## LICENCE[[1]](#footnote-1)

**DISTRIBUTION LICENCE**

**Issued to**

**NAME OF LICENSEE**

**In respect of**

**NAME AND/OR PARTICULARS OF UNDERTAKING**

**By**

(**INSERT NAME OF ISSUEING AUTHORITY)**

**Dated**

**Licence Ref No.**

**DISTRIBUTION LICENCE**

**(........Act, )**

1. **Definitions and Interpretation**
   1. Any word or expression defined for the purposes of the Act [or the General Interpretations Act], Cap.....of the laws of .......shall, unless the context otherwise requires, have the same meaning ascribed thereto when used in this Licence.
   2. Any reference to a statute shall include any statutory amendments, modification or re-enactment thereof and subsidiary legislation made thereunder after the date when this licence comes into force and effect
   3. Except where the context otherwise requires, the following terms shall have the following meanings:

“Act” means the .........Act, Cap......of the laws of ... and includes any subsidiary legislation made thereunder.

“*Commission*” means the [**insert name of licensing authority**] established under ................the Act

“Force Majeure” any event, including but not limited to the following events, not within the reasonable control and not due to the failure, negligence or persistent disregard, of the party whose performance is adversely affected or becomes impracticable, and who chooses to invoke Force Majeure:

1. Any Act of God, fire, explosion, excessive rains, flood, tidal wave, epidemic, or earthquake;
2. Any other cause, whether or not similar thereto, beyond the reasonable control of, and without the fault or negligence of, the party claiming Force Majeure;
3. Civil disturbance, insurrection, rebellion, hostilities, public disorder or public disobedience, sabotage, riot, embargo, blockade, quarantine, strikes which are documented, acts of war or the public enemy whether or not war is declared;
4. Confiscation of the assets or authority of the Licensee by any authority of the Government; or
5. Any change in law.

“Interconnection Guidelines” means the interconnection standards and requirements on grid connection relevant to a Small Power Project facility interconnection to the transmission or distribution grid into which the facility connects;

“Government” means the government of the Republic of ............

“Lenders” means any person or entity, or any agent of or trustee for such person or entity, providing construction or permanent debt and/or equity financing and/or refinancing and/or credit support to the Licensee; and includes their respective transferees and assigns

“Licensee” means **(Insert name and address of Licensee)**, holder of Certificate of Incorporation **(Insert Country of issue and No)** and includes his successors and permitted transferees;

“Minister” means the Minister for the time being responsible for matters of energy in the Government.

“Power Purchase Agreement” means the Power Purchase Agreement dated the ........day of ...............20....and made between the Licensee and **(Insert the name of the buyer or seller of electrical energy)** and approved by the.. .……………. [licensing authority]

1. **Grant of (State Type of) Licence**

**IN EXERCISE** of the powers conferred by the provisions of the Act, the ..............................**(insert name of licensing authority), HEREBY GRANTS this ELECTRICITY DISTRIBUTION LICENCE TO** **(Insert Licensee Name)**, a limited liability company incorporated in .....................under Certificate of Incorporation **(Insert Certificate No.)** whose registered office is situated at ..........................**(insert physical and postal address)**, (the Licensee), to distribute electricity (“the undertaking”)at (**state location** ) brief particulars of which are specified herein, subject to the terms and conditions set out in this Electricity Distribution Licence(the Licence”).

1. **Undertaking to which the Licence**

The Licence is specific and limited to the **(Describe the Undertaking)** situated (state location)**,** which isprocured, constructed, installed, owned, maintained and operated by the Licensee. For the avoidance of doubt, it is hereby stated that the Licence does not authorize nor entitle the Licensee to carry out any other undertaking except the undertaking herein specified and licensed.

1. **Duration of Licence**

The Licence shall come into force and effect on the date hereof, (which date shall for the purposes of the Act be the Date of the Commencement of the Licence) and shall continue in operation from the Date of Commencement for a duration of **(Insert Number) years** subject to the provisions of the Act and to the Conditions specified herein.

