISTRIBUTION
IN THE KINGDOM OF CAMBODIA**

ELECTRICITE DU CAMBODGE

01 February 2002

PART 1

**DECISION TO GRANT THE CONSOLIDATED LICENSE
TO ELECTRICITE DU CAMBODGE**

LICENSE DOCUMENT NO. 001 LD
CONSOLIDATED LICENSE FOR
ELECTRICITE DU CAMBODGE

ELECTRICITY AUTHORITY OF CAMBODIA

- In exercise of the powers conferred by Article 7 and 30 of the Electricity Law promulgated by the Royal Decree No. NS/RKM/0201/03 dated 2 February 2001.
- In accordance with the application for Consolidated License of Electricité du Cambodge, No.2934 EDC dated 14 December 2001.
- In accordance with the consultation with concerned parties and public, made from 17 December 2001 to 28 January 2002.
- In accordance with the decision of Electricity Authority of Cambodia's Session No. 3 dated 01 February 2002

DECIDED

Article 1

There is hereby granted the **Consolidated License** to a wholly state-owned limited liability enterprise named "**Electricité du Cambodge**" established by Royal Decree No. ChS/RKT/0396/10 dated March 09, 1996. This Consolidated License comprises of:

- (a) **a Generation License** giving the right to "Electricité du Cambodge" to generate electricity for the purpose of supply to its transmission or distribution systems, during the period specified in Article 3 of Part 1, subject to the Conditions set out in Part 2 of this License;
- (b) **a National Transmission License** giving the right to "Electricité du Cambodge" to transmit electricity for the purpose of supply to any distribution systems and bulk power consumers throughout the Kingdom of Cambodia, except in the territory served by the isolated systems as provided in Article 35 of the Electricity Law of the Kingdom of Cambodia and subject to the rights of special purpose EDC under Article 33 of the Electricity Law of the Kingdom of Cambodia, during the period specified in Article 3 of Part 1, subject to the Conditions set out in Part 2 of this License;
- (c) **a Distribution License** giving the right to EDC to distribute and supply electricity to any premises in the Authorized Distribution Areas designated in Schedule 2 of Part 2 of this License, during the period specified in Article 3 of Part 1, subject to the Conditions set out in Part 2 of this License.

Article 2

The Conditions referred to the above are subject to modification or amendment in accordance with their terms or with Article 7 and 44 of Electricity Law of the Kingdom of Cambodia. Each of the licenses hereby granted is further subject to the terms as to revocation specified in Schedule 3 of Part 2 of this License.

Article 3

Each of the licenses hereby granted shall come into force from the issuing date of this consolidated license and, unless revoked in accordance with the terms specified in Schedule 3 of Part 2 of this License, shall continue in force until determined by termination notice in writing given by Electricity Authority of Cambodia to EDC in relation to the consolidated license for desegregating the generation, transmission and distribution services in the service territory of EDC as specified in Article 35 of Electricity Law of the Kingdom of Cambodia.

Phnom Penh, 1 February 2002

CHAIRMAN OF ELECTRICITY AUTHORITY OF CAMBODIA

**KINGDOM OF CAMBODIA
NATION RELIGION KING**



ELECTRICITY AUTHORITY OF CAMBODIA
ADDITIONAL DECISION ON THE CONSOLIDATED LICENSE
No. 001 LD FOR ELECTRICITE DU CAMBODGE
ELECTRICITY AUTHORITY OF CAMBODIA

- In exercise of the powers conferred by Article 7 and 30 of the Electricity Law promulgated by the Royal Decree No. NS/RKM/0201/03 dated 2 February 2001.
- Refer to the Consolidated License Document No.001 LD issued by Electricity Authority of Cambodia on January 01, 2002 to Electricite du Cambodge.
- In accordance with the proposal contained in the letter of Ministry of Industry, Mines and Energy No.595, dated April 11, 2003.
- Refer to the decision of EAC to proceeding for initiate to enable expeditious supply of electricity to consumers in Phum Prek Thmey, Keansvay District, Kandal Province according to proposal contained in the letter of Ministry of Industry, Mines and Energy.
- Refer to the Power Purchase Agreement (PPA) No. EDC-PC2-KGTrach-02-2002 dated November 15, 2002 made between Electricité du Cambodge (EDC) and Company No. 2 of Vietnam.
- In accordance with the consultation with concerned parties and public, made from May 6, 2003 to July 30, 2003.
- In accordance with the decision of Electricity Authority of Cambodia's Session No.24 dated August 18, 2003

