



Bhutan Electricity Authority



**LICENCE CONDITIONS TO GENERATE, TRANSMIT,
DISTRIBUTE,
AND SUPPLY ELECTRICAL ENERGY**

**LICENCE CONDITIONS TO GENERATE, TRANSMIT,
DISTRIBUTE
AND SUPPLY ELECTRICAL ENERGY
IN THE KINGDOM OF BHUTAN**

GRANTED TO

THE BHUTAN POWER CORPORATION LIMITED

PURSUANT TO THE
ELECTRICITY ACT OF BHUTAN, 2001

Under the authority granted by the Electricity Act of Bhutan, 2001, the Bhutan Electricity Authority hereby grants this Licence to the Bhutan Power Corporation Limited (hereinafter referred to as the Licensee) to carry out the activities of Generation, Transmission, Distribution and Supply of Electricity as defined in the Licence Conditions attached to this Licence.

This Licence shall be subject to the Electricity Act of Bhutan, 2001, regulations and directives made by the Bhutan Electricity Authority from time to time and any other applicable laws of Bhutan. This Licence is also subject to the Licence Conditions included herein and attached to this Licence and made an integral part hereof. The Authority shall have the right to revoke the Licence without compensation to the Licensee for any breach of the Licence Conditions.

Granted on this 27th day of March 2007 corresponding to 9th day of the 2nd month of the Fire Female Hog Year.

Licence Conditions

1.	DEFINITIONS.....	1
2.	GENERAL CONDITIONS.....	2
3.	LICENSED ACTIVITIES AND LICENCE AREA.....	3
4.	LICENCE TERM.....	4
5.	SERVICE OBLIGATIONS OF THE LICENSEE	4
6.	RELATIONSHIP WITH CUSTOMERS.....	5
7.	RELATIONSHIP WITH OTHER LICENSEES	8
8.	CONDUCT OF THE LICENSEE.....	9
9.	COMPLIANCE WITH ACT AND REGULATIONS.....	9
10.	RELIABILITY AND QUALITY OF SUPPLY	11
11.	ACCOUNTING AND REPORTING	12
12.	MISCELLANEOUS CONDITIONS	12
13.	SCHEDULE I: LICENSED INSTALLATIONS	13
14.	SCHEDULE II: METERING REQUIREMENTS	16
15.	SCHEDULE III: BILLING REQUIREMENTS	18

1 **Definitions**

The following words and phrases used in this Licence and Schedules attached hereto, when capitalized, shall have the meanings set forth below:

“Act” means the Electricity Act of Bhutan, 2001;

“Associated Business” means any business or company which directly or indirectly, in whole or in part, is owned by the Licensee, including any subsidiaries or joint ventures; owns the Licensee; or is owned by a company which owns or is owned by the Licensee;

“Authority” means the Bhutan Electricity Authority;

“Consumer/Customer” means any person or entity supplied with the electricity for his own use by the Licensee includes a person whose supply has been disconnected for the time being;

“Cross Subsidy” means the transfer of assets, either in cash or kind, within the accounts of the Licensee or among Associated Businesses for the financial support of one activity or business or customer group at the expense of another;

“Distribution Code” means the Bhutan Electricity Authority – Distribution Code Regulations;

“Distribution System” means the electrical transmission lines of 33kV and below, and the associated transformation substations;

- “Embedded Generation Facility” means an electricity generation facility that is connected to the Distribution System;
- “Environmental Clearance” means a permit awarded by the National Environment Commission in accordance with the Environmental Assessment Act, 2000;
- “Grid Code” means the Bhutan Electricity Authority – Grid Code Regulations;
- “Import” means the import of electrical energy from another country;
- “Isolated Electricity Supply Facility” means an electricity generation, distribution and supply system that is not connected to the main Transmission or Distribution Systems;
- “kV” means kilo-volt;
- “Large Consumer” means any electricity consumer who is directly connected to the Transmission System or whose notified maximum demand exceeds a level of five (5) MW, or such level as the Authority may determine from time to time;
- “Licence” means a licence issued pursuant to Part 3 of the Act;
- “Licence Condition” means any provision contained in this Licence or any amendment thereto;
- “Licence Area” means the geographical area as defined in Section 3.4 of the Licence Conditions;