1. **Renewal of the licence** 
   1. TheLlicence may be renewed in accordance with the Act.
   2. If the Licensee wishes to renew this Licence after its expiration date, the Licensee shall submit to the ...............**insert name of licensing authority]** an application in the prescribed form.
   3. The .................[**licensing authority]** shall have the right to accept or reject the application for renewal in light of the Licensee’s performance during the period preceding the application for renewal.
2. **Alteration, suspension or revocation of the Licence** 
   1. The Conditions of this Licence are subject to modification, alteration, revision or amendment in accordance with the terms herein specified or with the provisions of the Act.
   2. This Licence may not be altered, revised or modified by the................[**licensing authority]** except with the consent of the Licensee.
   3. The Licence may be suspended or revoked in accordance with the Act, and is further subject to the conditions as to revocation specified in Condition 37 hereof.
3. **Exceptions and limitations on the Licensee’s obligations**

If the Licensee is prevented from performing any of his obligations under the Licence because of Force Majeure:

1. the Licensee shall notify the .............[**licensing authority**] of the obligations he is prevented from performing as soon as reasonably practicable; and
2. the .............[**licensing authority**]may suspend those obligations and the Licensee will not be liable to perform those obligations, for so long as the Force Majeure continues, only if and to the extent that the inability to perform could not have been prevented by taking steps specifically required under this licence, or other reasonable precautions and the inability cannot reasonably be circumvented by the Licensee at his expense through the use of alternative sources, work-around plans or other means.
3. **Liability in tort and contract**

Notwithstanding any provisions of this licence, the Licensee the Licensee is liable in tort or contract in accordance with the laws of................