DECIDES

To issue additional decision on the license document No. 001 LD granted to state-owned enterprise "Electricité du Cambodge" on February 01, 2001, to enable expeditious supply of electricity to consumers in Tambon Khum Prek Thmey and Khum Chheu Teal, Keansvay District, Kandal Province according to proposal contained in the letter of Ministry of Industry, Mines and Energy dated April 11, 2003 and allow EDC to supply electricity in Kompong Trach district Town, Khum Oeuseysrok Khanglech and Khum Kompong Trach Khangkeut, Kompong Trach District, Kompot Province according to Power Purchase Agreement (PPA) No. EDC-PC2-KGTrach-02-2002 dated November 15, 2002 made between Electricité du Cambodge (EDC) and Company No. 2 of Vietnam as contents as below.

Article 1

To exclude Tambon Khum Prek Thmey and Khum Chheu Teal, Keansvay District, Kandal Province from the distribution area of Electricité du Cambodge, to enable any other supplier to supply electricity to this area. To add Kompong Trach district Town, Khum Oeuseysrok Khanglech and Khum Kompong Trach Khangkeut, Kompong Trach District, Kompot Province to the distribution areas of EDC to supply electricity.

Article 2

This decision is added to the part one of the license No. 001 LD as an additional decision.
The schedule 2 of the license No. 001 LD is replaced by the revised schedule 2 attached here with.

Article 3

The other contents and conditions of the license No. 001 LD shall remain unaltered and in force.

Article 4

This decision and attached schedule shall be a part of the license document No. 001 LD of licensee.

Article 5

The decision shall come into force from the date of signing.

Article 6

The licensee shall send this decision to deposit additionally at the places, where the license document No. 001 LD has been deposited in order that the deposited license document No. 001 LD is in conformity with this decision.

Phnom Penh, 18 August 2003

CHAIRMAN OF ELECTRICITY AUTHORITY OF CAMBODIA

PART 2

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DEFINITION OF THE TERMS USED IN THE CONDITIONS OF CONSOLIDATED LICENSE FOR EDC

In this or any of the following Parts of this document and in the Schedules below, unless otherwise specified or the context otherwise requires:

- “Active Energy” means the electrical energy produced, flowing or supplied by an electric circuit during a time interval, (being integral with respect to time of the instantaneous power), measured in units of watt-hours (Wh) and standard multiples thereof, that is:
1,000 Wh = 1 Kilowatt-hour (kWh)
1,000 kWh = 1 megawatt-hour (MWh).
1,000 MWh = 1 gigawatt-hour (GWh)
1,000 GWh = 1 terawatt-hour (TWh)
- “Audit” means audit EDC’s Financial Statement by any auditor for the time being providing business.
- “Authorized” in relation to any business or activity means authorized by license granted under Law.
- “Condition” means a Condition set out in this License.
- “Connection Charges” means charges made for the carrying out of works and provision and installation of electrical plant, electric lines and auxiliary meters in constructing or modifying entry and exit points on EDC’s Transmission System or Distribution System.
- “Consumer” means a person or his successor, that purchases or receives electricity for consumption and not for delivery or resale
to other. **Small Consumer** " is the domestic consumer or consumer having normal annual consumption no more than 12,000 kWh. **Big Consumer** " is the consumer supplied from the Distribution System and having normal annual consumption more than 12,000 kWh. **Bulk Consumer** " is the consumer supplied from the Transmission System.
- “Customer” means any person supplied or requiring to be supplied with electricity at premises within the authorized area.
- “Distribution Business” means the business of the Distribution EDC or any affiliate comprising or ancillary to:
(a) the distribution of electricity through EDC’s Distribution System, including any business in providing connections to such system;
(b) the provision of Metering Services; and
(c) the supply of electricity to consumers.
- “Distribution Code” means the Distribution Code covering all material technical aspects relating to connections to and the operation and use of EDC’s Distribution System or the operation of electric lines and electrical plant connected to the Distribution System of EDC or distribution system of any other person authorized to connect with EDC system.
- “Distribution License” means the Distribution License granted in Article 1(c) of Part 1.
- “Distribution System” in relation to EDC means all electric lines of EDC within EDC’s authorized distribution area (excepting lines forming part of EDC Transmission System) and any other electric lines which EAC may specify as forming part of EDC’s Distribution System, and includes any electrical plant and meters of EDC which are used in connection with the distribution of electricity by EDC; and, in relation to any other distributor, it shall have the same meaning as it has in the license held by such distributor.
- “Distributor” means any person who holds a Distribution License.
- “EAC” means the Electricity Authority of Cambodia established by the Electricity Law promulgated by Royal Decree No. NS/RKM/0201/03 dated 2 February 2001.
- “EDC” Means the Electricité du Cambodge, established by Royal Decree No. ChS/RKT/0396/10 dated March 09, 1996.
- “Generation Business” means the business (if any) of EDC (as holder of the Generation License), or any affiliate of EDC, in the generation of electricity.
- “Generation License” means the Generation License granted in Article 1 (a) of Part 1.
- “Law” Means the Electricity Law of the Kingdom of Cambodia, promulgated by the Royal Decree No. NS/RKM/0201/03 dated 2 February 2001.
- “License Document” means this document comprising Parts 1 to Part 2 and Schedules 1 to 3.