“Licensed Activities” means those activities as defined in Section 3.1 of the Licence Conditions;

“Licensee” means any person issued with a Licence pursuant to Part 3 of the Act;

“Ministry” means the Ministry which is assigned responsibility for the electricity supply industry;

“MW” means mega-watt;

“Non-metered Supply” means an electricity supply to a customer, such as a load-limited supply or bulk-metering of a group of customers, where the quantity of electricity consumed by that customer is not metered;

“Performance Agreement” means an agreement between the Licensee and the Authority which establishes incentives and penalties related to the measurable performance by Licensee of specific actions which are designed to improve the efficiency and effectiveness of the Licensed Activities;

“Point of supply” means the point at which the line is connected to the meter;

“Person” means any individual, firm, company, association, partnership or body of persons, whether incorporated or not;

“Prepaid Meter” means an electricity meter used to record electricity supplied to consumers who pay for electricity prior to its consumption;

“Transmission System” means the electrical transmission lines of 66kV and above levels, and associated transformation substations.

2 General Conditions

- 2.1 This Licence is governed by the Act and any other applicable laws of Bhutan.
- 2.2 The Authority may modify the terms and conditions of the Licence in accordance with Section 29 of the Act.
- 2.3 The Authority may revoke this Licence and issue separate Licences for each Licensed Activity or Activities to the Licensee or any other Licensees.
- 2.4 The Licensee may on its own initiative apply to the Authority in writing requesting that the Licence be modified in accordance with Section 30 of the Act.
- 2.5 This Licence shall not be transferred without the written consent of the Authority and payment of applicable fees. The Licensee may apply to the Authority for the transfer of this Licence pursuant to subsection 32.2 of the Act.
- 2.6 The Licensee shall not assign, transfer, sublet or otherwise dispose of its rights, duties, liabilities, obligations and privileges under this Licence to any person or persons except with the written consent of the Authority.
- 2.7 The Licensee shall pay regulatory and other fees on a regular and continuous basis during the term of the Licence as determined by the Authority.

- 2.8 The Licensee is obliged to obtain an Environmental Clearance for new installations as may be required according to the Environmental Assessment Act 2000. The Licensee shall also obtain all other statutory clearances of the Royal Government of Bhutan.
- 2.9 The Licensee shall enter into one or more Performance Agreements, as and when required by the Authority.

3 Licensed Activities and Licence Area

- 3.1 The Licensee is hereby authorised to:
- i) Construct and operate electrical networks and other installations with a rated voltage below sixty six (66) kV for the purpose of distributing electrical energy within the license area;
 - ii) Wheel power for domestic and export purposes;
 - iii) Construct and operate Isolated Electricity Supply Facilities up to 5 MW;
 - iv) Construct and operate Embedded Generation Facilities rated smaller than five (5) MW that are connected to the Distribution System;
 - v) Supply electrical energy to consumers of electricity;
 - vi) Import electrical energy from other countries;
 - vii) Undertake contract works in Power transmission, distribution and other services inherent to BPC, within and outside the license area.
- 3.2 The Licensee is hereby authorized to construct and operate the Transmission and Distribution system within the license area.

- 3.3 Any construction of additional facilities not submitted in the annual investment schedule to the Authority shall be subject to prior approval, or award of an additional licence, by the Authority.
- 3.4 The Licence Area for the performance of the Licensed Activities is the entire Kingdom of Bhutan.
- 3.5 The Licensed Activities shall be implemented through the installations operated by the Licensee which are identified in Schedule I, which shall be updated annually based on a submission by the Licensee to the Authority.
- 3.6 The Authority may introduce limitations on the extent of Licensed Activities that may be undertaken by the Licensee.
- 3.7 The Licensee shall take all prudent and necessary measures to increase the operational and economic efficiency of the Licensed Activities in order to assure the quality and reliability of delivered services for the benefit of consumers.
- 3.8 The Licensee shall not engage in other activities that impede or may impede the proper performance of its Licensed Activities. The Licensee shall inform the Authority before undertaking any activity other than the Licensed Activities. The Authority may prohibit or otherwise restrict the Licensee from engaging in any other activity, other than the Licensed Activities, or impose conditions on the performance of such other activity, as necessary to protect the interests of consumers.
- 3.9 Unless otherwise approved by the Authority, the Licensee shall perform its Licensed Activities in a manner that avoids the creation of any direct or indirect Cross Subsidy between its Licensed Activities and Associated Business activities.

