

ELECTRICITY REGULATORY AUTHORITY



LICENSE CONDITIONS FOR GENERATION AND SALE OF ELECTRICITY

License No. █████

██████████ LIMITED (Licensee)

GENERAL PROVISIONS

- 1.1 This License for Generation and Sale of Electricity issued to the Licensee above named (“Licensee”), including these License Conditions, is issued by the Electricity Regulatory Authority (“Authority”) in accordance with and in exercise of the powers conferred upon it pursuant to Sections 10 (e) and 51 of the Act and Regulations made thereunder and in accordance with laws of the Republic of Uganda as may be in effect from time to time.
- 1.2 The Licensee is authorized by this License to construct, own and operate a hydro generation Facility of █████ MW situated on River █████ in █████ Village, █████ Sub county, █████ District at the site specified in Annex A and sell the electricity generated from the above activities to the Grid during the term of the License.
- 1.3 The total amount of generating capacity the Licensee is authorized to sell shall not exceed the amount authorized in the License hereof.
- 1.4 This License may not be transferred or assigned to any other party without the prior written consent and approval of the Authority in accordance with S.46 of the █████ Act.

2 INTERPRETATION

In this License;

- 2.1 To the extent that there may be inconsistencies between the License and the Act, the Act and Regulations made thereunder shall be controlling in ALL and ANY respects thereof.
- 2.2 To the extent that there may be inconsistencies between the License and any other agreements relating to the Licensed Activity, the provisions of this License shall prevail over such agreements.
- 2.3 Unless the contrary intention appears, words and expressions used in these License conditions shall be construed as used in the Act and Regulations made thereunder.
- 2.4 References in the singular shall include references in the plural and vice versa, and words denoting natural persons shall include corporations and any other legal entity and vice versus.
- 2.5 References to the words “include”, “includes” and “including” are to be construed without limitation.
- 2.6 Except to the extent that the context requires reference to a particular condition, term or Schedule shall be references to that condition, term or Schedule in or to this License.
- 2.7 Except to the extent that the context requires any reference to “this License” or any other agreement or document is a reference to such document as amended, supplemented or notated from time to time and includes a reference to any document which amends, is supplemental to, notates, or is entered into, made or given pursuant to or in accordance with any terms to it.
- 2.8 The headings and paragraph numbers are inserted for convenience only and are to be ignored for the purposes of construction.
- 2.9 A reference to a statute or statutory provision is a reference to it as amended, extended or re-enacted from time to time.

3 DEFINITIONS

3.1 The following words and phrases used in the License, these License Conditions and Annexes, unless the context otherwise provides, shall have the meanings set forth below:

Act	the Electricity Act 1999, Chapter 145 of the laws of Uganda, as may be amended from time to time.
Ancillary Services	services required for maintaining established standards of safety, reliability and quality of electricity, including reactive power compensation, frequency and voltage control, standby or emergency start-up services, maintenance of stand-by capacity and other similar services.
Associated Business	any business which directly or indirectly, in whole or in part is: owned by the Licensee; or owns the Licensee; or is owned by a company owned by the Licensee.
Authority	the Electricity Regulatory Authority established in accordance with Section 4 of the Act.
Commercial Operations Date	means the date as defined in the Power Purchase Agreement.
Contractor	any contractor employed by the Licensee in the design, manufacture, construction, commissioning, operation or maintenance of the Generation Facility or any part thereof.
Construction Start Date	the date on which (i) Licensee has received all commitments in respect of debt and equity required for completion of the Generation Facility and any conditions precedent to the advancing of such debt and equity have been satisfied or waived and (ii) Licensee has provided a notice to proceed under the construction contract in place in respect of the Generation Facility.

Consents	all such approvals, consents, authorizations, grants, certificates of registration, notifications, concessions, acknowledgements, agreements, licenses except this License, permits, decisions or similar items required to be obtained from a government authority by the licensee for the construction, financing, ownership, operation and maintenance of the Generation Facility.
Cross Subsidy	transfer of funds or allocation of costs within the accounts of the Licensee or among Associated Businesses for the financial support of one activity or business at the expense of another.
Customer	buyer or Purchaser of electricity or services and shall include consumer as defined by the Act.
Effective Date	the date on which the License comes into force which shall be 1st June, 2014.
Financial Close	the date, not later than 180 (One Hundred and Eighty days), from the Effective 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 first drawdown have been satisfied or waived.
Gazette	Uganda Gazette including supplement or Gazette extra ordinary.
Generation Capacity	The total generation capacity of the equipment listed in Annex B which shall not be more than the contracted capacity as stipulated in the Power Purchase Agreement.
Generation Facility	The hydroelectric power station, including the dam, the power house and related switchyard facilities as more particularly described in Annex B.
Grid Code	statutory Instrument No.24 of 2003, the Electricity (Primary Grid Code) Regulations.