- “Metering equipment” includes any meter and associated equipment, which materially affects the operation of that meter.
- “Notice” means (unless otherwise specified) notice given in writing or by any other reasonable means.
- “Representation” includes any objection or any other proposal made in writing.
- “Transmission Business” means the authorized business of EDC (as holder of the Transmission License) or any affiliate of EDC in the planning, development, construction and maintenance of EDC’s Transmission System and the operation of such system for transmission by EDC, including any business in providing connections to EDC’s Transmission System, but shall not include any other business (whether or not a Separate Business) of EDC or any affiliate of EDC in the provision of services to or on behalf of any one or more persons.
- “Transmission Code” means the code covering all activities relating to the connections, the operation and the use of EDC’s Transmission System, including the operation of electric lines and electrical plant connected to the Transmission System of EDC.
- “Transmission License” means the Transmission License granted in Article 1(b) of Part 1.
- “Transmission Licensee” means a person who holds a Transmission License.
- “Transmission System” in relation to EDC means the system of electric lines comprising EDC’s high voltage lines and any other electric lines which EAC may specify as forming part of EDC’s Transmission System and includes any electrical plant and meters of EDC which are used in connection with transmission by EDC; and, in relation to any other Transmission Licensee, it has the same meaning as it has in the License held by such Transmission Licensee.

CONDITIONS OF CONSOLIDATED LICENSE FOR EDC

CHAPTER 1

GENERAL OBLIGATION OF EDC

Condition 1: Obligation on compliance with the Laws, Sub-Decrees and Orders

1. EDC shall comply with the Electricity Law, other Laws and Sub-Decree related to the Laws.
2. EDC shall comply with the Orders of EAC in issuing Rules and Regulations and shall also act in accordance with the terms and conditions of this License.
3. EDC is subjected to the environmental obligations as specified in the Law on Environmental Protection promulgated by the Royal Decree NS/RKM/1296/36, dated 24/12/1996 and all Sub-Decrees on Environmental Protection in the Kingdom of Cambodia.

Condition 2: Obligation on compliance with Business Conditions

EDC shall comply with the Business Requirements defined as following:

1. EDC shall operate and manage the Services provided by this License in an efficient, quality and transparent manner in accordance with the requirement of this License and the regulations defined in the Rules issued by EAC.
2. EDC shall not acquire any additional business, including the business of generating, transmitting, distribution or supply of energy, without the prior approval in writing of EAC.
3. EDC shall not use the assets of this License's business for the purpose other than Generation, Transmission and Distribution as specified in this document without prior approval of EAC.
4. EDC shall not enter into any arrangements with third party for purchase e of electricity without prior approval of EAC.
5. Any agreement relating to any transaction of the nature described above at paragraph 2, 3 and 4, unless made with the prior written consent of EAC, shall be void and would constitute violation of Conditions of this License.
6. Any dispute or difference between EDC and third party relating to any agreement for purchase of electricity from third party shall be settled according to the provision in that agreement.

Condition 3: Obligation on provision of Financial Statement of EDC

1. The financial year of EDC shall be reckoned every year from 1st January to the following 31st December.
2. EDC shall maintain accounting and reporting arrangements, which enable separate accounts to be prepared for each Separate Business and showing the financial affairs of each such Separate Business. "Separate Business" means each of Generation Business, Transmission Business and Distribution Business.
3. EDC shall prepare and deliver to EAC the audited consolidated accounting statements for each affiliate and whole EDC six months after the end of the financial year.