4 Licence Term

- 4.1 This Licence shall be valid for a duration of thirty (30) years from the date of issue unless revoked earlier. The Licensee may in accordance with Section 31 of the Act within three years before the expiry of the Licence, apply for a renewal of the Licence. The Licence may be renewed on such terms and conditions as determined by the Authority.
- 4.2 The Licensee shall, on the expiry or revocation of the Licence, remove on its expense and to the satisfaction of the Authority, all installations as considered by the Authority as inappropriate for further operation based on the objectives of the Authority.

5 Service obligations of the Licensee

- 5.1 Investment and supply plans
 - 5.1.1 The Licensee shall develop and implement plans for the construction, operation and maintenance of the Distribution System to meet the demand of all customers within the Licence Area at a level of quality and reliability of services according to conditions defined in this Licence. Such plans shall include appropriate contingency measures.
 - 5.1.2 The Licensee shall implement rural electrification within the Licence Area as per plans prepared by the Ministry.
 - 5.1.3 The Authority may define electrification targets to be met by the Licensee and applicable conditions for new customers to be connected to the grid.

5.2 Connection and supply obligations

5.2.1 The Licensee shall connect and supply electrical energy in a non-discriminatory manner to all applicants within the Licence Area provided:

- i) the applicant complies with conditions set out by the Authority, including payment of connection fees, customer deposits and other appropriate amounts payable for new service connections;
- ii) the applicant has no unpaid debt with the Licensee;
- iii) the applicant's facilities are adequate;
- iv) the licensee's prevalent electricity infrastructure is available and has adequate unreserved capacity and it is feasible for the Licensee to extend such supply.

5.2.2 In the event that the Licensee refuses or delays to connect an applicant, the Licensee shall explicitly inform the applicant of the reasons for its refusal or delay, where such reasons should be consistent with the terms and conditions of this Licence.

5.2.3 Any connection and supply shall be based upon a written contract. The contracting parties are responsible for effecting any provisions given in this Licence.

5.2.4 The Authority may define specific requirements for the establishment of new connections including a minimum time for undertaking the connections, and the necessary testing of internal wiring.

5.3 The Licensee shall offer services based on tariffs and supply conditions as approved by the Authority.

6 Relationship with customers

6.1 Information

6.1.1 The Licensee shall provide information to prospective consumers on procedures for applying for a new connection, and the costs of new connections.

6.1.2 The Licensee shall provide new customers with an information package containing, amongst other matters:

- i) information on prevailing tariffs and terms of supply;
- ii) payment procedures;
- iii) causes of and procedures for disconnection of supply;
- iv) procedures and actions to have the supply reconnected after disconnection; and
- v) procedures for registering of complaints and settlement of disputes.

6.1.3 The Licensee shall further assist the customer or anyone applying for connection to select the most economical tariff that the customer is eligible for.

6.1.4 The Licensee shall notify customers of changes in tariffs and rates and keep available for easy inspection in each

business office information on the tariffs, rates and rules relating to the supply and the method of reading meters.

6.2 Tariffs

6.2.1 The Licensee shall not charge consumers or other Licensees any tariffs or charges other than those approved by the Authority, and determined in accordance with the tariff determination regulations.

6.2.2 The Licensee may enter into power sales agreements with Large Consumers provided that such agreements are approved by the Authority and the prices and terms of such agreements do not imply a Cross Subsidy from other customers of the Licensee to such Large Consumers.

6.3 Customer deposits

6.3.1 The Licensee may require an applicant for supply to establish a deposit. The establishment of this deposit shall not relieve the customer from complying with rules for prompt payment of bills.

