

ELECTRICITY AUTHORITY OF CAMBODIA
ELECTRICITY LAW OF THE KINGDOM OF CAMBODIA

**CONSOLIDATED LICENSE FOR PROVIDING ELECTRIC POWER
GENERATION AND DISTRIBUTION SERVICES AT KRAVANH
DISTRICT TOWN, PURSAT PROVINCE**

Mr. YEAB LAO

02 FEBRUARY 2006

PART 1

**DECISION TO GRANT THE RIGHT TO PROVIDE
THE ELECTRIC POWER SERVICE**

KINGDOM OF CAMBODIA

NATION RELIGION KING



LICENSE DOCUMENT No. 124 LD CONSOLIDATED LICENSE FOR Mr. YEAB LAO

ELECTRICITY AUTHORITY OF CAMBODIA

- In exercise of the powers conferred by Article 7 and 35 of the Electricity Law promulgated by the Royal Decree NS/RKM/0201/03, dated 02/02/2001
- In accordance with Authorized Letter of Provincial Department of Industry, Mines and Energy of Pursat No. 47/01 dated January 18, 2000.
- In accordance with the application for license of Mr. Yeab Lao dated September 02, 2005.
- In accordance with the consultation with licensee, concerned parties and public, made from October 13, 2005 to November 14, 2005.
- In accordance with the decision of Electricity Authority of Cambodia's Session No. 61 dated February 02, 2006.

DECIDE

Article 1

There is hereby granted the **Consolidated License** to **Mr. Yeab Lao** (herein after referred to as "**Licensee**") Sex male Nationality Khmer, Date of Birth 1956 Permanent Address 52 Road58/1 Phum Kbal Hong, Khum Veal, Kandeang District, Pursat Province holding Khmer Identification Card No. 160000540 dated February 15, 2001, which electric power service provider at Kravanh District Town, Pursat Province for giving the right to the licensee as follow:

- (a) to continue to generate electricity at Phum Leach, Khum Leach, Phnom Kravanh District, Pursat Province for the purpose of supply electric power to his distribution systems by generating facilities defined in schedule 2, during the period specified in Article 3 of Part 1 below, subject to the conditions set out in Part 2 of this License.
- (b) to continue distribute and supply electricity to consumers in the Authorized Distribution Areas defined in Schedule 1, Part 2 of this License, during the period specified in Article 3 of Part 1 below, subject to the Conditions set out in Part 2 of this License.

Article 2

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

Article 3

This license shall come into force from the date it is signed, unless revoked earlier in accordance with the conditions of license, the term of license shall be 2 years and may be renewed for further periods and with such modification as required on the application of license.

Phnom Penh, February 02, 2006

CHAIRMAN OF ELECTRICITY AUTHORITY OF CAMBODIA

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CONDITIONS OF THE LICENSE

1 Definitions of Terms used in the License

In this following part of document or in the Schedules, 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 of Licensee’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 the Law.

“Condition” means a Condition set out in this License.

“Distribution Code” means the Distribution Code required to be prepared by EDC and approved by EAC, as from time to time revised with the approval of EAC.

“EAC” means the Electricity Authority of Cambodia established by the Electricity Law promulgated by Royal Decree No. NS/RKM/0201/03, dated February 2, 2001.

“Generation Business” means the business of the Licensee in the generation of electricity.

“Generation License” means the Generation License granted in Article 1 of Part 1.

“Generation set” means any plant or apparatus for the production of electricity and shall where appropriate include a generating station comprising more than one generation set.

“License Document” means this document comprising Parts 1 and Part 2 with Schedules 1 to 3.

“Licensee” means Mr. Yeab Lao

“Metering equipment” includes any meter and any 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.

2 General Obligation of Licensee

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

1. The Licensee shall comply with the Electricity Law, other Laws and Sub Decree relating to the Laws.
2. The Licensee shall comply with the Orders of EAC in enforcing Rules and Regulations and shall also act in accordance with the terms and conditions of this License.
3. The Licensee shall operate and manage the Plant in an efficient manner in accordance with the requirement of this License and the PPA.
4. The Licensee 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 December 1996 and Other Sub-Decrees on Environmental Protection of the Kingdom of Cambodia.

Condition 2: Obligation on Provision of Licensee Financial Statement

1. The financial year of the Licensee shall be reckoned every year from 1st January to the following 31st December.
2. The Licensee shall submit to EAC the copy of its audited financial statement not later than 6 months after the end of financial year to which they relate.

Condition 3: Obligation on Provision of Information to EAC

1. The Licensee shall provide, in the manner and form determined by EAC, such information as EAC may require from time to time to monitor the Licensee's compliance with the conditions of this License, the provisions of Electricity Law and any other legislative or regulatory requirements.