Condition 4: Obligation on the Power Purchasing

1. EDC shall purchase electricity at the best effective price reasonably obtainable having regard to the sources available at present and in future through the exercise of selection and evaluation of generation project. EDC shall follow the guidelines and procedures endorsed by Ministry of Industry, Mines and Energy and EAC for selection and evaluation generation project proposals. These should include adoption of a two-stage competitive bidding process for each feasible site. A detailed feasibility study should be available before the bidding process is commenced. Bids should be sought on the assumption that projects would use the specified site, fuel and technology and follow a published timetable for selection and approval of projects. It should be made clear that projects that cannot meet specific timing for financial closure should lapse.
2. In the discharge of its obligations under paragraph 1, may additionally have regard to any considerations liable to affect its ability and that of any affiliate or related undertaking of the EDC to discharge its obligations under this Condition in the future, including the future security, reliability and diversity of sources of fuel for own generation and of electricity available for purchase.

3. For the purpose of paragraph 1, an agreement which imposes an obligation on EDC to make a payment to another party to the agreement in the event that EDC does not purchase electricity (or a minimum quantity of electricity) under the Agreement shall be deemed to be an agreement under which EDC has a must-take obligation to purchase electricity and any quantity of electricity purchased by EDC pursuant to the agreement shall be deemed to have been purchased in performance of a must-take obligation to purchase electricity if EDC would have been obliged to make a payment to another party to the agreement had it not purchased such quantity of electricity.

Condition 5: Obligation on Protection of Health and Safety of Employees

1. EDC shall consult with appropriate representatives of persons employed by it in order to establish and maintain an appropriate machinery or forum for the joint consideration of matters of mutual concern in respect of the health and safety of such persons.

Condition 6: Obligation on Provision of Information to EAC

1. EDC shall provide, in the manner and form determined by EAC, such information as EAC may require from time to time monitoring EDC's compliance with the conditions of this Consolidated License and any other legislative or regulatory requirements.
2. Without prejudice to the generality of paragraph 1, EAC may require EDC to supply information which is more extensive than or differs from that required to be prepared and supplied to EAC.

Condition 7: Obligation on Payment of License Fees

1. EDC shall at the times stated hereunder pay to EAC the license fees of the amount specified in this condition.
2. From the effective date to the end of the term of this license, EDC shall pay to EAC **“The Monthly Consolidated License Fee”** of all types of services and of all locations of services permitted by this License, which is calculated according to the rate of license fee and the formula determined by EAC for each financial fiscal years pursuant Article 27 of Electricity Law of the Kingdom of Cambodia and Article 3 of Sub Decree defining the maximum of License fee to be implement to the electric power services in the Kingdom of Cambodia.
3. Each invoice of monthly license fee shall be due and payable within 14 days after the day on which it is received by EDC.

CHAPTER 2

CONDITIONS APPLICABLE TO THE GENERATION LICENSE

Condition 1: Conditions on the Generation Facilities

1. Under this license, if EDC intends to add new generation facilities, then EDC must obtain a generation license for each new generation facility.
2. The existing generation facilities of EDC are specified in Schedule 1.

Condition 2: Conditions on the Generation Operation

1. EDC shall plan and develop each part of the auxiliary system of each power plant in accordance with a standard that Generation Operation can be performed efficiently, sustainably and qualitatively. "Auxiliary system" means auxiliary lines and any electrical plant and meters of the Licensee, which are used in connection with the generation of electricity.
2. EDC shall cooperate with Independent Power Producers which are enter into PPA with EDC to prepare a program of planned outages of all Power Plants for each financial year. This program shall submit to EAC for approval. EAC may (following consultation with all parties) revise or approve this submitted planned outages prior the commencement of the financial year.
3. EDC shall draw up and inform to EAC the action plan by which EDC shall perform to provide the efficient, sustainable and quality generation services.

Condition 3: Compliance with the Transmission and Distribution Codes

1. EDC shall comply with the provisions of the approved Transmission and Distribution Codes.
2. EAC may (following consultation with EDC and other Transmission or Distribution Licensees if any as EAC shall consider appropriate) issue directions relieving EDC of its obligation under paragraph 1 in respect of such parts of the Transmission and Distribution Codes.

CHAPTER 3

CONDITIONS APPLICABLE TO THE TRANSMISSION LICENSE

Condition 1: Condition on Preparing of the Transmission Codes

1. EDC shall thereby prepare his Transmission Code and sent to EAC for its approval. After approval of EAC, this Transmission Code shall be at all times in force and EDC shall implement and comply with this Transmission Code.
2. EDC shall periodically review (including upon the request of EAC) the Transmission Code and its implementation.
3. Revisions to the Transmission Code proposed by EDC shall require to be approved by EAC.
4. EAC may (following consultation with EDC) issue directions relieving EDC of its obligations under the Transmission Code in respect of such parts of EDC's Transmission System and to such extent as may be specified in the directions.