6.3.2 The required deposit shall not exceed an amount equivalent to three (3) times the average monthly billing for customers in that category. An additional deposit may apply for the meter, which may be increased should the meter be upgraded to a higher capacity.

6.3.3 The Licensee shall keep records that show:

- i) The name and address of each depositor;
- ii) The amount and date of the deposit; and

- iii) Each transaction concerning the deposit.
- 6.3.4 The Licensee shall issue a receipt of deposit to each applicant from whom a deposit is received and shall provide the means whereby a depositor may establish a claim if the receipt is lost.
- 6.3.5 After permanent disconnection, the Licensee shall promptly and automatically refund the customer's deposit in excess of the unpaid bills for electricity already supplied.
- 6.3.6 In case of transfer of ownership of the property, the meters shall be registered in the name of the new owners and any deposits required shall be made by the new owners.
- 6.4 Line extension and connection charges
- 6.4.1 An intending customer applying for new service connection shall have to pay the cost of line extension, voltage transformation and service connection including cost of installation for any extension beyond thirty (30) metres from an existing installation, on receipt of the relevant estimate from the Licensee.
- 6.4.2 The estimate shall include, but is not limited to:
- i) Cost of material;
 - ii) Installation and labour costs;
 - iii) Transportation;
 - iv) Contingency; and

v) Any other specific related costs.

6.4.3 The customer may be requested a deposit or a guarantee as security for covering the cost as per Section 6.4.2.

6.4.4 The Licensee will derive his costs as per Section 6.4.2 in a manner as approved by the Authority.

6.4.5 The Licensee shall develop procedures for cost sharing and connection charge refunds where new customers connect subsequent to the installations paid for with the customer's line extension charges.

6.4.6 The amount paid under 6.4.1 by the customer shall be treated as non-tariff revenue for the purposes of tariff determination in accordance with the Bhutan Electricity Authority - Tariff Determination Regulations.

6.4.7 The ownership of the electrical installations shall remain with the Licensee, and the Licensee shall be responsible for maintenance of the installations.

6.4.8 Line extension charges may not be applicable, if so decided by the Authority, to connections under a rural electrification programme or connections that are part of an industrial or commercial development, provided that such costs can be recovered through tariffs or subsidies.

6.5 Metering

6.5.1 Unless a customer's supply point is designed as a Non-metered Supply, a suitable meter shall be installed, sealed and maintained by the Licensee at each Point of

Supply to the consumer and shall remain the property of the Licensee.

6.5.2 The Licensee shall comply with the conditions on metering set out in Schedule II.

6.6 Billing

6.6.1 Except in the case of Pre-paid Meters or Non-metered Supplies, bills for the supply of electrical energy, based on metered consumption, shall be delivered to customers within one month of the meter being read or consumption estimated.

6.6.2 The Authority may define specific requirements on procedures and conditions for billing, payment and presentation of electricity bills.

6.6.3 The Licensee shall comply with the conditions on billing set out in Schedule III.

6.7 Disconnection and reconnection

6.7.1 If a customer ceases to make the payment for any month, it shall be the routine mandate of the Licensee to serve notice for payment in writing along with the bill for the second month.

6.7.2 After the notice is served, if the customer fails to make the payment within the due date of the second unpaid bill, a disconnection notice may be served to the customer. If there is no response from the customer, the supply shall be disconnected after recording the reading for the third month.

6.7.3 Supply to a customer may be disconnected for any of the following reasons:

- i) Failure to pay an unpaid and overdue account or failure to comply with the terms of an agreed payment plan for instalment payments;
- ii) Breach of the Licensee's rules regarding operation of non-standard equipment or unauthorized connection which will interfere with the supply of others if a reasonable attempt has been made to inform the customer and the customer has been given a reasonable time to comply with the rules, normally within thirty (30) days after the receipt of the notice;
- iii) Failure to comply with deposit or guarantee arrangements; or
- iv) Tampering with or bypassing the Licensee's meter or equipment.

6.7.4 The supply may be disconnected without notice where a dangerous condition exists and for as long as the condition exists.

6.7.5 Unless a dangerous condition exists, or unless the customer requests disconnection, service shall not be disconnected on a non-working day, or on a day preceding a non-working day.