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1. **Establishment of an office in ...........**
2. The Licensee shall at the commencement of this licence provide to the ................. [licensing authority] an electronic, postal and physical address of an office in ................ at which communication from the ...................[licensing authority] may be sent or delivered.
3. The Licensee shall maintain such offices until this licence expires or is revoked under the Act.
4. **Acquisition of any property for purposes of this licence** 
   * 1. The Licensee shall ensure that any compulsory acquisition or taking of any land or property by the Licensee for purposes related to the electric power undertaking by virtue of the Licence shall be made in compliance with ................[insert relevant law].
     2. In contracting or arranging for the provision of goods, assets and services required to enable the Licensee to carry out his undertaking, the Licensee shall purchase or otherwise acquire such goods, assets and services from the most economical sources available to him, having regard to the quantity and nature of the goods, assets and services required to enable him to discharge his obligations under the Act and the Licence and to the diversity, number and reliability of such goods, assets and services at that time available for purchase or other acquisition.
     3. Any contracts or arrangements for the purchase of goods, assets and services from an associated company or a related undertaking shall be on arm's length terms.
5. **Disposal of assets, change in capital and change in control**
6. The Licensee shall be required, for the duration of the Licence, to notify the ....................[licensing authority] of any of the following:
   1. any action that may lead to a decrease of the Licensee’s share capital existing on the date this Licence was issued;
   2. any acquisition by a third party of more than twenty-five per cent (25%) of the Licensee’s share capital;
   3. a change in control of the Licensee;
   4. the intention of the Licensee to increase or decrease its authorized capital or its paid up capital.
7. The Licensee shall be required, for the duration of the Licence, to obtain the prior written approval of the .................[licensing authority] for any of the following:
   * 1. Subject to paragraph (4), disposal of any part of the Licensee’s electric power undertaking (including any of the assets forming part of the undertaking) by means of sale, transfer, merger, lease or any other means; and
     2. any action that may lead to a decrease of the Licensee’s share capital existing at the time this Licence was issued that may affect the financial, technical or operational qualifications on which the granting of the Licence was based.
8. For the purposes of paragraph a (1) (c) above and notwithstanding anything to the contrary contained in the Licence, a person shall be considered to have control of the Licensee if the person exercises, or is able to exercise or is entitled to acquire, direct or indirect control over the Licensee’s affairs, and in particular, but without prejudice to the generality of the foregoing, if the person possesses or is entitled to acquire a majority of the issued share capital of the Licensee or to exercise a majority of the voting rights in the Licensee.
9. For the purpose of paragraph (2) (a), the Licensee shall have the right to dispose of an asset or part of its undertaking without the prior approval of the ....................[licensing authority] if the .......................[licensing authority]has issued a directive granting a general consent for the disposal of the assets of a specified description or below a specified value, and the Licensee has provided, prior to the disposal, the ....................[licensing authority] with evidence that the asset or part of undertaking to be disposed of falls within the provisions of such directive.
10. Without prejudice to paragraph (4) above, the Licensee may apply in writing to .............. [licensing authority] for permission of disposal of assets, specifying assets to be disposed and the reasons, or for the approval of any of the actions set out in paragraph (2) (b) above.
11. The Licensee may dispose of the relevant assets, or may undertake any of the actions set out in paragraph (2) (b) above, as specified in the notice referred to in paragraph (5), if:
12. the ..................[licensing authority]confirms in writing that it consents to such disposal or action; or
13. the ..................[licensing authority] does not inform in writing of any objection to such disposal or action within thirty (30) days of the notice;
14. paragraph (4) above applies, or
15. the Licensee is obliged by law or final order of a competent court to dispose of the relevant asset or part of its undertaking, but without prejudice to the ............................[licensing authority] power to revoke the Licence as a result of such disposal.
16. **Transferability of the Licence**
17. Subject to paragraph (2) herein below, the Licensee shall not transfer or otherwise divest himself of any rights, powers or obligations conferred or imposed upon him by the Licence without the written consent of the………………[licensing authority].
18. The ……………….[licensing authority] hereby consents to the transfer of the undertaking and the Licence to the Lenders or to parties duly nominated by them under the terms and conditions of the financing agreements relating to the undertaking.
19. Subject to the provisions of the Act and to the Licence, the Licensee may apply for other licences or permits for electric power undertakings in any area within the Republic of ……………..
20. The Licensee shall not purchase or acquire any undertaking or associate himself with any public or local authority, company, person or body of persons supplying electrical energy under any licence, except with the authority of the.................[licensing authority].
21. The ......................[licensing authority] may revoke the Licence, in addition to such other action as the ..................may deem fit, if the Licensee contravenes the provision of paragraph (1) above.
22. **Provision of information to the .....................[licensing authority] and other licensees**
23. The Licensee shall on request by the ...................[licensing authority] provide it with any information relating to his activities conducted under or in connection with the Licence, as the ...................[licensing authority] may consider necessary for the purpose of performing the functions assigned to it by or under the Act.
24. After the end of each financial year, the Licensee shall submit to the ...................[licensing authority] an annual performance report indicating the quality of service and performance of the Licensee during the previous year against the Performance Standards prescribed by the .............[licensing authority].
25. The Licensee shall also furnish to other licensees such information as may be reasonably required by those licensees in order to ensure the secure and efficient operation, co-ordinated development and inter-operability of the electricity network.
26. The information requested in paragraphs (1) and (2) shall be provided by the Licensee:
    * + 1. as soon as possible but in any case not later than a reasonable date specified in the request, and
        2. in such form and manner as the ...................[licensing authority] or other licensee may require.
27. The Licensee shall submit annual reports to the ................[licensing authority] his undertakings that encompass the financial and technical aspects, performance within one hundred and eighty (180) days of the end of the Licensee’s financial year, or such other period approved by the.............[licensing authority], and such other reports as required by the ...............[licensing authority].
28. For purposes of this Condition, “information” shall include any plans, drawings, specifications, designs, documents, reports, accounts, statistics, registers or planned annual maintenance schedules (whether or not prepared specifically at the request of the ....................[licensing authority] or other licensee) of any description specified in the request.
29. The ..........................[licensing authority] or any person authorized by it in writing may:
    1. at all reasonable times, enter upon the premises of the licensee and inspect or investigate any plant, machinery, books, accounts and other documents found thereat and take copies thereof, and/or
    2. require the Licensee to furnish to the..............[licensing authority], books, accounts, records and other documents in such form as the .............. may request; .
30. The ....................[licensing authority] may require that the accuracy of any documents or particulars be verified.
31. A person authorized by the...........licensing authority], shall produce proof of such authorization at the request of any person affected by his activities.
32. The Licensee shall submit the following financial data to the..............licensing authority] when so requested:
33. the Licensee’s financial statements for each financial year, together with the report of an external auditor and his remarks on such financial statements;
34. any other financial data the .........[licensing authority] may specify with a reasonable prior notice.
35. The ...........................[licensing authority]may ask for other reports as needed to fulfil its responsibilities.
36. **Monitoring of Compliance**
37. The Licensee shall give officers of the ...............[the licensing authority] or any person or persons duly authorized by it access to the Licensee’s works for the purposes of any inspection under the Act or for ascertaining if the provisions of the Act or this licence are being complied with.
38. The Licensee shall also comply with the provisions of the Interconnection Guidelines in respect of inspection and testing of his works by other licensees.
39. Entry into the Licensee’s works pursuant to paragraphs (1) and (2) of this Condition shall be upon reasonable notice and with the prior permission of the Licensee. Such permission shall not be unreasonably refused.
40. **Events of which licensee must promptly notify the.... .....[licensing authority] in writing**