Condition 2: Transmission System Security Standard and Quality of Service

1. EDC shall:
 - (a) plan and develop its Transmission System in accordance with EDC's investment program, EDC's development plan, the Transmission Code and such other standard of planning; and
 - (b) operate its Transmission System in accordance with the Transmission Control Instruction, Operational Standards of Security of Supply, the Transmission Code and such other standard of operation.
2. EDC shall draw up and submit to EAC for its approval a statement setting out criteria by which the performance of EDC in maintaining Transmission System security and availability and quality of service may be measured.
3. EDC shall within 3 months after the end of each financial year submit to EAC a report providing details of the performance of EDC during the previous financial year against the criteria referred to in paragraph 2.
4. EAC may (following consultation with EDC) issue directions relieving EDC of its obligations under paragraph 1 in respect of such parts of EDC's Transmission System and to such extent as may be specified in the directions.
5. EDC shall give or send a copy of such documents (as from time to time revised) to any person requesting, subject to EDC may make a charge for any copy given or sent of an amount which will not exceed any amount specified for the time being for the purposes of this Condition in directions issued by EAC.

Condition 3: Conditions on compliance with Distribution Codes

1. EDC shall comply with the provisions of EDC's Distribution Code and the Distribution Code of each other distributors insofar as applicable to the authorized business of EDC.
2. EAC may (following consultation with EDC and such other distributors as EAC shall consider appropriate) issue directions relieving EDC of its obligation under paragraph 1 in respect of such parts of EDC's Distribution Code or the Distribution Code of any other distributors and, in each case, to such extent as may be specified in those directions.

Condition 4: Disposal of Relevant Assets

1. EDC shall not dispose of or relinquish operational control over any relevant asset prior the consent from EAC. "Relevant asset" means any asset for the time being forming part of EDC's Transmission System, any control center for use in conjunction therewith and any right, title or interest in land upon which any of the foregoing is situate.
2. EDC shall give to EAC written proposal of its intention to dispose of or relinquish operational control over any relevant asset, together with such further information as EAC may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset.
3. EAC may (following consultation with EDC) consents or not consents this proposal.

Condition 5: Restriction on use of Certain Information and Independence of the Transmission Business

1. EDC shall establish and shall thereafter maintain the full managerial and operational independence of the Transmission Business from each other business of EDC.
2. EDC shall arrange for the Manager of Transmission Business in the course of discharging his responsibility under paragraph 1.
3. Any information relating to or deriving from the management or operation of the Transmission Business shall, for the purposes of this Condition, be treated as confidential information.
4. EDC shall disclose or authorize access to confidential information only in the case that by its opinion it is necessary.

Condition 6: Conditions on the Transmission System Outages

1. EDC shall prepare and submit to EAC a program of planned outages for their respective Transmission Systems for each financial year.
2. EAC may (following consultation with EDC) revise or approve this submitted planned outages prior the commencement of the financial year.
3. EDC shall notify EAC in writing forthwith in the event that EDC have not agreed the approval program of planned outages for their respective Transmission Systems for the relevant financial year prior to the commencement of the financial year.

CHAPTER 4

CONDITIONS APPLICABLE TO THE DISTRIBUTION LICENSE

Condition 1: Generation Security Standard

1. EDC shall make availability of power sources sufficient for supply to its consumers. EDC shall ensure the following conditions:
 - (a) will not be discontinued in more than the standard time approved by EAC; and
 - (b) that the voltage or frequency of electricity will not be reduced below usual operational limits approved by EAC.

Condition 2: Distribution System Planning Standard and Quality of Service

1. Planning and development EDC's Distribution System shall apply with a standard issuing by Ministry of Industry, Mines and Energy or such other standard of planning as EDC may in maintaining distribution system security and availability and quality of service.
2. The Licensee shall draw up and submit to EAC for its consideration criteria by which the quality of its performance referred to in paragraph 1 above.

Condition 3: Security and Safety of Supplies

1. EDC shall establish and operate an enquiry service for use by any person for the purposes of receiving reports and offering information, guidance or advice about any matter or incident that:
 - (a) causes danger or requires urgent attention, or is likely to cause danger or require urgent attention, in relation to the supply or distribution of electricity in EDC's authorized area; or
 - (b) affects, or is likely to affect the maintenance of the security, availability and quality of service of EDC's distribution system.
2. The service established by EDC in accordance with paragraph 1 shall:
 - (a) be provided without charge by EDC to the user at the point of use;
 - (b) ensure that all reports and enquiries are processed in a prompt and efficient manner whether made by telephone, in writing or in person; and
 - (c) be available to receive and process telephone reports and enquiries at all times on every day of each year.
3. EDC shall make arrangements to keep each of its customers informed of a postal address and telephone number at which the service established in accordance with paragraph 1 may be contacted.
4. EDC may discharge the duty imposed by paragraph 3 by providing the requisite information to each of its customers.
5. EDC shall inform each of its customers of any change to the address or telephone number of the service established in accordance with paragraph 1 as soon as is practicable prior to such change becoming effective.

