



**PUBLIC UTILITIES COMMISSION OF SRI LANKA**

# Electricity Distribution and Supply Licence

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Granted to

**Ceylon Electricity Board**

in respect of

Region 1

Licence No: [.....]

**8<sup>th</sup> October 2009**



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**PART I      TERMS OF THE LICENCE**

**1.      Grant of the Licence**

The Public Utilities Commission of Sri Lanka (hereinafter referred to as the "**Commission**") in exercise of the powers conferred by Section 13(1)(c)(i)(c) of the Sri Lanka Electricity Act No. 20 of 2009 (hereinafter referred to as the "**Act**") hereby grants to **Ceylon Electricity Board** a statutory body established under the Ceylon Electricity Board Act, No. 17 of 1969 (as amended) and having its registered office at No. 50, Sir Chittampalam A. Gardiner Mawatha, Colombo 2 (hereinafter referred to as the "**Licensee**") a licence to distribute and supply or distribute or supply electricity for the purpose of giving a supply to any premises or enabling a supply to be so given in the Authorised Area identified in the Schedule 1 during the period specified in Term 4 (hereinafter referred to as the "**License**"), subject to the Conditions (hereinafter referred to as the "**Conditions**") set out in Parts II, III and IV.

**2.      Modifications of the Licence**

The Terms and Conditions of this Licence are subject to Modification in accordance with the Terms and Conditions contained herein or with Sections 32 or 33 of the Act.

**3.      Approvals**

The Licensee shall obtain all the approvals required under applicable Laws, Regulations and Rules necessary to carry out the Generation Business.

**4.      Term of the Licence**

The Licence hereby granted shall come into force on **8<sup>th</sup> October 2009** and, unless revoked or surrendered in accordance with the provisions of Terms 5 and 6 below, shall continue in full force and effect for a period of **fifteen (15) years**.

**5.      Revocation of the Licence**

This Licence may be revoked by the Commission in accordance with Section 20 of the Act and Condition 14 of this Licence.

**6.      Surrender of the Licence**

This Licence may be surrendered by the Licensee with the written consent of the Commission.

**7. Extension of the Licence**

On or before the fourteenth (14<sup>th</sup>) anniversary of the date on which this License cease to be in force, the Licensee shall apply for an extension of this Licence in accordance with Chapter III Part I of the Act, and an extension may be issued subject to conditions determined by the Commission.

Sealed with the common seal of the Public Utilities Commission of Sri Lanka on ..... 2009.

Member of Commission

Member of Commission



<b>"Distribution Licensee"</b>	means a person licensed to distribute and supply, or distribute or supply, electricity under Section 13(1)(c)(i)(c) of the Act;
<b>"Electricity Undertaking"</b>	means any person engaged in the generation, transmission, distribution or supply of electricity;
<b>"Extra High Voltage"</b>	means a voltage equal to or higher than 132kV;
<b>"Financial Year"</b>	has the meaning given to it in paragraph 1 of Condition 8;
<b>"Holding Company"</b>	means a holding company within the meaning of the Companies Act, No 7 of 2007;
<b>"Levy Order"</b>	means an order made by the Commission under Section 46(1) of the Act;
<b>"Licensee's Distribution System"</b>	means all electric lines of the Licensee within the Licensee's Authorised Area (except lines forming part of the Transmission System and the distribution systems of other Distribution Licensees) and any other electric lines which the Licensee may, with the approval of the Commission, specify as being part of the Licensee's Distribution System, and includes any electric plant, meters, transformers and switchgear of the Licensee and which is used for conveying electricity to premises;
<b>"Modification"</b>	includes addition, omission, amendment and substitution, and cognate expressions shall be construed accordingly;
<b>"PUCSL Act"</b>	means the Public Utilities Commission of Sri Lanka Act, No.35 of 2002;
<b>"Related Undertaking"</b>	means any related undertaking within the meaning of the Companies Act No 7 of 2007;
<b>"Representation"</b>	includes any objection or any other proposal made in writing;



- "Subsidiary"** has the meaning given in the Companies Act, No 7 of 2007, and **"Subsidiaries"** shall be defined accordingly;
- "Transmission Licensee"** means the holder of a licence to transmit electricity under section 13(1)(c)(i)(b) of the Act; and
- "Transmission System"** means the system which is owned and operated by the Transmission Licensee and which consists (wholly or mainly) of Extra High Voltage electric lines and electric plant and which is used for conveying electricity from a Generation Plant to a substation, from one Generation Plant to another or from one substation to another, including all Extra High Voltage electric lines which are used to convey electricity to the premises of bulk supply consumers (but shall not include any such lines which form part of any distribution system).