The Licensee shall promptly notify the ...............[licensing authority] in writing of the occurrence of any of the following events:

* + 1. any accident by electric shock, and also of any other accident of such kind as to have caused, or to have been likely to have caused loss of life or personal injury, and of any explosion or fire, which has arisen from and in the course of the transmission, distribution or supply of electrical energy by the Licensee, or which has arisen in or about any generating station, substation, switch station, factory, works or electric supply lines of the Licensee and also notice of any loss of life or personal injury occasioned by any such accident, explosion or fire;

PROVIDED that such notice shall be sent within forty-eight (48) hours by the earliest practicable post and/or electronic means, after the accident, explosion or fire occurs, or, as the case may be, after the loss of life or personal injury becomes known to the Licensee.

* + 1. any event which threatens the Licensee’s financial ability to discharge his obligations under the Licence or any power purchase agreement;
    2. any forced outage affecting a significant portion of the undertaking which is likely to subsist for a continuous predetermined duration specified in the special conditions of this licence;
    3. changes relating to the physical, electronic and postal address of the Licensee in ........
    4. any change in the composition or structure of the shareholding of the Licensee affecting the original or subsequent subscribers to the Licensee’s registered memorandum of association; or in the event that the securities of the Licensee become listed in a securities exchange, any transaction with the effect of making a single person control twenty-five percent (25%) or more of the voting power at any general meeting of the Licensee; or
    5. any transfer of the undertaking and Licence under Condition 12.

1. **Confidentiality and use of information**
2. The Licensee shall maintain the confidentiality of the information and data it possesses on other licensee, in accordance with the agreements with such licensee, where applicable, and may not disclose such information to third parties (other than the ...................[licensing authority]) except when requested by laws or relevant authorities, or to the extent authorised by the concerned licensee or the..............[licensing authority, or required in applicable codes or regulations.
3. The Licensee shall ensure (and shall procure that its affiliates shall also ensure) that all information received by it relating to the undertaking:-
   * 1. is not used by the Licensee or its affiliates for any purpose other than that for which it was provided or for a purpose permitted by this Licence or a Code; and
     2. is not used by the Licensee or its affiliates for any commercial advantage in the provision of any service other than a service comprised in the undertaking.
4. The Licensee may request the ....................[licensing authority]not to disclose commercially sensitive information provided by the Licensee to the ................[licensing authority]pursuant to the Licence. Upon satisfaction of the ....................[licensing authority] that the information is commercially sensitive, the ..............shall not disclose any part of or all of such information, as applicable, without the prior approval of the Licensee. These restrictions shall not apply to:
5. information which is in the public domain; or
6. information which is, or becomes, publicly known or available otherwise than through the action of the..............[licensing authority]; or
7. information relating to performance and the level of compliance of the Licensee with the performance standards.
8. **Environmental, health and safety obligations**
9. The Licensee shall comply with the provisions of all environmental, health and safety laws in force from time to time.
10. The .......................[licensing authority] may, after consultations with the appropriate authorities, issue orders relieving the Licensee of his obligations under paragraph (1) hereof relating to environmental laws to the extent that such exemption is permitted under the applicable environmental laws.
11. The Licensee shall carry out his undertaking in a manner that is designed to protect the health and safety of persons employed by the Licensee at the undertaking and the users of the service and other members of the public who would be affected by his operations.
12. **Insurance**

The Licensee shall adopt and implement reasonable and prudent policies in relation to the management and insurance of risks associated with the undertaking.