Condition 4: Detection and Prevention of Theft, Damage and Meter Interference

1. EDC shall (and shall ensure that its agents) take all reasonable steps to detect and prevent:
 - (a) the theft of electricity at the supplied point
 - (b) damage to any electrical plant, electric line or electricity meter through which such premises are supplied; and
 - (c) interference with any electricity meter through which such premises are supplied.
2. EDC shall include in the provisions of supply contract with the customer that the customer shall, as soon as is reasonably practicable and possible, inform EDC of any incident where it has reason to believe:
 - (a) there has been damage to such electrical plant, electric line or meter; or
 - (b) there has been interference with the meter to alter its register or prevent it from duly registering the quantity of electricity supplied.

Condition 5: Condition on Preparing of the Distribution Codes

1. EDC shall thereby prepare his Distribution Code and sent to EAC for its approval. After approval of EAC, this Distribution Code shall be at all times in force and EDC shall implement and comply with this Distribution Code.
2. EDC shall periodically review (including upon the request of EAC) the Distribution Code and its implementation.

3. Revisions to the Distribution Code proposed by EDC shall require to be approved by EAC.
4. EAC may (following consultation with EDC) issue directions relieving EDC of its obligations to implement and comply with the Distribution Code in respect of such parts of EDC's Distribution System and to such extent as may be specified in the directions.

Condition 6: Standards of Performance

1. EDC shall conduct its Supply and Distribution Operation in accordance with a standard of performance determined by EAC pursuant to Article 3 and 7(e) of Electricity Law of the Kingdom of Cambodia.

Condition 7: Complaint Handling Procedure

1. EDC shall prepare and submit to EAC for its approval on its procedure for handling complaints from customers.

Condition 8: Disposal of Relevant Assets

1. EDC shall not dispose of or relinquish operational control over any relevant asset prior the consent from EAC. "Relevant asset" means any asset for the time being forming part of EDC's Distribution System, any control center for use in conjunction therewith and any right, title or interest in land upon which any of the foregoing is situate.
2. EDC shall give to EAC written proposal of its intention to dispose of or relinquish operational control over any relevant asset, together with such further information as EAC may request relating to such asset or the circumstances of such intended disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset.
3. EAC may (following consultation with EDC) consents or not consents this proposal.

Condition 9: Compliance with Transmission Codes

1. EDC shall comply with the provisions of the Transmission Code insofar as applicable to the businesses of EDC.
2. EAC may (following consultation with EDC) issue directions relieving EDC of its obligations under paragraph 1 in respect of such parts of the Transmission Code to such extent as may be specified in those directions.

Condition10: Compliance with Rule on the Conditions of Supply

1. EDC shall comply with the provisions of the Rule on the Conditions of Supply of electricity to Consumer in Cambodia issued by EAC.
2. In specific case and area, EAC may (following consultation with EDC) issue directions relieving EDC of its obligations under paragraph 1 in respect of such parts of the Rule on the Conditions of Supply to such extent as may be specified in those directions.

CHAPTER 5

CONDITIONS APPLICABLE TO THE CONNECTION AND SUPPLY FOR TRANSMISSION AND DISTRIBUTION LICENSE

Condition 1: Basis Condition for Supplies or Sales of Electricity to other Distributors or Bulk Consumers

Preparation of Statement on Connection Charge

1. EDC shall as soon as practicable prepare a statement approved by EAC setting out the basis upon which charges will be made for the connection to EDC's system.

Preparation of Statements on System Available Capacity

2. EDC shall as soon as practicable prepare a statement showing in respect of each of the 7 succeeding financial years circuit capacity, forecast power flows and loading on each part of its Transmission System and Distribution Systems and fault levels for each transmission and distribution node, together with:
 - (a) such further information as shall be reasonably necessary to enable any person seeking connection to the system to identify and evaluate the opportunities available when connecting to and making use of such system;
 - (b) a commentary prepared by EDC indicating EDC's views as to those parts of EDC's Transmission and Distribution System most suited to new connections; and
 - (c) such other matters as shall be specified in directions issued by EAC from time to time for the purposes of this Condition.