Financial Year	Financial Year, is a period not exceeding 12 months beginning ██████████ and ending ██████████ in respect of which the audited financial statements are furnished.
Implementation Agreement	the Agreement between the Licensee and the Government of Uganda.
Implementation Schedule	the implementation and development plan for the Generation Facility submitted by the Licensee and approved by the Authority.
License	Formal authorization granted under the Act to the Licensee to carry out the business of generation and sale of electricity.
Licensee	██████████ Limited
Licensed Activity	activities necessary for and directly related to the generation and sale of electricity by the Licensee including the construction, ownership and operation of the Generation Facility.
License Conditions	terms of the License which must be complied with and observed by the Licensee and for which performance of the Licensee is monitored by the Authority.
License Term	The stated term of ██████████ .
Performance Bond	The bond issued by the Licensee in favor of the Authority pursuant to condition 4.1.
Power Purchase Agreement	the Agreement between the Licensee and the Uganda Electricity Transmission Company Limited.

Prudent Utility Practice	Means generally accepted industry operating and maintenance practices with respect to the electric power generation, transmission and distribution industry and includes standards of practice obtained by exercising that degree of skill, diligence, prudence and foresight which could reasonably be expected from a skilled and experienced person engaged in the same type of undertaking.
Regulations and Rules	standards, codes, regulations, orders, directives and other standards enacted under law by the Authority or other Government entities.
System Operator	The Licensee authorized by the Authority under the Act to conduct system operations, including responsibilities for dispatching and controlling the operation of generating plants and other electrical facilities necessary to provide for system stability, security, reliability, safety and efficient operations.
Tribunal	The Electricity Disputes Tribunal as established under Part XIII of the Act.

4 OBLIGATIONS OF THE LICENSEE

4.1 PERFORMANCE BOND

4.1.1 Not later than 30(thirty) days from the Effective Date , the Licensee shall deposit with the Authority a performance bond in a form and substance satisfactory to and in favor of the Authority in accordance with the requirements of Section 33(4) of the Act to secure the performance of Licensees obligations to achieve:

4.1.1.1 Financial Close and Construction Start Date by the scheduled construction start date in respect of which, the value of the Performance Bond shall be the equivalent of USD ██████████ per MW of Generation Capacity being USD ██████████ (██████████ United States Dollars); and

4.1.1.2 Commercial Operations Date, within a period not exceeding ██████████ months from the Effective Date, in respect of which, the value of the Performance Bond shall be the equivalent of USD ██████████ per MW of Generation Capacity being USD ██████████ (██████████ United States Dollars).

4.2 PRE COMMERCIAL OPERATIONS PERIOD

4.2.1 The Licensee shall submit to the Authority the documents listed below on or before the date specified herein below:

4.2.1.1 Any documents supplementing or otherwise amending the Power Purchase Agreement (PPA) specified herein not later than 30 (thirty) days from the date of such amendment, modification, and supplementation.

4.2.1.2 As soon as possible but no later than Financial Close a copy of the Implementation Agreement (IA) as executed with any modification thereto.

4.2.1.3 On or before Financial Close a copy of the construction contract as executed including all schedules, plans, and specifications attached thereto plus all amendments executed as of the date.