1. **Licence Fees**
2. Within thirty (30) days after the commencement of the Licence, the Licensee shall pay to the ..................a grant of licence fee of........... (**Insert amount)**.
3. On the anniversary date of the Commencement Date of the Licence, in each year, the Licensee shall pay to ..............an annual fee of.......... (**Insert amount)** within thirty(30) days of the anniversary date.
4. **Payments to the Licensee**
5. The payments to be made to the Licensee in respect of electrical energy sold or ancillary or network services provided by virtue of the Licence shall be in accordance with the Power Purchase Agreement or Network Service Contract or tariffs (or any other subsequent Power Purchase Agreement or Network Service Contract or tariffs) as approved by the........[licensing authority].
6. Except as stated in the Power Purchase Agreement or Network Service Contract or tariffs approved by the .................[licensing authority], no rebate or reduction in the maximum prices will apply in consideration of any stated improvement in the conditions of the demand by reason of load factor, time of the demand or other circumstances of the demand.
7. **Accounts and audit**
8. In the event that the Licensee holds one or more licences in addition to the Licence, unless specifically exempted by the ........[licensing authority] or treated as a single undertaking by the...............[licensing authority], the Licensee shall ensure that the accounts of each undertaking under each licence shall be kept separate and distinct and in the manner and form prescribed by the ..................[licensing authority].
9. The Licensee shall maintain his books of accounts (relating to his undertaking by virtue of the Licence) in the form and particulars prescribed by the ............[licensing authority] under the Act
10. The Licensee shall ensure that the accounts pertaining to the Licensee’s undertaking are examined and audited by such competent and impartial persons appointed by the Licensee and approved by the .............[licensing authority].
11. The ................[licensing authority] may at any time, and at the Licensee’s expense, require auditors to investigate and report to it upon any such particular matter or things relating to or arising out of the accounts of the Licensee in respect of the undertaking to which the Licence relates.
12. The Licensee shall give to the auditor and his personnel access to such of the books and documents relating to the undertaking as are necessary for the purposes of the audit, and shall when required furnish to him and them all vouchers and information requisite for that purpose, and shall afford to him and them all facilities for the proper execution of his or their duty.
13. The Licensee shall ensure that any report made by the auditor, or such portion thereof as the ....................[licensing authority] may direct, shall be appended to the annual statement of accounts of the Licensee.
14. **Fair competition and restriction to horizontal or vertical integration**
15. The Licensee shall:
    * 1. not show undue preference to, or exercise unfair discrimination against, any person or other licensee, in respect of his undertaking;
      2. not engage in any practice or enter into any arrangement that has the object or the likely effect of preventing, restricting or distorting competition in the generation, transmission, distribution or supply of electrical energy; and
      3. comply with every directive issued by the ..............[licensing authority] for the purpose of preventing any practice or arrangement that has the object or effect of preventing, restricting or distorting such competition.
16. Without the prior written consent of the........................[licensing authority], which consent shall not be unreasonably withheld, the Licensee shall not directly or indirectly acquire shares or interest in another electric power undertaking within the country.
17. **Compliance with the Interconnection Guidelines**
    1. In planning, providing connection, operating and maintaining the transmission system, the Licensee shall fully comply with the Interconnection Guidelines.
    2. In case the Licensee finds that it is, or will be, unable to comply with any provision of the Interconnection Guidelines at any time, then he shall make such reasonable efforts as are required to remedy such non-compliance as soon as reasonably practicable and immediately notify the.....................[licensing authority].
    3. The ...............[licensing authority] may, following consultation with the Licensee and other licensees or users that may be affected, and for good cause shown, issue directives relieving the Licensee of his obligations to comply with specific provisions of the Interconnection Guidelines in respect of such parts of the Licensee's transmission system and/or to such extent or duration as may be established in such directives.
18. **Distribution Code**
    1. The Licensee shall fully implement and comply with the Distribution Code in force from time to time.
    2. The Licensee shall keep under continuous review the implementation of the Distribution Code in his area of supply and propose to the ..........[licensing authority]any amendments the Licensee considers necessary.
    3. The Licensee shall make a copy of the Distribution Code, as revised from time to time, available for inspection by members of the public resident in his area of supply at each of his offices during normal working hours; and provide at a reasonable fee a copy of the Distribution Code, as revised from time to time, to any person residing in his area of supply who requests it.
    4. The.............[licensing authority] may, following consultation with the Licensee and for good cause shown, issue directions relieving the Licensee of his obligations to comply with specific provisions of the Distribution Code in respect of such parts of the Licensee's distribution system and/or to such extent or duration as may be established in such directions.
19. **Performance standards and quality of supply and service**
    1. The Licensee shall conduct his undertaking in the manner which achieves performance standards and quality of supply and service levels to which he is subject, as may be established or approved by the ...................[licensing authority], or any other applicable standard established in codes or regulations issued under the Act.