6.7.6 The Licensee shall upon request from a customer that has been disconnected in accordance with the provisions made in Section 6.7.3 reconnect the customer if the customer:

- i) Pays the reconnection fee;
- ii) Has settled or made acceptable arrangement to settle any unpaid or overdue account;
- iii) Has remedied any non-compliance with the rules regarding operation of non-standard equipment or unauthorized connection;
- iv) Complies with deposits or guarantee arrangements; and
- v) Paid or made acceptable arrangement to pay for the supply obtained through tampering with or bypassing meters or equipment.

6.8 Dispute resolution

The licensee shall also establish a process of dispute resolution for fair and speedy resolution of consumer grievances in line with the Bhutan Electricity Authority regulations.

7 Relationship with other Licensees

- 7.1 The Licensee shall enter into an interconnection agreement with any other Licensee operating a generation facility and connect the generation facility to the Transmission System on conditions approved by the Authority; provided that the generator is capable of operating in accordance with the requirements of the Grid Code.
- 7.2 The Licensee shall enter into an interconnection agreement with any other Licensee operating an Embedded Generation Facility, and connect the generation facility to the Distribution System on conditions approved by the Authority; provided that the generator is capable of operating in accordance with the requirements of the Distribution Code.
- 7.3 The Licensee shall not collude in any way with other Licensees.
- 7.4 In the event of a dispute between Licensees under the Act, the parties to the dispute shall follow the procedures as set out in the Bhutan Electricity Authority-Dispute Resolution Regulations.

8 Conduct of the Licensee

- 8.1 Co-operation with other authorities
 - 8.1.1 The Licensee shall extend all possible cooperation to other appropriate national, regional and local authorities within the Licence Area to assure the necessary coordination with other infrastructure development, construction and planning activities. The Licensee should present all relevant plans for new installations to the authorities responsible for planning and construction as well as affected private landowners.

8.2 Business conduct of the Licensee

8.2.1 The Licensee shall not impede, prevent or attempt to prevent other Licensees or potential competitors from engaging in, or entering into the electricity supply industry in Bhutan.

8.2.2 The Licensee shall conduct its Licensed Activities without showing undue preference to any person and execute its Licensed Activities on a non-discriminatory basis with respect to all affected parties. The Licensee shall provide services in compliance with such terms and conditions applicable to all licensees and customers who request its services.

8.2.3 The Licensee shall not undertake any activities other than those specified under this licence without the prior approval of the Authority.

8.2.4 The Licensee shall not engage in any form of monopoly abuse.

8.3 Use of information

8.3.1 The Licensee shall ensure that any confidential or privileged information obtained as a result of its activities shall not be revealed to anyone, except to persons who are authorised to receive such information. The Licensee shall also ensure that such confidential or privileged information is not used for conducting any other activities, other than the Licensed Activities.

8.3.2 The Licensee shall ensure that no person, including any Associated Business, uses any information in the

Licensee's possession to gain an unjustified competitive advantage.

8.3.3 The Authority may require the Licensee to develop and submit procedures for ensuring compliance with the conditions set out in subsections 8.3.1 and 8.3.2 above.

9 Compliance with Act and regulations

9.1 The Licensee shall comply with the Act, all regulations, codes and standards as and when issued by the Authority, including but not limited to:

- i) The Bhutan Electricity Authority - Distribution Code Regulations;
- ii) The Bhutan Electricity Authority - Grid Code Regulations;
- iii) The Bhutan Electricity Authority - Tariff Determination Regulations;
- iv) The Bhutan Electricity Authority - Dispute Resolution Regulations;
- v) The Bhutan Electricity Authority - Regulatory Fees Regulations;
- vi) The Bhutan Electricity Authority – Safety Regulations;
- vii) The Bhutan Electricity Authority - Accounting and Reporting Regulations.

9.2 Notwithstanding Section 9.1, the Licensee shall have:

- i) A period of three (3) years from the date that the Distribution Code is issued to comply with Section 7 Guaranteed Service Levels of the Distribution Code; and

- ii) A period of three (3) year from the date that the Distribution Code is issued to comply with other Sections of the Distribution Code.