4.2.1.4 On or before Financial Close, copies of all Consents and other governmental authorizations that have been issued to the Licensee for the design, financing, construction, ownership, operation and maintenance of the generation facility and not later than 30 (thirty)days prior to the Commercial Operations Date (a) evidence demonstrating that the Licensee

- has obtained all Consents required to be obtained for the ownership , operations and maintenance of and the supply of power from the generation facility together with (b) list of Consents not yet required to be obtained for the operation and maintenance of and the supply of power from, the Generation Facility together with a plan reasonably acceptable to the Authority for obtaining such Consents and an estimate of the time within which such Consents will be obtained.
- 4.2.1.5** On or before Commercial Operations Date, a copy of the Licensee's proposed plan for the operations and maintenance of the generation facility or an operations and maintenance contract entered into by the Licensee together with all amendments executed as of that date.
 - 4.2.1.6** As soon as available, copies of all contracts executed with direct Contractors.
 - 4.2.1.7** As soon as available, but in any case not later than Financial Close, the Licensee shall provide the Authority with an environmental assessment report or study of the generating facility that has been provided to the Licensee or to its lenders.
 - 4.2.1.8** As soon as available, but in any case not later than Financial Close, detailed design drawings for the construction of the Generation Facility.
 - 4.2.1.9** Not later than 30 (thirty) days prior to the scheduled commencement of testing and commissioning, a startup and test schedule for the Generation Facility.
 - 4.2.1.10** Not later than 30 (thirty) days prior to the Commercial Operations Date a copy of the draft written operations procedures to serve as a basis for the written operating procedures to be jointly developed pursuant to the Power Purchase Agreement.
 - 4.2.1.11** As soon as available, but in any case not later than the Construction Start Date, the final design drawings of the construction of the Generation Facility.
 - 4.2.1.12** Not later than 60 (sixty)days following the Commercial Operations Date, (a) for the major items of plant incorporated into the Generation Facility, copies as received by the Licensee under the construction contract of all the manufacturers specifications, manufacturers operation manuals, and

(b) a certificate attesting to the fact that all the equipment is new and unused.

- 4.2.1.13** As soon as available but not later than 3 (three) months after the Commercial Operations Date, built drawings and complete specifications for the Generation Facility.
- 4.2.2** The receipt of the above schedules, data, certificates and reports by the Authority shall not be construed as an endorsement by the Authority of the design of the Generation Facility, does not constitute a warranty by the Authority of the safety, durability or reliability of the Generation Facility and shall not otherwise relieve the Licensee of its obligations or potential liability in respect of the Generation Facility.
- 4.2.3** The Licensee shall construct the Generation Facility in accordance with the submitted technical specifications and approved Implementation Schedule. The Licensee shall notify and the Authority may approve any modifications and amendments thereof.
- 4.2.4** The Licensee shall implement and/or comply with the approved Environmental Impact Assessment (EIA), mitigation measures and certificate of EIA approval issued by National Environment Management Authority. The Licensee shall notify the Authority of any modifications and amendments thereof.

4.3 OPERATION OF GENERATION FACILITY

- 4.3.1** The Licensee shall operate and maintain its Generation Facility in compliance with applicable provisions of the Grid Code where applicable or such other Regulations and Rules as may be established and approved by the Authority for the proper control and coordination of the integrated power system of the Republic of Uganda and adhere to the lawful directions of the System Operator and comply with the approved technical standards.
- 4.3.2** The Licensee shall ensure the reliable operation of its Generation Facility, as required by the standards contained in the Grid Code where applicable and other applicable Regulations and Rules.
- 4.3.3** The Licensee shall install, operate and maintain such apparatus or facilities as may be necessary to provide protection from faults, sudden loss of generation or transmission capacity, equipment failure or fluctuations in consumer demands, as well as other emergency situations or contingencies as may be

reasonably foreseen that threaten the operational integrity or reliability of its Generating Facility.

- 4.3.4 The Licensee shall develop and promote policies and programs to achieve a high level of reliability of its Generating Facility in accordance with such Regulations and Rules adopted by the Authority.
- 4.3.5 The Licensee shall provide Ancillary Services in accordance with effective Regulations and Rules or as may be required by the System Operator.
- 4.3.6 The Licensee shall undertake the operation and maintenance of the Generation Facility in accordance with Prudent Utility Practice.
- 4.3.7 The Licensee shall implement and comply with the approved Environmental Impact Assessment, mitigation measures and approved environmental conditions issued by National Environmental Management Authority.

