

ELECTRICITY AUTHORITY OF CAMBODIA
ELECTRICITY LAW OF THE KINGDOM OF CAMBODIA

**CONSOLIDATED LICENSE FOR PROVIDING ELECTRIC POWER
GENERATION AND DISTRIBUTION SERVICES AT CHOEUNG
CHNOK, KHUM TAINGKRANG, BATHAY DISTRICT, KAMPONG
CHAM PROVINCE**

Mr. AM HORT

May 31, 2006

PART 1

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

KINGDOM OF CAMBODIA
NATION RELIGION KING



LICENSE DOCUMENT No. 130 LD
CONSOLIDATED LICENSE FOR Mr. AM HORT

- 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 the consultation with licensee, concerned parties and public, made from February 05 , 2006 to March 05, 2006. Kampong Cham No. 08 dated January 05, 2005.
- In accordance with the application for license of Mr. AM HORT dated January 03, 2006.
- In accordance with Authorized Letter of Provincial Department of Industry, Mines and Energy of
- In accordance with the decision of Electricity Authority of Cambodia's Session No. 70 dated May 31 , 2006.

DECIDES

Article 1

There is hereby granted the **Consolidated License** to **Mr. AM HORT** (herein after referred to as "**Licensee**") Sex male Nationality Khmer, Date of Birth 1962 Permanent Address Phum Choeung Chnok, Khum Taingkrang, Bathay District, Kampong Cham Province holding Khmer Identification Card No. 060535832 dated July 23, 2002, which electric power service provider at Phum Choeung Chnok, Khum Taingkrang, Bathay District, Kampong Cham Province for giving the right to the licensee as follow:

- (a) to continue to generate electricity at Phum Choeung Chnok, Khum Taingkrang, Bathay District, Kampong Cham 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, May 31, 2006
CHAIRMAN OF ELECTRICITY AUTHORITY OF CAMBODIA

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CONDITIONS OF LICENSE

1 DEFINITIONS OF TERMS USED IN THE LICENSE

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

"Audit" means audit on the Licensee's Financial Statement of a financial year by an auditor.

"Condition" means a Condition set out in this License.

"Small Consumers" are consumers supplied power at single phase and low voltage (220 Volts).

"Medium Consumers" are consumers supplied power at three phases and low voltage (380 Volts).

"Big Consumers" are consumers supplied power at medium voltage (above 380 Volts to 22 000 Volts).

"Bulk Consumers" are consumers supplied power at high voltage (above 22 000 Volts).

"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 Licensee or ancillary to:

- (a) the distribution of electricity through the Licensee's Distribution System, including any business in providing connections to such system;
- (b) provision of Metering Services; and
- (c) supply of electricity to consumers.

"Distribution License" means the Distribution License granted in Article 1(b) of Part 1.

"Distribution System" Means all electric network of the Licensee within the Licensee's authorized distribution area and any other electric lines which EAC may specify as forming part of the Licensee's Distribution System, and includes any electrical plant and meters of the Licensee which are used in connection with the distribution of electricity by the Licensee; 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 February 2, 2001.

"Generation Business" means the business (if any) of the Licensee (as holder of the Generation License) in the generation of electricity.

"Generation License" means the Generation License granted in Article 1 (a) of Part 1.

"License Document" means this document comprising Part 1 to 2 and Schedules 1 to 3.

"Licensee" means . Mr. **Am Hort**

"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.

2 GENERAL OBLIGATION OF LICENSEE

Condition 1: Obligation on compliance with Laws and Sub-decrees.

1. The Licensee shall comply with the Electricity Law of the Kingdom of Cambodia, other Laws and Sub Decrees relating to the Laws.
2. 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 24/12/1996 and Other Sub-Decrees on Environmental Protection of the Kingdom of Cambodia.

Condition 2: Obligation on compliance with Technical Standard, Safety and Environment

1. The Licensee shall comply with the standard relating to technical operation, safety and environment, used and published by Ministry of Industry, Mines and Energy.

Condition 3: Obligation on compliance with EAC's Orders, Decisions, Rules and Regulations for Generation and Distribution Services

1. The Licensee shall comply with the provisions of the Rules, Regulations and Procedures on the electric power generation and distribution services issued by EAC.
2. In specific case, EAC may (following consultation with the Licensee) issue directions relieving the Licensee of its obligations under paragraph 1 in respect of such parts of the Rules, Regulations, Procedures and for such periods specified in those directions.

Condition 4: Obligation on compliance with Conditions of Electric Power Service specified in its License

1. The Licensee shall comply with the provisions of service condition in this license.

Condition 5: Obligation on Financial Statement and its Electric Power Service Report in accordance with EAC's Adoption

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 3 months after the end of financial year to which they relate. The audit can be replaced by the control of EAC in the case that actual situation requires.
3. The Licensee shall provide, in the manner and form determined by EAC, such information as EAC may require from time to time monitoring the Licensee's compliance with the conditions of this license, provision of the electricity law and any other legislative or regulatory requirements.
4. Without prejudice to the generality of paragraph 3, 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 6: Obligation on Payment of License Fee

1. From the effective date to the 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 years pursuant to Article 27 of the Electricity Law of the Kingdom of Cambodia and Article 3 of Sub-Decree defining the maximum of License fee to be implemented 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 Licensee receives it.