    2. The Licensee shall prepare a report, within ninety (90) days after this Licence becomes effective, indicating the minimum performance standards and quality of supply and service levels as well as his plans to meet them as stipulated in sub-condition (1) hereof.
    3. The Licensee shall submit from time to time, as provided for in such performance standards or in ......................[licensing authority] monitoring procedures, the information required to enable the ..........[licensing authority] monitor his compliance with the performance standards and quality of supply and service levels.
    4. The Licensee shall not be in breach of his obligations under the Licence if he has failed to meet the performance standards or any other applicable operating standard directly due to Force Majeure, provided that the Licensee has used reasonable efforts, to the extent reasonably possible, to comply with the performance standards or any other applicable operating standard.
20. **Demand forecast**
21. The Licensee shall submit to the ........[licensing authority] results of studies of demand forecasts for his area of supply as required in the [*Tariff Methodology*].
22. The Licensee shall inform the ..................[licensing authority] of any demand forecast submitted to the System Operator or other Licensee for the purposes of assisting the latter with their long term planning.
23. **Connection and use of transmission system**
24. The Licensee shall have the right to connect to and use the transmission system in accordance with the Interconnection Guidelines and the Connection Agreements agreed between the Licensee and the Transmission Licensee and the System Operator.
25. In order to connect and use the transmission system, the Licensee shall enter into a Connection Agreement in each connection point in accordance with the Interconnection Guidelines and in such standard form as the ....................[licensing authority] shall approve and as the Transmission Licensee may amend from time to time, provided that any amendment shall require the approval of the...............[licensing authority]. If, after a period which appears to the .................[licensing authority] to be reasonable for the purpose, the Licensee has failed to enter into the required Connection Agreement, the ..............[licensing authority] shall, on the application of the Transmission Licensee and the Licensee, settle any terms of the agreement in dispute as appears to be reasonable to the.............[licensing authority].
26. For the connection and use of the transmission system, the Licensee shall pay to the Transmission Licensee the applicable tariff.
27. Metering at the transmission connection points for the supply to the Licensee or the energy exchanged with another licensee shall be undertaken through metering systems as specified in the Metering Code in force from time to time and such meters shall be certified in accordance with the procedures specified in such Metering Code and any applicable directive of the..............[licensing authority].
28. The Licensee shall comply with all applicable procedures regarding maintenance and accuracy of the meters specified in sub-condition (4), as established in the Metering Code. The Licensee shall take all reasonable steps to prevent tampering with or damage of such meters.
29. **Connection and use of the distribution system**
30. The Licensee shall not unduly discriminate between consumers or undertakings of the same category in offering terms and conditions for connecting or upgrading connection to or use of the distribution system.
31. Subject to other Conditions in this Licence, on the application of the owner or occupier of any premises within the Licensee’s area of supply or an undertaking desiring to connect or upgrade an existing connection to the distribution system of the Licensee, and who is not in arrears of any amount due to the Licensee in relation to Licensee’s distribution and supply business, the Licensee shall;
32. offer to provide connection or to provide modifications to an existing connection of the premises or undertaking to his distribution system; and
33. where the terms offered by the Licensee are accepted by the applicant and on payment to the Licensee of the relevant Connection Charges and compliance with the requirements specified by the Licensee in that regard pursuant to the Distribution Code in force, the Licensee shall provide the connection or the modification of the connection to the Licensee’s distribution system to those premises or undertaking, including the laying of any required distribution mains, in accordance with the terms offered.
34. The application form, terms and procedures shall be in accordance with the timeframes, connection conditions and procedures established in the Distribution Code.
35. The cost payable for a connection to the distribution system of the Licensee shall be determined in accordance with the applicable connection charges.
36. The agreement to connect an undertaking shall also include, when applicable, conditions for the use of the distribution system of the Licensee.
37. The Licensee shall not be obliged to provide a connection in circumstances where:
38. to do so would involve a breach of a technical, reliability or safety standard issued by the.........[licensing authority], the Interconnection Guidelines or the Distribution Code or the Act or the Licence; or
39. connecting the undertaking or consumer who has made the application endangers the security and reliability of the distribution service.
40. Where the Licensee refuses to connect an applicant, the Licensee shall inform without delay the applicant and ...................[licensing authority] providing the reasons for such refusal.
41. **Planning, operation and maintenance of the distribution system**
42. The Licensee shall plan, as necessary expand or upgrade, maintain and operate the Licensee’s distribution system so as to ensure that, subject to the availability of adequate generating and transmission capacity, the distribution system is capable of providing consumers with a safe, reliable and efficient supply of electrical energy. In particular, the Licensee shall plan, develop and operate the Licensee’s distribution system in accordance with the standards established in the Interconnection Guidelines and the Distribution Code, and the Performance Standards established from time to time by..................[licensing authority].
43. The Licensee shall keep a register of assets which constitute his distribution system, which must include the physical description of the distribution system and the location of equipment.
44. **System losses**