4.4 INCREASE OR DECREASE IN GENERATION CAPACITY

- 4.4.1 Within 60 (sixty) days before the end of each calendar year, unless otherwise directed by the Authority, the Licensee shall prepare and submit to the Authority a report of the current utilization of its facilities, planned maintenance and rehabilitation program and estimates of the capacity and net output of its generating units for the next 5 (five) year period.
- 4.4.2 The Licensee shall promptly but in any case not later than 6 (six) hours notify the Authority of any material changes in the condition or capacity of any of the generating stations or units identified in Annex B which will increase or decrease the Licensee's available Generation Capacity in a manner that may significantly affect its electricity supply and service to ultimate Customers for a period exceeding 30 (thirty) days. Any change in the Licensee's available capacity, except for temporary periods of less than 12 (twelve) months duration, which exceeds 10% (ten percent) of the amount of capacity identified in Annex B shall require an amendment to this License.
- 4.4.3 The Licensee shall notify the Authority immediately but in any case not later than 6 (six) hours concerning any sudden disruptions or emergencies lasting more than 1 (one) hour, which occur in its generating facility and keep the Authority appraised of system conditions during the duration of any such events. The Licensee shall submit an incident report within 48 (forty eight) hours, describing the event and the proposed actions to restore supply. The

Licensee shall submit a comprehensive written investigation report within 45 (forty five) days, describing such event and any mitigating or corrective actions undertaken by the Licensee as well as any further proposed measures which will prevent or limit the reoccurrence of such events or their severity and duration in the future.

- 4.4.4 The Licensee shall acquire insurance policies for its Generation Facility and other necessary policies to protect against liabilities that may arise as a result of the activities done under the License.
- 4.4.5 The Licensee shall put in place adequate measures to rectify any damage to the Generation Facility within 48 (forty eight) hours or such other time as may be approved in writing by the Authority.
- 4.4.6 The Licensee shall, in accordance with Prudent Utility Practice, maintain an adequate stock of essential spare parts to rectify damages to the Generation Facility as soon as such damages occur.
- 4.4.7 The Licensee shall inform the Authority and the System Operator where applicable of its intention to reduce partially or totally the electric generation capacity of its facilities at least 12 (twelve) months prior to execution of any such reduction, together with a detailed explanation of its proposed actions and the anticipated effect upon other Licensees and consumers. The Authority may relieve the Licensee of this obligation where the loss of electricity generation capacity is due to catastrophic or extraordinary events beyond the control of the Licensee.

4.5 ELECTRICITY METERING

- 4.5.1 The Licensee shall provide metering equipment and keep records of all energy flows at all connection points as may be provided. Where metering equipment is not adequate to record such data, or is inoperative or faulty, the Licensee shall prepare estimates of such energy flows, pursuant to the effective Regulations and Rules.
- 4.5.2 The Licensee shall provide timely access to the Authority to meter data and estimates of energy flows in respect of the Generation Facility.

4.6 ACCOUNTING AND REPORTING

- 4.6.1 The Licensee shall:

- 4.6.1.1 within 60 (sixty) days following the end of each Financial Year, prepare and submit to the Authority, in a form and requirement prescribed by the Authority, a report on the operations and services of the Licensee, and the extent to which the License Conditions are being followed.
- 4.6.1.2 within 30 (thirty) days following the end of each quarter , prepare and submit to the Authority, in a form and requirement prescribed by the Authority, a report on the technical, business and financial, hydrological and environmental issues on the operations and services of the Licensee.

PRE-COMMERCIAL OPERATIONS DATE

- 4.6.2 The Licensee shall, not later than 1 (one) month after the end of each quarter, prepare and submit to the Authority cumulative quarterly progress reports indicating actual progress achieved during construction vis-à-vis planned progress based on the Implementation Schedule submitted by the Licensee not later than 1(one) month from the effective date to the Authority for approval. The detailed Implementation Schedule shall form the basis for monitoring of the construction process.
- 4.6.3 The Licensee shall, not later than 1 (one) month after the end of each quarter, prepare and submit to the Authority project progress reports indicating actual draw down on project finances vis-à-vis the projected cash flow.
- 4.6.4 The Licensee shall, not later than 1 (one) month after the end of each quarter, prepare and submit to the Authority a report highlighting measures that have been implemented by the Licensee to ensure compliance with terms, conditions and measures spelt out in the Certificate of Approval of the Environmental Impact Assessment issued by the National Environmental Management Authority.
- 4.6.5 The Licensee shall, upon prior notice, permit authorized representatives of the Authority to inspect the site activities with a view of establishing the level of progress, verifying the progress reports and compliance with the License Conditions.
- 4.6.6 The Licensee shall, within 3 (three) months from the Effective Date of the License or such other period as approved by the Authority upon the Licensee's written application, acquire all the necessary consents and title for the required project land and shall submit evidence thereof to the Authority.