4. Unless otherwise specified:
- (a) any reference to a numbered Condition or to a numbered Schedule is respectively a reference to the Condition or the Schedule bearing that number in this Licence;
  - (b) any reference to a numbered clause is a reference to the clause bearing that number in the Schedule in which the reference occurs;
  - (c) any reference to a numbered paragraph is a reference to the paragraph bearing that number in the Condition or clause in which the reference occurs; and

without prejudice to any provision which restricts such variation, supplement or replacement any reference to any agreement, licence (other than this Licence), code or other instrument shall include a reference to such agreement, licence, code or other instrument as varied, supplemented or replaced from time to time.

5. The heading or title of any Part, Condition, Schedule or paragraph shall not affect the construction thereof.
6. Where any obligation of the Licensee is expressed to require performance within a specified time limit, that obligation shall continue to be binding and enforceable after that time limit if the Licensee fails to perform that obligation within that time limit (but without prejudice to all rights and remedies available against the Licensee by reason of the Licensee's failure to perform within the time limit).

7. If there is any inconsistency between this Licence and the Act, the Act shall prevail to the extent of any such inconsistency. Conditions set out in the Act shall form an integral part of the Licence in addition to Conditions set out herein.

**Condition 2: Authorised Business Activities**

1. The Licensee shall using the Licensee's Distribution System conduct the Distribution Business, other businesses for which the Commission has issued licenses and may, subject to approval by the Commission and conditions which may be imposed by the Commission in granting such approval, conduct business activities that:
  - (a) use an existing competency of the Licensee; and
  - (b) are compatible and integrate with the Distribution Business.
2. Other than the Distribution Business and the business activities which have been approved by Commission pursuant to paragraph 1, the Licensee:
  - (a) shall not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such other business activities; and
  - (b) shall procure that each of its Subsidiaries and Related Undertakings do not engage directly or indirectly in any other business activities or voluntarily commit to any liability in relation to such business activities.
3. This Condition shall not prevent the Licensee from engaging in any business, undertaking or activity:
  - (a) that is essential to the conduct of the Distribution Business or a business approved by the Commission pursuant to paragraph 1; or
  - (b) that was already conducted by the Licensee before the date on which this Licence comes into force.
4. The Commission may, upon application by the Licensee, relieve the Licensee from its obligations under this Condition in relation to any particular case to such extent and subject to such terms and conditions as the Commission may specify in writing.

**Condition 3: Provision of Information to the Commission**

1. The Licensee shall furnish to the Commission, in such manner and at such times as the Commission may require, such Information and shall procure and furnish to it such reports as the Commission may consider necessary in the light of the Conditions or as it may require for

the purpose of performing the functions assigned or transferred to it by or under the Act or the PUCSL Act.

2. Without prejudice to the generality of paragraph 1, the Commission may call for the furnishing of accounting Information which is more extensive than, or differs from, that required to be prepared and supplied to the Commission under Condition 8.
3. The power of the Commission to call for Information under paragraph 1 is without prejudice to the power of the Commission to call for Information under or pursuant to any other Condition of this Licence or under or pursuant to the Act, the PUCSL Act or any other enactment.
4. The Licensee within one month of obtaining the Licence shall appoint a person in its organisation, who is responsible for its Distribution Business.
5. In this Condition:

"**Information**" shall include any books, documents, records, accounts, estimates, returns or reports (whether or not prepared specifically at the request of the Commission) of any description and in any format specified by the Commission.

**Condition 4: Decisions, Orders, Directions and Determinations of the Commission**

1. The Licensee shall comply with any decisions, orders, directions and determinations made by the Commission pursuant to the Act and the Licence.
2. Subject to the provisions of the Act any costs associated with compliance with such decisions, orders, directions and determinations shall be the responsibility of the Licensee.
3. In order to comply with any order or direction made by the Commission in accordance with Section 38 of the Act the Licensee shall allow the Commission, any other authority or person specified in the order of the Commission under that Section such access to or control of its property as the Commission requires.