The Licensee shall achieve an efficient level of system losses (due to technical or any other reason) on his own system. In complying with this condition, the Licensee may have standard levels of system losses established by the .......................[licensing authority] as one aspect of the minimum performance standards.

1. **Interruption of supply**
2. In case the Licensee is undertaking any operation, maintenance, replacement, restoration or any other activity that may lead to interruption of supply to a specific area or areas, he shall, no later than two days prior to the date of the interruption of supply, advise through appropriate means, all consumers of the areas to be affected, the date and time when the supply is planned to be interrupted and the period within which it will be restored.
3. The Licensee shall not unduly discriminate against or unduly prefer any one individual or any category of consumers in favour of or as against any other individual or any other category of consumers in preparing and implementing curtailment and restoration plans when scheduling maintenance or other demand control measures, and shall endeavour that, as far as practicable and reasonable, the consumers are treated equitably in such demand control measures and plans, provided that exemptions may apply to vital and priority consumers.
4. The Licensee shall inform and send to the ............................[licensing authority]copies of any Demand Control guiding principle, demand reduction plan or demand restoration plan to be agreed by the Licensee with the System Operator, in accordance to the Interconnection Guidelines.
5. **Handling of complaints**
6. The Licensee shall comply with applicable provisions relating to the resolution of complaints and disputes as may be prescribed by the ................[licensing authority]or that may be enacted under the Act from time to time, and in particular:-
7. implement procedures, approved by the .............licensing authority], to receive, process and respond to complaints relating to the quality of supply and service;
8. maintain a record of information about the identity of the complainant, type of malfunction or complaint, the location, in case of interruptions the outage time and the time taken to connect or reconnect the complainant, and all such matters established in the Distribution Code or in the Performance Standards in force; and
9. submit to the .........[licensing authority]reports about malfunctions, interruptions, problems in quality of supply and service and consumers’ complaints in the form and manner approved by the ............[licensing authority].
10. The Licensee shall, whenever requested to do so by the ...........[licensing authority], review the complaint resolution procedures, with a view to effect improvements.
11. The Licensee shall make available free to his consumers a current copy of the applicable complaints resolution procedures, as from time to time revised, at all his office premises during normal working hours.
12. **Compliance with regulations, decisions and orders of the ............[licensing authority]**
13. The Licensee shall fully comply with the rules, codes, standards, guidelines, directives, decisions or orders issued by the ..................[licensing authority] in the discharge of its functions under the Act.
14. The Licensee shall comply with all applicable provisions of the Interconnection Guidelines in respect of all his undertakings.
15. At the written request of the............[licensing authority] the Licensee shall participate to the extent specified by the .................[licensing authority] in the development and/or review of any rules, codes, standards and guidelines to be prescribed or prescribed by under the Act.
16. **Review of ..............[licensing authority] Decisions**
    1. The Licensee shall have the right to apply to the .....................[licensing authority]for review of its decisions in relation to revocation or amendment of this Licence or any other decision that affects the Licensee’s undertaking or its rights under this Licence.
    2. If requested by the Licensee in the prescribed manner, the .........[licensing authority]may review its decisions that affect the Licensee’s undertaking or its rights under this Licence, including its decision in relation to revocation or amendment of this Licence.
17. **Adherence to the terms of the Licence and Penalties**
18. Where the ................ [licensing authority]is satisfied that the Licensee has contravened any of the conditions of this Licence, the ..........[licensing authority]may issue an order requiring the Licensee to take specific actions or to refrain from taking specific actions in order to rectify the contravention.
19. Prior to issuing such order, the .......................[licensing authority] shall inform the Licensee of its intention to issue the order and the grounds upon which the order will be issued and provide the Licensee an opportunity to make a representation in accordance with the procedure, including time period, specified by the ..............[licensing authority]in a directive.
20. Without limiting any other right or remedy available to the .........................[licensing authority] under the Act, the .....................[licensing authority] may specify in the order a penalty for each day the Licensee is in default of compliance. The penalty specified by the ..................[licensing authority] shall not exceed the limits (if any) for such penalties set by the Act or other applicable legislation.
21. **Revocation of Licence**
22. Subject to the provisions of the Act, the ..................licensing authority] may at any time revoke this Licence if:
23. The undertaking or the execution of the works related thereto has not commenced at the expiry of twenty four months from the date on which this Licence was granted, except where the ………….[licensing authority]is satisfied that this occurred as a result of events beyond the reasonable control of the Licensee in which case the …………..[licensing authority] shall substitute such period as it in its sole discretion considers reasonable in all the circumstances) or at the expiry of any extended period which the it may allow;
24. The …………………[licensing authority]is satisfied that the Licensee has willfully or negligently failed to operate in accordance with the terms and conditions of the Licence or the provisions of the Act or any regulations thereunder;
25. The Licensee at any time after the commencement of this Licence makes representation to the …………[licensing authority] that the undertaking cannot be carried on with profit, and ought to be abandoned, and, upon inquiry the …………….[licensing authority] is satisfied that the representation is true;
26. The Licensee agrees in writing with the…………….[licensing authority] that this licence should be revoked;
27. Any amount (unless this is being contested in good faith by the Licensee with recourse to the appropriate administrative and judicial procedures) payable by the Licensee under any of the conditions or regulations prescribed under the Act is unpaid 30 days after it has become due and remains unpaid for a period of 30 days after the …………….[licensing authority] has given the Licensee notice that the payment is overdue;
28. The Licensee is unable to pay its debts (unless this is being contested in good faith by the Licensee with recourse to all appropriate judicial procedures and measures) or has any voluntary arrangement proposed in relation to it or enters into any scheme of arrangement (other than for the purpose of reconstruction or amalgamation upon terms and within such period as may previously have been approved in writing by the ); …………….[licensing authority]
29. The Licensee fails to comply with a final order of the …………….[licensing authority] issued under the Act and such failure is not rectified to the satisfaction of the within 60 days after the …………….[licensing authority] has given notice of such failure to the Licensee,