- 4.6.7** On the failure of the Licensee to commence construction in accordance with the Implementation Schedule, the Authority may revoke this license in accordance with the provisions stipulated in conditions 11 of this License.

POST-COMMERCIAL OPERATIONS DATE

- 4.6.8** The Licensee shall deliver to the Authority, within 180 (one hundred eighty days) days after its Commercial Operations Date, a report of its final total project costs comprising of its reasonable and necessary costs and expenses incurred in relation to the development of the Generation Facility.
- 4.6.9** The Licensee shall keep accounting records and prepare financial statements, which shall be kept separately for the Licensed Activity from any other activities engaged in by the Licensee, in accordance with regulatory accounting rules and procedures adopted by the Authority. Audited financial statements should be submitted to the Authority not later than 90 (ninety) days from the end of Licensee's Financial Year.
- 4.6.10** The Licensee shall allocate common expenses among its Licensed Activity and other types of activities on a reasonable basis in accordance with generally accepted international business practices. The Licensee shall submit to the Authority, upon its request, written documentation setting forth the basis for the allocation of common expenses as well as the results obtained.
- 4.6.11** 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 may determine is reasonably necessary for the Authority to conduct its statutory mandate.
- 4.6.12** The Licensee shall, not later than 1 (one) month after the end of each quarter, prepare and submit to the Authority a report highlighting measures that have been implemented by the Licensee to ensure compliance with terms, conditions and measures spelt out in the Certificate of Approval of the Environmental Impact Assessment issued by the National Environment Management Authority.
- 4.6.13** 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/sensitive nature and that the public

interest served by disclosure would not justify or offset the potential commercial harm to the Licensee.

4.6.14 The Licensee shall on an annual basis provide to the Authority a detailed environmental audit and a detailed account of the costs associated with environmental mitigation and preservation.

4.7 USE OF INFORMATION

4.7.1 The Licensee shall ensure that any information obtained as a result of its Licensed Activity shall not be revealed to anyone, except for persons who perform the Licensed Activity and who are authorized to receive such information, and also shall ensure that such information is not used for conducting any other activities, other than the Licensed Activity, except:

- a) With the prior written consent of the person or business entity to whose affairs the information relates;
- b) If the information is already known to the public;
- c) If the Licensee is required or permitted to disclose the information to comply with these License Conditions, an order of the Authority, or any effective Laws of Uganda ; or
- d) If the information must be disclosed in the normal course of performing Licensed Activity.

4.7.2 The Licensee shall ensure that any Associated Business does not use any information in the Licensee's possession to gain an unjustified competitive advantage, and shall ensure that it does not disclose any information to any other person (including those of another Associated Business) that could enable that person to obtain any kind of unjustified commercial advantage.

4.7.3 The Authority shall ensure that any information obtained as a result of its statutory mandate shall not be revealed to anyone except in accordance with the provisions of the Act and such legislation on access to information as in effect for time to time.

4.7.4 The Licensee shall develop and submit to the Authority procedures for ensuring compliance with conditions 4.7.1 and 4.7.2 and upon the request of the Authority, the Licensee shall undertake any necessary steps to safeguard confidential information in the Licensee's possession and to submit to the Authority reports concerning the observance of the obligations stipulated in conditions 4.7.1 and 4.7.2.

5 POWER SALES AND TARIFF

- 5.1** The Licensee shall sell and bill, in accordance with the tariffs and tariff methodology specified in Annex C as approved by the Authority, the electricity produced by its generating units specified in Annex B to Uganda Electricity Transmission Company Limited or any other authorized Customer.
- 5.2** The Licensee shall enter into a Power Purchase Agreement with Uganda Electricity Transmission Company Limited for sale of power generated by the Licensee to Uganda Electricity Transmission Company Limited pursuant to the terms and conditions set forth therein being approved by the Authority.