9.3 The Authority may initiate an inspection of the Licensee's compliance with any Licence Condition, including examination of the Licensee's business practices with respect to these conditions.

9.4 Authorised representatives of the Authority shall be given access to inspect the Licensee's premises, its equipment and documents for the purpose of investigating the Licensee's compliance with the Licence Conditions. The Licensee shall provide any required assistance necessary for the Authority to conduct its work efficiently. Except in cases of emergencies, reasonable notice shall be given by the Authority to the Licensee for such inspection.

9.5 If the Licensee is found to breach any of the Licence Conditions, the Authority may take any of the following actions:

- i) Order compliance in accordance with section 28 of the Act;
- ii) Modify the Licence in accordance with section 29 of the Act;
- iii) Revoke the Licence in accordance with section 34 of the Act;
- iv) Impose fines, sanctions and penalties in accordance with subsection 11.1 vi) and Part 9, Offences of the Act.

9.6 The Licensee shall inform the Authority of any violation of the Licence Conditions within one week from such violation becoming known to the Licensee.

- 9.7 Where the Authority determines that the Licensee has breached or is likely to breach a Licence Condition or the provisions of applicable laws and, where the Authority is confident that immediate action is necessary, it may direct the Licensee to take immediate action to discontinue or refrain from that practice to:
- i) Protect public health, safety and the environment; or
 - ii) Prevent the destruction of public property.
- 9.8 Where the Licensee does not take action according to Section 9.7, the Authority may take action on behalf of the Licensee at the cost of the Licensee.

10 Reliability and quality of supply

10.1 Reliability of supply

- 10.1.1 The Licensee shall ensure a regular supply of electrical energy according to requirements and indicators given by the Authority and make all reasonable efforts to prevent interruptions of supply that may inflict damage to electrical equipment or machinery of customers or economic activity. When interruptions do occur, the Licensee shall seek to restore the supply within the shortest possible time in accordance with prudent operating principles so that the least number of customers is affected.
- 10.1.2 The Licensee may suspend or interrupt the supply temporarily or partially in order to undertake necessary maintenance, repairs and extensions of his

installations or equipment or to restore supply. Such interruptions shall be limited to the extent possible in terms of duration and frequency and scheduled to periods where they are likely to cause least possible inconvenience to the consumers and society. The Licensee may further interrupt the supply at any time in case of load shedding when the:

- i) Demand exceeds the available capacity in the area;
- ii) In case of emergency; or
- iii) As and when instructed to do so by the entity responsible for system operation.

10.1.3 The Licensee shall be required to make reasonable provisions to meet emergencies resulting from a failure of supply.

10.1.4 The Licensee shall notify consumers of the dates, estimated time and duration of any planned interruptions at least two (2) weeks prior to the date of interruption. For unplanned interruptions, the Licensee shall use best efforts to inform the affected customers as soon as possible.

10.1.5 The Licensee shall keep a complete record of all interruptions, both emergency and scheduled. These recordings shall include the cause of interruptions, date, time duration, location and approximate number of customers affected. In cases of emergency interruptions, record keeping shall also include the remedy and steps taken to prevent recurrence.

10.1.6 The Authority may, in consultation with the Licensee, define specific indicators and performance requirements for the reliability of supply applicable to the Licensee. Such indicators and requirements shall as a minimum include:

- i) The total time customers may experience loss of supply;
- ii) The frequency at which such interruptions may occur; and
- iii) The duration of the interruptions.

10.2 Quality of supply

10.2.1 The Licensee shall comply with the quality of supply requirements and indicators as set out in the Distribution Code.

10.2.2 The Licensee shall provide information to customers both as regards the applicable standards and any change in quality standards.

11 Accounting and Reporting

11.1 The Licensee shall keep accounting records and prepare financial statements separately for the Licensed Activities and any Associated Businesses, in accordance with any rules and regulations of the Authority, in addition to other reporting requirements under the Laws of Bhutan.

11.2 The Licensee shall allocate common expenses between its Licensed Activities and any Associated

Businesses on a reasonable basis in accordance with generally accepted accounting practices.