2. Without prejudice to the generality of paragraph 1, EAC may require the Licensee to supply information which is more extensive than or differs from that required to be prepared and supplied to EAC.

Condition 4: Obligation on Payment of License Fee

1. From the effective date to end of the term of license, the Licensee shall pay to EAC “**The Monthly License Fee**” which is calculated according to the rate of license fee and the formula determined by EAC for each financial year pursuant to 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.
2. Each invoice of monthly license fee shall be due and payable within 14 days after the day on which it is received by Licensee.

3 Service Conditions

Condition 5: Conditions on the Generation Facilities

1. This License provides the right to Licensee to generate electricity power only from fixed identified generation facilities specified in schedule 1 of this license.

Condition 6: Conditions on the Generation Operation

1. The Licensee shall plan and develop each part of the auxiliary system in accordance with a standard, in which the 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. The Licensee shall cooperate with EDC to prepare a program of planned outages for their respective generation sets for each financial year. This program shall submit to EAC for approval. EAC may (following consultation with the Licensee and EDC) revise or approve this submitted planned outages prior the commencement of the financial year.
3. The Licensee shall draw up and inform to EAC the action plan by which the Licensee shall perform to provide the efficient, sustainable and quality generation services.

Condition 7: Conditions on the Business

1. The Licensee shall not acquire any additional generation facilities without the prior approval in writing of EAC.
2. The Licensee shall not acquire or associate himself with any additional business, which is not identified in the license, including the business of generating, transmitting, distribution or supply of energy.
3. The Licensee shall not use the assets of this License's business for the purpose other than generation service as specified in this license without prior approval of EAC.
4. The Licensee shall not revise the context of PPA registered in this License without prior approval of EAC.
5. The Licensee shall not, at any time, assign his License or transfer his undertaking, or any part thereof, by sale, mortgage, lease, exchange or otherwise, unless specified in PPA and approved by EAC.
6. The Licensee, who is the owners of this service shall not own the shares in or have any other direct financial interest in any other licensee.
7. Any agreement relating to any transaction of the nature described above at paragraph 1, 3, 4 and 5, unless made with the prior written consent of EAC, shall be void and would constitute violation of Conditions of License.

Condition 8 : Settlement of the Disputes Relating to PPA

1. Any dispute or difference between Licensee and Nareth Electricity Development relating to the PPA shall be settled according to the provision in the PPA.

Condition 9: Compliance with Transmission and Distribution Codes

1. The Licensee shall comply with the provisions of the Transmission and Distribution Codes of EDC.
2. EAC may (following consultation with the Licensee and EDC) issue directions relieving the Licensee of its obligation under paragraph 1 in respect of such parts of the Transmission and Distribution Codes.

Condition 10: Health and Safety of Employees

1. The Licensee shall consult with persons employed by it in order to consider the matters of the health and safety of such persons.

Condition 11: Communication

1. All communications relating to this License shall be written in Khmer as official.

SCHEDULE 1

AUTHORIZED DISTRIBUTING AREA

1. The authorized distribution area, where the licensee has the right to provide the electricity and supply service to consumers is Phnom Kravanh District Town, Pursat Province.
2. This authorized distribution area is determined by “the boundary map” attached.
3. Under this license, if the licensee intends to request the extension or the additional distribution areas then the licensee 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 1 shall be revised and attached with that authorization.

SCHEDULE 2

EXISTING GENERATING FACILITIES OF THE LICENSEE

Licensee's Generation Facilities

A. Generator House

1. The licensee’s generator located at Phum Leach, Khum Leach, Phnom Kravanh District, Pursat Province.

B. General Specifications of the Generators

1. The licensee has 01 unit of generator with the installed capacity of 96 kVA:
2. The normal fuel for the generators is Diesel Oil (DO).

C. Request of changing or adding generating facility

1. Under this license, if the licensee intends to request the changing or the additional generation facility then the licensee shall prepare all necessary documents and submit to EAC in accordance with the EAC’s determination. After EAC authorized to change or to add generation facility, 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 license granted by this Document under following circumstance:
 - (a) if the Licensee requests in writing to EAC that the license may be revoked; or
 - (b) if any amount payable under Condition 4 in relation to this license is unpaid 30 days after it has become due or remains unpaid for a period of 14 days after EAC has given the Licensee notice that the payment is overdue provided that no such notice shall be given earlier than the 16 days after the day on which the amount payable became due;
 - (c) if the Licensee 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 the Licensee, in the opinion of the EAC, is not in a position to fully and efficiently discharge the duties and obligations imposed on Licensee by such License; or
 - (e) if in the opinion of EAC the Licensee 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, natural source, 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 the Licensee 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 the Licensee, and be of like force and effect as if they were contained in the License.