6 CONDUCT OF THE LICENSEE

- 6.1** The Licensee shall not impede, prevent or attempt to prevent other Licensees or potential competitors from engaging in or entering:
- a) the electricity business in the Republic of Uganda; or
 - b) the business of importing or exporting electricity to or from the Republic of Uganda unless the Licensee is directed otherwise by Law or applicable Regulations and Rules.
- 6.2** Unless otherwise authorized and ordered by the Authority, the Licensee shall conduct its Licensed Activity in a manner that avoids the creation of any cross subsidy.
- 6.3** The Licensee shall not engage in any form of monopoly activities prohibited by the Laws of the Republic of Uganda or in violation of any Regulations and Rules adopted by the Authority.
- 6.4** The Licensee shall perform the Licensed Activity consistent with principles of economic efficiency and with the objective of achieving lowest costs.
- 6.5** The Licensee shall not engage in other activities which impede or may impede the proper performance of the Licensed Activity and the Licensee shall inform the Authority before undertaking any activity other than the Licensed Activity. The Authority may prohibit the Licensee from engaging in any other activity, other than the Licensed Activity, or impose conditions on the performance of such other activity, as necessary to protect the interests of Consumers of electricity.

- 6.6 The Licensee shall inform the Authority at least 90 (ninety) days prior to the establishment of an Associated Business. The Authority may impose conditions on the Licensee with respect to the Associated Business as may be necessary to protect electricity consumers.
- 6.7 The Licensee shall not collaborate in any way with other Licensees in preparing and negotiating with the Authority matters related to or affecting electricity tariffs or other charges applied to consumers, except as may be expressly permitted by Regulations and Rules adopted by the Authority, or collude in any way regarding the Licensed Activity to the detriment of existing or potential Licensees or consumers.

7 DISPUTE RESOLUTION

- 7.1 In the event of a dispute between the Licensee and another Licensee or parties involving the Licensed Activity or a matter within the jurisdiction of the Authority, which cannot be resolved by the Licensees or parties through negotiation within 90 (ninety)calendar days, the dispute may be referred to the Authority for resolution.
- 7.2 A decision of the Authority may be appealed to the Electricity Disputes Tribunal and the courts of Law as provided in the Act.
- 7.3 In the event of a dispute between the Licensee and the Authority involving a matter which cannot be resolved by the parties through negotiation within 90 (ninety)days, the dispute shall be referred to the Tribunal in accordance with the Act and other Laws of Uganda.
- 7.4 Notwithstanding the provisions of Condition7.1any dispute between the Licensee and Uganda Electricity Transmission Company Limited or the Licensee and the Government of Uganda arising from the Power Purchase Agreement or the Implementation Agreement shall be resolved in accordance with the provisions of those agreements.

8 PERFORMANCE OF THE LICENSEE

- 8.1 The Authority shall;
- 8.1.1 monitor the Licensee's compliance with these License conditions;
- 8.1.2 at any time inspect the Licensee's accounting records and operations.

- 8.2 The Authority may require a technical and/or accounting audit of the Licensee's activities and operations.
- 8.3 Upon the substantiated complaint of any third party or upon its own motion, the Authority may initiate an investigation of the Licensee's compliance with its License, including examination of the Licensee's business practices with respect to the Licensed Activity.
- 8.4 Upon reasonable prior notice, authorized 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 these License Conditions. The Licensee shall provide any required assistance necessary for the Authority to conduct its work efficiently.
- 8.5 If after investigation, the Authority concludes that the Licensee has failed to comply with one or more of its License Conditions, the Authority may impose fines on the Licensee and/or take such other actions within its scope of Authority as it may deem necessary to protect the interests of electricity consumers or other Licensees.
- 8.6 The Authority may at the cost of the Licensee order for an audit of the Licensee's activities as part of any investigation or monitoring of the Licensee's activities.
- 8.7 The Licensee shall inform the Authority of any violation of these License Conditions within 1 (one) week from such violation becoming known to the Licensee.
- 8.8 Where the Authority, following consultation with the Licensee and a directly affected party, is satisfied that the Licensee is contravening or likely to contravene a License Condition or the provisions of applicable law and, where the Authority is satisfied that immediate action is necessary:
 - a) to protect public health, safety, the environment; or
 - b) to prevent the dissipation of property or assets,Authority may direct the Licensee to take immediate action to discontinue or refrain from that practice.
- 8.9 Where the Licensee does not take action under the Authority's directive issued pursuant to condition 8.8, the Authority may take action on behalf of the Licensee at the cost of the Licensee.

- 8.10** The Licensee shall comply with any decision issued by the Authority, including the payment of fines imposed by the Authority with respect to violations of the License Conditions, subject to such remedies available to the Licensee to appeal any Authority decision to the Electricity Disputes Tribunal or to the Courts of Law.