- 11.3 The Licensee shall submit to the Authority, upon its request and in the form and within the time set by the Authority, any information, including information provided to other government entities, that the Authority considers reasonably necessary to conduct its regulatory responsibilities.
- 11.4 The Licensee shall, at the end of each financial year, prepare and submit to the Authority, in the form prescribed by the Authority, an annual report on the finances, operations and services of the Licensee, and the extent to which the Licence Conditions are being followed, in accordance with the Bhutan Electricity Authority - Accounting and Reporting Regulations.
- 11.5 Upon reasonable prior notice, authorised representatives of the Authority or any person authorised by the Authority shall be given access to inspect the Licensee's premises, installations, books and accounts and other documentation for the purpose of investigating the Licensee's compliance with the Licence conditions. The Licensee shall provide any required assistance necessary for the Authority to conduct its work efficiently.
- 11.6 Information provided to the Authority by the Licensee shall be considered public unless, upon specific request of the Licensee, the Authority ascertains that certain information is of a proprietary nature and that the public interest served by disclosure would not justify or offset the potential commercial harm to the Licensee.

- 11.7 The Licensee shall notify the Authority annually of any accident that has occurred in any part of the Licensee's works or in connection with its Licensed Activities. Notice of any loss of life or serious personal injury or damage to public property occasioned by such accident shall be reported to the Authority immediately after the accident.

12 Miscellaneous Conditions

- 12.1 Communication between the Licensee and the Authority pursuant to, or in connection with the Licence shall be given in writing and executed by a duly authorised officer of the Licensee or the Authority, respectively.
- 12.2 If any of the Licence Conditions becomes null and void or otherwise ceases to be effective, that condition shall be deleted and the remaining Licence Conditions shall continue in full force and effect for the term of the Licence.

Schedule I: Licensed installations

Generation	See Tables I and II
Transmission	See Map I
System Operation	Dispatch centre located at Simtokha
Distribution	MV facilities: See Map II All LV lines, equipment and service connections connected to MV facilities

Table I: Hydropower embedded generation facilities

<i>Location Dzongkhag</i>	<i>Plant name</i>	<i>Installed capacity (kW)</i>	<i>Year commissioned</i>
Wangdue	Wangdue Phodrang		
	Mini Hydropower	300	1972
Chhenari Trashigang	Chhenari Mini		
	Hydropower	750	1972
Gidakom Thimphu	Gidakom Mini		
	Hydropower	1250	1973
Khalanzi Mongar	Khalanzi Mini		
	Hydropower	390	1976
Khaling Trashigang	Khaling Hydropower	600	1987
Chhumei Bumthang	Chhumei Hydropower	1500	1988
Rangjung Trashigang	Rangjung Hydropower	2200	1996
Rukubji Wangdue	Rukubji		
Phodrang	Micro Hydropower	40	1986-87
Ura Bumthang	Ura Micro Hydropower	50	1986-87
Chachey Tsirang	Chachey Hydropower	200	1991
Dagana Dagana	Darachhu Micro		
	Hydropower	200	1992
Jushina Thimphu	Thimphu Mini		
	Hydropower	360	1967
Bubja Trongsa	Bubja Micro		
	Hydropower	30	1986-87

Tangsibji Trongsa	Tangsibji Micro Hydropower	30	1986-97
Trongsa Trongsa	Trongsa Micro Hydropower	50	1986-87
Surey Sarpang	Surey Micro Hydropower	70	1986-87
Tamshing Bumthang	Tamshing Micro Hydropower	30	1986-87
Kekhar Zhemgang	Kekhar Micro Hydropower	20	1986-87
Tingtibi Zhemgang	Tingtibi Mini Hydropower	200	1992
Linzhi Thimphu	Linzhi Pico Hydropower	8	1999
Gangzur Lhuentse	Gangzur Micro Hydropower	120	2000
Thimyul Lhuentse	Rongchu Micro Hydropower	200	2001
Chendebji Trongsa	Chendebji Micro Hydropower	70	2005

