

ELECTRICITY AUTHORITY OF CAMBODIA

ELECTRICITY LAW OF THE KINGDOM OF CAMBODIA

**CONSOLIDATED LICENSE FOR PROVIDING ELECTRIC POWER
GENERATION AND DISTRIBUTION SERVICES AT KAMPONG THMAR TOWN
LOCATES IN KHUM BALANG, BARAY DISTRICT AND KHUM KAMPONG
THMAR, SONTUK DISTRICT OF KAMPONG THOM PROVINCE**

MR. HUOR PHENG

01 April 2002

PART 1

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

KINGDOM OF CAMBODIA
Nation Religion King



ELECTRICITY AUTHORITY OF CAMBODIA

LICENSE DOCUMENT No. 006 LD

CONSOLIDATED LICENSE FOR MR. HUOR PENG

ELECTRICITY AUTHORITY OF CAMBODIA

- In exercise of the powers conferred by Article 7 and 30 of the Electricity Law promulgated by the Royal Decree NS/RKM/0201/03, dated 02/02/2001.
- In accordance with Prakas No. 819 of Ministry of Industry, Mines and Energy, dated August 24,1999.
- In accordance with the application for license of Mr. HUOR PENG, dated January 14, 2002.
- In accordance with the consultation with licensee, concerned parties and public, made from 18 February 2002 to 25 March 2002.
- In accordance with the decision of Electricity Authority of Cambodia's Session No.6, dated April 01, 2003.

DECIDES

Article 1

There is hereby granted the Consolidated License to Mr. **HUOR PENG** (herein after referred to as "Licensee"): Sex male, Nationality Khmer, Date of Birth 1944, Permanent Address Phum Tras, Khum Balang, Baray District, Kampong Thom Province, Identification Card No. 048481KTH dated 11 March 1989, which received the authorization from the Ministry of Industry, Mines and Energy by the Prakas No. 819, dated 24 August 1999 to generate and distribute the electric power in Kampong Thmar Town, Khum Balang, Baray District, Kampong Thom Province. This Consolidated License comprise of:

- (a) **a Generation License** giving the right to Mr. HUOR PENG to continue to generate electricity at Kampong Thmar town, Khum Balang, Baray District, Kampong Thom 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, subject to the conditions set out in Part 2 of this License;
- (b) **a Distribution License** giving the right to Mr. HUOR PENG to 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, 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 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 signing date and have 5 years term with the right to request the extension, unless revoked early in accordance with the conditions of license.

Phnom Penh, April 01, 2002

CHAIRMMAN 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 by any auditor for the time being business.
- “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 the Licensee’s 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 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) the provision of Metering Services; and
 - (c) the supply of electricity to consumers.
- “Distribution License” means the Distribution License granted in Article 1(b) of Part 1.
- “Distribution System” Means all electric lines 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.
- “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.
- “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.
- “License Document” means this document comprising Part 1, Part 2 and Schedules 1 to 3.
- “Licensee” means Mr. HUOR PENG.
- “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, other Laws and Sub Decrees relates to the Law.
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 Protect of the Kingdom of Cambodia

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

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

Condition 3: Obligation on compliance with EAC's Orders or Decision of EAC in issuing Rules and Regulations for Generation and Distribution Services

1. The Licensee shall comply with the provisions of the Rules 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 or Procedures 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 end of the condition and 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

Article 27 of the Electricity Law 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 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 official.

Condition 8: Conditions on the Public Interest

1. The Licensee shall not dispose of 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 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.

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. Any agreement relating to any transaction of the nature described above at paragraph 1, unless made with the prior written consent of EAC, shall be void and would constitute violation of Conditions of License.
3. 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 without an approval from EAC.
4. 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.
5. 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 according to the Electricity Law of the Kingdom of Cambodia. Before EAC's approval on new tariff, the licensee can use the existing electricity tariff approved by Ministry of Industry, Mines and Energy.

6. 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.

Condition 10: Sale Condition of Service Facilities in the case there are the Requirement from EAC

1. Under Electricity Law and Sub-decrees, in the case of revocation of license, EAC can request licensee to sale its facilities to the successor in according 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 the case that Licensee received the right to do the business on the additional power generation facilities, in accordance with Article 1 of part 1 of the license, schedule 2 of license shall be revised.

Condition 12: Conditions on the Generation System Operation

1. The Licensee shall plan and develop each part of its generation system, in which 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.

Condition 13: Conditions on the Business

1. The Licensee shall not acquire any additional generation facilities or purchase electric power from any source without the prior approval of EAC.
2. Any agreement relating to any transaction of the nature described above at paragraph 1, unless made with the prior written consent of EAC, shall be void and would constitute violation of Conditions of License.

3.3 Conditions on Distribution Service

Condition 14: Conditions on Electric Power Service Area

1. This license grants the right to licensee to distribute electric power in the Kampong Thmar town locates in Khum Balang, Baray District and Khum Kampong Thmar, Sontuk district of Kampong Thom Province, as clearly indicated 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 15: Conditions on Electric Power Service Facilities

1. Planning and development licensee's Distribution System shall apply with a standard issuing by Ministry of Industry, Mines and Energy if available or such other standard of planning as the Licensee, may in maintaining Distribution System security and

availability and quality of service, and approved by EAC if not available the standard issued by Ministry of Industry, Mines and Energy.

2. The Licensee shall expand the distribution network in accordance with its planning which approved by EAC in distribution area to ensure the electricity supply to all consumers in area.

Condition 16: Conditions on Distribution System Operation

1. The Licensee shall conduct its Supply and Distribution Operation in accordance with standards of performance determined by EAC pursuant to Article 3 and 7(e) of the Electricity Law of the Kingdom of Cambodia.
2. The Licensee shall make availability of power sources sufficient for supply to its consumers. Licensee 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.
3. The Licensee shall comply with a Distribution Code approved later by EAC.

Condition 17: Conditions on Electric Power Supply to Customers

1. The Licensee shall comply with the EAC's Rule on the conditions of supply of electricity to consumer in Cambodia.
2. In the provision of electricity, the Licensee shall not discriminate as between any persons or classes of person.
3. The Licensee 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

SCHEDULE 1 AUTHORIZED DISTRIBUTING AREA

1. The authorized distribution area, where Mr. HUOR PENG has the right to provide the distribution and supply of electricity service to consumers in Kampong Thmar town locates in Khum Balang, Baray district and Khum Kampong Thmar, Sontuk district of Kampong Thom province.
2. The authorized distribution area is determined by "the boundary map" attached.

SCHEDULE 2 EXISTING GENERATING FACILITIES OF THE LICENSEE

A. Licensee's Generator House

1. The Licensee's generator house is constructed by wood, zinc roof with size of 10 x 12 meters, located at group 19, Phoum Tros, Khum Balang, Baray district, Kampong Thom province.

B. General Specifications of the Generators

1. The licensee has 3 units of generators with the total installed capacity of 525 kVA :
 - Type Mitsubishi, capacity 250 kVA, 1 unit
 - Type Mitsubishi, capacity 200 kVA, 1 unit
 - Type URSS, capacity 75 kVA, 1 unit.
2. The normal fuel for the generators are Diesel Oil.
3. Step-up voltage transformer
 - Type: URSS
 - Quantity: 1 set
 - Normal capacity: 250 kVA
4. Other equipment
 - Storage tank of 5000-liter capacity.

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 the Licensee requests in writing to EAC that that such license may be revoked;
or
 - (b) if any amount payable under Condition 6 of general obligation of licensee 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 the Licensee 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 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, 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.