9 LICENSE MODIFICATIONS INITIATED BY THE AUTHORITY

- 9.1** The Authority may modify these License Terms and Conditions if the benefits of public interest of such modification significantly exceed the disadvantages to the Licensee.
- 9.2** In accordance with section 43 of the Act, the Authority may modify these License Conditions after giving notice to the Licensee and providing an opportunity for the Licensee to express its representations and objections.
- 9.3** Written notice of proposed modifications shall be delivered to the Licensee and modifications made by the Authority shall be published in such manner as the Authority considers appropriate for the purpose of bringing the notice to the attention of the public prior to making any such modifications effective.

10 LICENSE MODIFICATIONS INITIATED BY THE LICENSEE

- 10.1** Where, in the opinion of the Licensee, a License Condition has become unduly onerous and is impacting on its ability to fulfill its obligations under the License, the Licensee may apply in writing to the Authority requesting that the License be modified.
- 10.2** Within 30 (thirty) days of receipt of the Licensee's application, the Authority shall review the application and communicate its opinion to the Licensee.
- 10.3** Upon finding that a condition of the License has become unduly onerous and is significantly impacting on the Licensee's ability to fulfill its obligations under the License, the Authority may:
- a) approve the Licensee's application for modification of the License;
 - b) make modifications different from those stated in the application;
 - c) require further information from the Licensee before making its decision;
 - or
 - d) reject the application to modify the license.

- 10.4 Before making any modification to License Conditions effective, the Authority shall publish a notice of its intention to modify the License in such manner as the Authority considers appropriate for the purpose of bringing the notice to the attention of the public, and the public shall be invited to make representations or objections to the Authority within 30 (thirty) days.
- 10.5 Where representations or objections are made, the Authority may request further information from the Licensee and within 30 (thirty) days after receiving the required information, the Authority shall make a decision.
- 10.6 The Licensee may appeal the Authority's decision to the Tribunal and the Authority shall take the results of such appeal into account in determining the final form of the License modification to be implemented.
- 10.7 Written notice of proposed modifications shall be delivered to the Licensee and final modifications adopted shall be published in such manner as the Authority considers appropriate for the purpose of bringing the notice to the attention of the public prior to making any such modifications effective.

11 LICENSE REVOCATION

- 11.1 The Authority may revoke this License where it is satisfied that the Licensee is not operating in accordance with its License Conditions or provisions of the Electricity Act of 1999 or any regulations, codes or standards made under such Act if the breach:
 - a) inflicts significant damage on public or private interests affected by the breach;
 - b) lasts for a considerable period of time;
 - c) takes place repeatedly; or
 - d) causes the Authority to have strong reasons to believe that the Licensee may not be able to fulfill his or her obligations under the License or said Act.
- 11.2 The Authority shall give the Licensee 45 (forty five) days' notice to show cause why the License should not be revoked and the notice shall be published in the Gazette and in one or more newspapers circulating in the area where the breach occurred.
- 11.3 A decision made by the Authority to revoke the License after considering all representations and objections received and other relevant factors may be

appealed by the holder of the revoked License to the Tribunal within 30 (thirty) days after receipt of the decision of the Authority.

- 11.4** Notwithstanding the revocation of the License, the holder of the revoked License shall remain under an affirmative obligation to cooperate with the Authority and to provide assistance to the Authority as may be necessary to ensure that the supply of service to consumers is not unduly interrupted as a result of the revocation.

12 MISCELLANEOUS

Fees and Penalties

- 12.1** The Licensee shall pay License fees and other fees assessed and determined by the Authority in accordance with effective Regulations and Rules established by the Authority upon issuance of the License and on an annual basis or as and when required by the Authority during the License Term.
- 12.2** The Licensee shall pay promptly any fines or penalties for breach of License Conditions, Regulations or Directives of the Authority.
- 12.3** The Authority may at any time revoke the License by not less than 30 (thirty) days' notice in writing to the Licensee if any fee, penalty or fine required to be paid under the License is unpaid 30 (thirty) days after it has become due and remains unpaid for a period of 14 (fourteen) days after the Authority has given the Licensee notice that the payment is overdue.
- 12.4** The Licensee may construct and install any necessary works, apparatus or facilities necessary or convenient to the conduct of its Licensed Activity on public or private lands in accordance with the provisions of the Act and other applicable laws of the Republic of Uganda.

