



NOTICE OF INTENDED MODIFICATION OF LICENCE NO. 059 ISSUED TO KIKAGATI POWER COMPANY LIMITED

UNDER SECTION 44 (5) OF THE ELECTRICITY ACT, 1999

In pursuance of its powers under Section 44 (4) of the Electricity Act, 1999, the Electricity Regulatory Authority (hereafter referred to as the “Authority”), hereby gives notice under Section 44 (5) as follows:

1. The Authority has approved the modification of the electricity generation and sale **Licence No. 059** (the “Licence”), issued to **Kikagati Power Company Limited** (the “Licensee”), for the development of the proposed **14 MW Hydro Power Plant in Isingiro District**.
2. The modification is being proposed following a written Application from the Licensee.
3. The proposed modifications are to:
 - a) Amend the period within which the Licensee is required to achieve Financial Close in Conditions 3, 4.1.1 (a) and 4.2 of the Licence. The Licensee is currently required to achieve Financial Close within three hundred sixty five (365) days from 1st February 2017. The proposed modification will allow the Licensee to achieve Financial Close within five hundred twenty five (525) days from 1st February 2017;
 - b) Amend the duration within which the Licensee is required to achieve Early Construction Start Date under Conditions 3 and 4.1.1 in the Licence, from 120 days after 1st February 2017 to 280 days thereof; and,
 - c) Amend the duration within which the Licensee is required to achieve the Commercial Operations Date under Conditions 4.1.1 (d) and 4.3.1 (d) of

the Licence, from thirty six months after 1st February 2017 to forty one months, thereof.

4. The proposed modifications to the Licence are set out below:-

4.1. The Definitions Clause 3, should be amended as follows:

4.1.1. The term Early Construction Start Date should be modified by substituting the words 'one hundred twenty (120) days' with the words 'two hundred eighty (280) days', as follows:-

'Early Construction Start Date, the date, not later than ~~one hundred twenty (120) days~~ two hundred eighty (280) days from the Restatement date, when the Licensee shall commence with construction using equity.'

4.1.2. The term 'Financial Close' be modified by substituting the words 'three hundred sixty five (365)' with the words 'five hundred twenty five (525) days', as follows:-

'Financial Close' the date not later than ~~three hundred sixty five (365)~~ five hundred twenty five (525) days from the Restatement Date, on which the Licensee would have concluded financial arrangements and disbursements by the lenders and by which the lenders confirm that all conditions precedent to the first drawdown have been satisfied or waived.'

4.2. Clause 4.1.1. (a) be deleted and substituted as follows:

'The Licensee shall, in all respects, develop the Project in accordance with the following timelines:

(a) Achieve Financial Close before or on the date, not later than ~~three hundred sixty five (365)~~ five hundred twenty five (525) days from the Modification Date;

(b) Achieve Early Construction Date before or on the date, not later than ~~one hundred twenty (120) days~~ two hundred eighty (280) days from the Modification Date; and

(d) Achieve Commercial Operations Date before or on the date, not ~~later than thirty six (36)~~ forty one (41) months from the Modification Date.'

4.3. Clause 4.2 of the Licence be substituted as follows:

‘4.2. The Licensee shall provide proof of Financial Close to the Authority within ~~three hundred sixty five (365)~~ five hundred twenty five (525) days from the Restatement Date, or within such period to be agreed between the Authority and the Licensee. In the event that the Licensee does not provide proof of the said Financial Close, the Licence may be revoked in accordance with Section 12 of the Licence.’

4.4. Clause 4.3.1 (d) of the Licence be substituted as follows:

‘Not later than thirty (30) days from the Modification Date, the Licensee shall submit to the Authority a Performance Bond in a form and substance satisfactory to and in favour of the Authority in accordance with the requirements of Section 33 (4) of the Act to secure the performance of Licensee’s obligations to achieve:

(b) Commercial Operations Date, within a period not exceeding ~~thirty six (36)~~ forty one (41) months from the Modification Date, in respect of which, the value of the Performance Bond shall be equivalent to USD 2,500 per MW.’

5. The purpose of this notice is to bring the proposed modification to the attention of the Public and invite representations or objections in connection thereto.

6. In line with Clause 44 (5) of the Act, any representations or objections with respect to the proposed modification may be made on or before thirty (30) days from the date of this Notice to:

**The Secretary
Electricity Regulatory Authority
ERA House, Plot 15, Shimoni Road, Nakasero
P.O. Box 10332
Kampala
Email: info@era.or.ug**

Dated this 4th day of January 2018

MANAGEMENT

GAZETTE



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POWER COMPANY LIMITED**
UNDER SECTION 44 (5) OF THE ELECTRICITY ACT, 1999

In pursuance of its powers under Section 44 (4) of the Electricity Act, 1999, the Electricity Regulatory Authority hereby gives notice under Section 44 (5) of its intention to modify the electricity generation and sale Licence Number 059 (the “Licence”) held by Kikagati Power Company Limited (the “Licensee”), for the proposed development of a 14 MW Hydro Power Plant in Isingiro District.

The detailed Modification can be accessed at www.era.or.ug.

In line with Section 44 (5) of the Electricity Act, 1999, any representations or objections with respect to the proposed modification may be made on or before thirty (30) days from the date of this Notice, to:

The Secretary
Electricity Regulatory Authority
Era House, Plot 15, Shimoni Road, Nakasero
P.O. Box 10332
Kampala
Email: info@era.or.ug

Dated this 4th day of January 2018

MANAGEMENT