Tariff of Electricity for other Distributors or Bulk Consumers

3. EDC shall as soon as practicable prepare a statement approved by EAC setting out the tariffs for the provision of electricity to big consumers, other distribution system or bulk consumer.

Revision of the Statements

4. EDC may periodically revise all statements prepared in accordance with this condition and shall, at least once in every year, make any necessary revisions to such statements in order that the information set out in the statements shall continue to be accurate in all material respects.
5. EDC shall send a copy of each revision of such statements to EAC. Each such revision shall require to be approved by EAC and shall not become effective until approved by the EAC.

Condition 2: Non-Discrimination in the Provision of Electricity and Connection to System

1. In the provision of electricity or in the carrying out of works for the purpose of connection to EDC's system or in providing for the retention of a connection to its system EDC shall not discriminate:
 - (a) as between any persons or classes of person; or
 - (b) as between EDC and any person or any class or classes of persons.

Condition 3: Requirement to Offer Terms

Offer of Terms for Connection of other Distributors or Bulk Consumer to EDC's System

1. On application made by any person EDC shall offer an agreement for the connection or for the modification of an existing connection to EDC's System.
2. For the purpose of determining an appropriate proportion of the costs directly or indirectly incurred in carrying out works under an agreement for making a connection or modification to an existing connection, EDC shall have regard to:
 - (a) the benefit (if any) to be obtained or likely in the future to be obtained by EDC or any other person as a result of the carrying out of such works whether by reason of the reinforcement or extension of EDC's System or the provision of additional entry or exit points on such system or otherwise;
 - (b) the ability or likely future ability of EDC to recoup a proportion of such costs from third parties; and
 - (c) the principles for connections to EDC's distribution system:
 - (1) no charge will normally be made for reinforcement of the existing Distribution System if the new or increased load requirement does not exceed 25 per cent of the existing effective capacity at the relevant points on the system; and

- (2) charges will not generally take into account Distribution System reinforcement carried out at more than one voltage level above the voltage of connections.

Offer of Terms for Supplies or Sales of Electricity

3. EDC shall offer to enter into an agreement with any person who requests EDC to provide supplies or sales of electricity, such offer to make provision for the tariffs and charges to be made in respect of supplies or sales of electricity.

Condition 4: Standard Terms of Connection and Supply for other Distributor and Bulk Consumer

1. EDC shall prepare and submit to EAC for its approval the "Standard Terms of Connection and Supply".
2. EDC may, subject to the approval of EAC, prepare different Standard Terms of Connection and Supply for different cases or different classes of premises, clearly identifying the criteria used to distinguish between such cases or classes.
3. EDC shall from time to time, and whenever requested to do so by EAC, review the Standard Terms of Connection and Supply with a view to determining whether any revision should be made to such terms, and in the course of the review EDC shall consult with the other distributors.
4. At the conclusion of any review in accordance with paragraph 3 EDC shall submit to EAC:
 - (a) a proposal for the revision of the Standard Terms of Connection and supply (or, where EDC considers it appropriate in all the circumstances, a proposal that no revision should be made to the Standard Terms of Connection and Supply); and
 - (b) the reasons for its proposal, together with a summary of responses received from such parties as were consulted by EDC.
5. A proposal made by EDC in accordance with paragraph 4 shall require to be approved by EAC and, following such approval in writing, EDC shall accordingly revise the Standard Terms of Connection.

Condition 5: Functions of EAC

1. If, after a period which appears to EAC to be reasonable for the purpose, EDC has failed to enter into an agreement with any person of distributor or bulk consumer entitled or claiming to be entitled thereto pursuant to a request the connection and supply, EAC may, on the application of that person or EDC, settle any terms of the agreement in dispute between EDC and that person.
2. In so far as any person entitled or claiming to be entitled to an offer for connection and Supply under Condition 4 or 5 wishes to proceed on the basis of the agreement as settled by EAC, EDC shall forthwith enter into and implement such agreement in accordance with its terms.
3. If either party to such agreement proposes to vary the contractual terms of any agreement for supply services, for the provision of a connection and supply or for the modification of an existing connection to EDC's System, EAC may, at the request that party, settle any dispute relating to such variation in such manner as appears to EAC to be reasonable

SCHEDULE 1

EXISTING GENERATING FACILITIES OF EDC

The existing generating facilities of EDC comprise of following Power Plants:

- A- In Phnom Penh
- B- In Sihanoukville
- C- In Siem Reap
- D- In Battambang
- E- In Takeo
- F- In Banteay Meanchey
- G- In Kampot
- H- In Prey Veng
- I- In Ratanakiri
- J- In Steung Treng

SCHEDULE 2

AS AMMENDED IN SESSION OF EAC No.24 DATED 18 August 2003 AUTHORIZED DISTRIBUTION AREAS

1. The authorizes distribution Areas, where EDC have the right to provide the electricity distribution and supply services are comprising of:
 - (a) Phnom Penh and its surrounding Distribution Area, which is determined by the boundary map No. EDC-PNH-D-Map-Revised-1
 - (b) Sihanoukville Distribution Area, which is determined by the boundary map No. EDC-SHV-D-Map
 - (c) Siem Reap town Distribution Area, which is determined by the boundary map No. EDC-SRP-D-Map
 - (d) Kampong Cham town Distribution Area, which is determined by the boundary map No. EDC-KCM-D-Map
 - (e) Battambang town Distribution Area, which is determined by the boundary map No. EDC-BBG-D-Map
 - (f) Takeo town Distribution Area, which is determined by the boundary map No. EDC-TKO-D-Map
 - (g) Banteay Meanchey town Distribution Area, which is determined by the boundary map No. EDC-BTM-D-Map
 - (h) Kampot and Kep towns Distribution Area, which is determined by the boundary map No. EDC-KPK-D-Map
 - (i) Svay Rieng town Distribution Area, which is determined by the boundary map No. EDC-SVR-D-Map
 - (j) Prey Veng town Distribution Area, which is determined by the boundary map No. EDC-SVR-D-Map
 - (k) Kampong Speu town Distribution Area, which is determined by the boundary map No. EDC-KSP-D-Map
 - (l) Ratanakiri town Distribution Area, which is determined by the boundary map No. EDC-RNK-D-Map
 - (m) Steung Treng town Distribution Area (STR-DA), which is the fixed contiguous territory and determined by the boundary maps No. STR-DA-Map
 - (n) Ponhea Krek and Memot district Distribution Area, which is determined by the boundary map No. EDC-KR&M-D-Map
 - (o) Bavet district Distribution Area, which is determined by the boundary map No. EDC-BVT-D-Map
 - (p) Kompong Trach district Town, Khum Oeuseysrok Khanglech and Khum Kompong Trach Khangkeut, Kompong Trach District, Kompot Province Distribution Area, which is determined by the boundary map No. EDC-KGT-D-Map.
2. Distribution License granted by this document provides the right to EDC to apply for the extension or the additional distribution area in accordance with its development plan.
3. Under this license, if EDC intends to request the extension or the additional distribution areas then EDC shall prepare all necessary documents and submit to EAC in accordance with the EAC's determination. After EAC authorized to extend or to add distribution area, this schedule 2 shall be revised and attached with that authorization.

SCHEDULE 3

TERM OF REVOCATION

1. EAC may at any time consider revocation of any of the licenses granted by this License Document under following circumstance:
 - (a) if EDC requests in writing to EAC that that such license may be revoked; or
 - (b) if any amount payable under Condition 7 of Chapter 1 in relation to such license is unpaid 30 days after it has become due or remains unpaid for a period of 14 days after EAC has given EDC notice that the payment is overdue provided that no such notice shall be given earlier than the sixteenth day after the day on which the amount payable became due;
 - (c) if EDC in the opinion of the EAC has committed a material breach of any of the terms and Conditions of such License and does not comply with a final order of EAC to rectify such breach; or
 - (d) if EDC in the opinion of the EAC, is not in a position to fully and efficiently discharge the duties and obligations imposed on EDC by such License; or
 - (e) if in the opinion of EAC, EDC has committed a willful or unreasonable default to comply with conditions set forth in the rules and regulations adopted by EAC, and the Laws of the Kingdom of Cambodia, including Laws regarding environmental protection, safety, health, taxes, and electric system performance, protection and standards;
2. EAC may at any time give not less than 3 months notice in writing to EDC stating the grounds on which any License is proposed to be revoked.
3. EAC may, instead of revoking any License, permit it to remain in force subject to such further terms and conditions as considered fit to impose and any further terms or conditions imposed shall be binding upon and be observed by EDC, and be of like force and effect as if they were contained in the License.
4. Any License shall stand revoked after giving 3 months notice in case the Royal Government of Cambodia, for the purposes of encouraging efficiency and competition where this will contribute the least long run marginal cost of electricity, has issued the order to disaggregate the generation, transmission and distribution services of EDC.