Provided that no such notice shall be given by the …………….[licensing authority] before the expiration of the period within which an appeal under the Act may be made.

1. The Licensee ceases to carry on the undertaking authorized by the Licence;
2. The Licensee goes into liquidation or makes arrangement with its creditors’ or a receiver/manager is appointed over the whole or any material part of the Licensee’s assets or undertaking (other than by the Lenders);
3. The Licensee passes any resolution for winding up other than a resolution previously approved in writing by the…………….[licensing authority];
4. The Licensee becomes subject to an order for winding up by a court of competent jurisdiction;
5. It is established that the Licensee submitted information the Licensee knew or had reason to know to be false when making its application for the Licence , and
6. The Licensee purchases or acquires the undertaking of, or associates itself with, any public or local authority, company, person or body of persons generating or transmitting or distributing electrical energy under any licence without the authorization of the …………….[licensing authority].

**GRANTED AT .... this \_\_ day of \_\_ \_\_ \_\_ 20\_ \_**

**IN WITNESS WHEREOF** the Common Seal of the )

…………….[licensing authority] was hereto affixed )

pursuant to the authority of the ................... given )

on the \_\_ day of \_ \_ \_ \_ \_ \_ 20\_ \_. )

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In the presence of )

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And )

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1. The template for this licence was prepared as part of an EUEI project for the Regional Electricity Regulators’ Association of Southern Africa (RERA) to establish a framework for attracting increased investment in mini-grids employing renewable and hybrid generation in SADC. This project was financed under the Africa-EU Renewable Energy Cooperation Programme (RECP), an integral part of the Africa-EU Energy Partnership (AEEP). [↑](#footnote-ref-1)