Decommissioning

- 12.5** The Licensee shall, on the expiry of the License, remove at its own expense and to the satisfaction of the Authority, all installations considered by the Authority as inappropriate for further operations.
- 12.5.1** Two years before the expiry of the term of the License the Licensee shall provide a decommissioning plan to the Authority in conformity with the National Environment Act and any other relevant law.

- 12.5.2** The Licensee may be required to provide a guarantee in a form acceptable to the Authority to undertake its obligations stipulated in 11.4.
- 12.6** The Licensee shall undertake all reasonable measures to promote safe working conditions for its employees and prevent injuries to any person as a result of its Licensed Activities. The Licensee shall notify the Authority of any accident which has occurred in any part of the Licensee's works or in connection with its Licensed Activities, together with notice of any loss of life or serious personal injury occasioned by any such accident in accordance with the Grid Code.

Communication

- 12.7** Communication between the Licensee and the Authority pursuant to, or in connection with this License shall be given in writing and executed by a duly authorized officer of the Licensee or the Authority, respectively.
- 12.8** The Licensee shall designate a person that will act as a primary contact with the Authority on matters related to this License. The Licensee shall notify the Authority should the contact details change.
- 12.9** The Licensee shall make a copy of this License available for inspection by members of the public at its head office and regional offices during normal business hours; and provide a copy of the License to any person who requests it. The Licensee may impose a fair and reasonable charge for the cost of providing copies.
- 12.10** If any of these License Conditions becomes null and void or otherwise ceases to be effective, that condition shall be deleted and the remaining License Conditions shall continue in full force and effect.

13 CONDITIONS PRECEDENT

- 13.1** This License shall be revoked by the Authority if the Licensee does not, within 12 (twelve) months from the effective date or such period as may be determined by the Authority, obtain any of the permits and permissions essential to fulfill its obligations under this License unless the Licensee has taken reasonable steps as were within its power in respect of obtaining such permits and permissions.

13.2 The Licensee shall;

13.2.1 Complete the grid interconnection and power evacuation study for the Generation Facility within 6 (six) months from the Effective Date of the License;

13.2.2 In executing the study above in 13.2.1 confirm with the local distributor and UETCL that the Generation Facility can be fully evacuated, and;

13.2.3 Make provisions for and ensure that the Generation Facility can operate in island mode.

13.3 The Licensee shall have no claim of whatsoever nature against the Authority, the Government of Uganda, UETCL or any other authority concerned in the event of the License lapsing as contemplated in condition 13.1 above and the provisions of condition 13.1 shall, to the extent that it is applicable, apply to any assets established or acquired under or in terms of this license.

13.4 The Licensee shall have no claim of whatsoever nature against the Authority, the Government of Uganda, UETCL or any other authority concerned in the event of the Licenses failure to comply with the provisions of 13.2 above.

14 OBLIGATION TO PROVIDE PROOF OF FINANCIAL CLOSE

The Licensee shall provide proof of Financial Close to the Authority within 180 (One Hundred and Eighty days) of the Effective 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 License shall terminate automatically.

ELECTRICITY REGULATORY AUTHORITY



LICENSE FOR GENERATION AND SALE OF ELECTRICITY

ANNEX A:
GENERATION FACILITY SITE LOCATION

SAMPLE

ELECTRICITY REGULATORY AUTHORITY



LICENSE FOR GENERATION AND SALE OF ELECTRICITY

**ANNEX B:
GENERATION FACILITY**

Hydropower project Name	[REDACTED]
River Name	[REDACTED]
Location (Village(s), Sub-county and District)	[REDACTED]
GPS Coordinates of Major Project Components	
Intake/Weir/Dam	[REDACTED]
Power House	[REDACTED]
Installed capacity	[REDACTED]
Plant Factor	[REDACTED]
Technical Characteristics	
Net head (m)	[REDACTED]
Design flow (m ³ /s)	[REDACTED]
Electro-mechanical equipment (type, size and number)	
Turbines	[REDACTED]
Generators	[REDACTED]
Step-up Transformers	[REDACTED]
Interconnection Voltage	[REDACTED]

ELECTRICITY REGULATORY AUTHORITY



LICENSE FOR GENERATION AND SALE OF ELECTRICITY
ANNEX C:
TARIFF METHODOLOGY AND TIME OF USE

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]