Table II: Diesel generation embedded generation facilities

<i>Location</i>	<i>Installed capacity (kW)</i>
Thimphu	3314
Paro	88
Tsirang	433
Panbang	50
Dagana	290
Trashigang	778
Phuentsoling	624
Mongar	250
Trongsa	306
Gelegphu	692
Sarpang	505
Kalikhola	152
Zhemgang	330
Samdrup Jongkhar	280
Bumthang	556
Yangtse	250
Pema Gatshel	250

Schedule II: Metering Requirements

- II.1 Any tampering of a meter or damages to a meter will be an offence. The Licensee may charge a customer for additional costs caused by burnt out meters due to overloading by the customer.
- II.2 The Licensee may reserve the right to fix the position of the meter in the customer's premise, in a suitable and easily accessible place.
- II.3 Where customer has a several consumption points for different entities within his premise, on application to the Licensee each consumption point may have individual meters at the customer's own cost.
- II.4 Authorised employees of the Licensee are entitled, at all reasonable times to enter upon the premises to which energy is supplied for the inspection and reading of meters and for other purposes connected with inspection of apparatus belonging to the Licensee.
- II.5 Each Licensee shall keep a record of all meters, showing the customer's address, meter number, make, current rating, rev/kWh, multiplication factor and date of the last test. All meter tests shall be properly recorded.
- II.6 A meter shall not be connected, disconnected or unsealed by any person other than Licensee's authorized employees. The customer shall also use all reasonable means in his power to ensure that no such seal is broken otherwise than by a representative of the Licensee.
- II.7 Should the customer require a meter to be removed or its position changed, he shall give notice to that effect in writing to the Licensee. The Licensee shall comply with such notice, subject to payment by the customer of the charges as approved by the Authority.

- II.8 Should the customer dispute the accuracy of the meter, he may, on giving notice in writing to the Licensee and paying in advance the prescribed fee of the Licensee, request a test of the meter to be made by the Licensee. If on such test being made the meter should prove to be incorrect the Licensee should refund any charges for the meter test and shall correct the customer's account.
- II.9 In the event of any meter being found to be incorrect and where the actual errors of reading cannot be ascertained, the correct quantity of energy consumed shall be determined by taking the average consumption of the three months (3) of the same period in the previous year, or the three (3) months prior to the faulty meter being notified by the customer, if data is not available for the previous year. The bills shall be prepared and presented accordingly.
- II.10 Should the Licensee at any time, detect the meter at a customer's premises to be out of order or incorrect, the Licensee shall cause a test of the said meter. The test shall be carried out jointly with the customer and should the meter prove to be not correct the customer's account should be adjusted as described in sub-clause above.
- II.11 The Licensee's meter testing equipment should conform to international standards and the Licensee should have its meter testing equipment calibrated annually.
- II.12 Subject to the provisions of sub-clauses above, the supply taken by the customer as measured by the said meter shall be deemed correct and binding on the customer.
- II.13 The energy meter provided by the Licensee or caused to use by the customer shall have the minimum accuracy level as specified here below:
- i) Single phase meter $\pm 2\%$

- ii) LV Three phase meter ± 2%
- iii) HV meter ± 1%

Schedule III: Billing requirements

III.1 The customer's bill shall at least include the following information:

- i) The meter number and customer identification;
- ii) The name and address of the customer;
- iii) The date and reading of the meter if the meter has been read; or the estimated consumption and the time period for estimation, if the consumption has been estimated;
- iv) The number and kind of units billed;
- v) The applicable tariff or rate;
- vi) The due date by which the customer should pay the bill;
- vii) The surcharge and number of days before disconnection if the bill is not paid within the due date.

III.2 A maximum surcharge of five percent of the outstanding balance is allowed if the customer fails to pay within due date.

III.3 The Licensee shall record the bill in the billing database.

III.4 In the event of a dispute between the customer and the Licensee regarding the bill, the Licensee shall make an investigation and report the results to the customer.

III.5 The customer shall be required to pay the disputed portion of the bill until the resolution of the dispute. After settlement of dispute, the difference shall be adjusted in the subsequent billed amount.

Approved in the 3rd commission meeting held on September 19, 2006