3 SERVICE CONDITIONS**3.1 GENERAL CONDITIONS****Condition 7: Communication**

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

Condition 8: Conditions on the Public Interest

1. The Licensee shall not dispose or relinquish operational control over any relevant asset prior the consent from EAC.
2. The Licensee 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 the Licensee) consents or not consents to this proposal.
4. The Licensee 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.
5. When the EAC obligates the licensee to supply electricity in 24 hours per day, licensee shall meet that obligation.

Condition 9: Conditions on the Business

1. The Licensee shall not use the relevant assets of this License's business for the purpose other than Generation and Distribution as specified in this document without prior approval 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, distributing or supply of energy without an approval from EAC.
3. 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 approved by EAC.
4. Any agreement relating to any transaction of the nature described above at paragraph 1, 2 and 3 unless made with the prior written consent of EAC, shall be void and will constitute violation of Conditions of License.
5. The Licensee 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.
6. The Licensee shall extend and improve its facilities in accordance with its plan approved by EAC to ensure the electricity supply to all consumers in the area.
7. Within 6 months after receiving this license, the licensee shall prepare the cost of electricity and request EAC approval on the tariff to implement in its distribution area. Before EAC's approval on new tariff, the licensee can use the existing electricity tariff approved by Ministry of Industry, Mines and Energy or Representative Institution.

Condition 10: Sale Condition of Service Facilities in the case it is required from EAC

1. Within six months after receiving this license, the licensee shall submit the list of its facilities for approval and registering at EAC as relevant asset. The list should also give details on year of commissioning and the original cost of each facility. Thereafter, for revision of the list of relevant asset, the licensee shall submit to EAC by 15th February each year, the list of its facilities as on 31st December of the previous year. The list should indicate the facilities in the beginning of the year, additions made during the year with its cost, deletion made during the year with its original cost and facilities at the end of the year.
2. Under Electricity Law and Sub-decrees, in the case of revocation of license, EAC can require licensee to sale or transfer its facilities registered with EAC to the successor in accordance with financial principle determined by EAC.

3.2 CONDITIONS ON GENERATION SERVICE

Condition 11: Conditions on the Generation Facilities

1. Under this license, if the licensee intends to add new generation facilities, then he must ask for permission from EAC for each new generation facility.
2. The existing generation facilities of the Licensee are specified in Schedule 2.
3. In case the Licensee received the right to do the business on the additional power generation facilities, Article 1 of part 1 of the license, and schedule 2 of license shall be revised accordingly.

Condition 12: Conditions on the Generation System Operation

1. The Licensee shall plan and develop each part of its generation system, such that the generation operation can be performed efficiently, sustainably and qualitatively.
2. 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.

3.3 CONDITIONS ON DISTRIBUTION SERVICE

Condition 13: Conditions on Electric Power Service Area

1. This license provides the right to licensee to distribute electric power in Phum Choeung Chnok, Khum Taingkrang, Bathay District, Kampong Cham Province as clearly indicated the location in schedule 1 of this license.
2. Big consumers and bulk consumers in the above distribution area may have the right to select other supply sources from the transmission line or main distribution network if they have the approval from EAC.

Condition 14: Conditions on Electric Power Service Facilities

1. The licensee shall have the obligation to develop its electric power service facilities in order to supply the electricity to its consumers with efficiency and security. The licensee shall plan and develop its distribution system in confirming with the General Requirement of Electric Power Technical Standards of the Kingdom of Cambodia issued by Ministry of Industry, Mines and Energy.

Condition 15: Conditions on Distribution System Operation

1. The Licensee shall conduct its Supply and Distribution Operation in accordance with standards of performance issue by EAC pursuant to Article 3 and 7(e) of the Electricity Law of the Kingdom of Cambodia.
2. The Licensee shall ensure availability of sufficient power sources for supply to its customers. Licensee shall ensure the following conditions:
 - (a) Supply of electricity may not be discontinued for more than the time limit approved by EAC; and
 - (b) the voltage and frequency of electricity may not vary beyond the permissible operational limits approved by EAC.
3. The Licensee shall comply with the Distribution Code approved by EAC.

Condition 16: Conditions on Electric Power Supply to Customers

1. The Licensee shall comply with the EAC's Regulations on general conditions of supply of electricity in the Kingdom of Cambodia.
2. In the provision of electricity, the Licensee shall not discriminate between persons or classes of persons.

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 Phum Choeng Chnok, Khum Taingkrang, Bathay District, Kampong Cham 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 Choeng Chnok, Khum Taingkrang, Bathay District, Kampong Cham Province.

B. General Specifications of the Generators

1. The licensee has 01 units of generator with the installed capacity of 40 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 that such license may be revoked;
 - (b) if any amount payable under Condition 6 in relation to this license is unpaid 15 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 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 Licens