**Condition 5: Compliance with technical and operational codes**

1. At the request of the Commission the Licensee shall, in consultation with any Electricity Undertakings the Commission consider appropriate, develop and implement, such technical and operational codes as the Commission may, direct from time to time.
2. Any technical and operational codes developed pursuant to paragraph 1 shall be submitted to the Commission for Approval before they may be implemented.

3. The Licensee may propose modifications to a code that is in force at the relevant time by notifying the Commission of its proposal in accordance with the code modification process set out in the relevant code.
4. The Licensee shall give or send a copy of all Approved technical and operational codes (and any revisions thereto) developed and implemented by the Licensee pursuant to this Condition to:
  - (a) the Commission; and
  - (b) any person requesting the same.
5. The Licensee may make a charge for any copy of any code given or sent pursuant to paragraph 4(b) of an amount which shall not exceed any amount specified for the time being for the purposes of this Condition in directions issued from time to time by the Commission.
6. The Licensee shall comply with the provisions of any Approved technical and operational codes which are specified therein as applicable to it.
7. The Commission may, following consultation in relevant circumstances with any Electricity Undertakings the Commission shall consider appropriate, issue directions relieving the Licensee of its obligation under paragraph 6 in respect of such part or parts of any Approved technical and operational codes to such extent as may be specified in those directions and subject to such terms and conditions as the Commission may determine.
8. The Licensee shall comply with the existing technical and operational codes in respect of all activities, until such time Commission Approved technical and operational codes are available.

**Condition 6: Other agreements**

1. In accordance with Section 15(2)(f) of the Act, the Licensee shall enter into any agreements with other persons it is directed to by the Commission, including tariff and connection agreements with the relevant licensees.:
  - (a) a transmission tariff agreement with the Transmission Licensee;
  - (b) a connection agreement with the Transmission Licensee;
  - (c) a connection agreement with other Distribution Licensees; and
  - (d) Interconnection agreements with small power producers
2. The Licensee shall be required to participate in the preparation of any agreement which it has been directed to enter into by the Commission.

3. If, after a period which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement it has been directed to by the Commission, the Commission shall, on the application of such person or the Licensee, settle any terms of the agreement in dispute between the Licensee and the person in question in such manner as appears to the Commission to be reasonable.

Condition 7: Not Used

**Condition 8: Separate accounts for the Distribution Business**

1. For the purposes of this Condition, the Licensee's financial year shall be determined as follows:
  - (a) The Licensee's first financial year shall run from (and including) the date of the grant of this Licence up to (and including) the last day of the calendar year, provided that if the period between the date of the grant of this Licence and the last day of the calendar year period is three calendar months or less, then the Licensee's first financial year shall run from (and including) the date of the grant of this Licence up to (and including) the last day of the next calendar year.
  - (b) Each subsequent financial year shall run from the day immediately following the last day of the preceding accounting period, up to (and including) the last day of the accounting period.
2. The remaining paragraphs of this Condition apply for the purpose of ensuring that the Licensee (and any Affiliate or Related Undertaking of the Licensee) maintains accounting and reporting arrangements which enable separate accounts to be prepared for the Distribution Business and showing the financial affairs of the Distribution Business.
3. The Licensee shall, in respect of the Distribution Business:
  - (a) keep or cause to be kept such accounting records in accordance with the Ceylon Electricity Board Act, No. 17 of 1969 (as amended) and Sri Lanka Accounting Standards, in respect of the Distribution Business as would be required to be kept in respect of the Distribution Business if it were carried on by a separate entity and, where appropriate, consolidated accounts for other activities, (to the extent permitted by Condition 2) so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Distribution Business are separately identifiable in the books of the Licensee (and any Affiliate or Related Undertaking of the Licensee) from those of any other business of the Licensee (to the extent permitted by Condition 2); and

- (b) prepare on a consistent basis from such accounting records in respect of:
  - (i) the first Financial Year and each subsequent Financial Year, accounting statements comprising a profit and loss account, a balance sheet and a cash flow statement, together with notes thereto, and showing separately, in respect of the Distribution Business and in appropriate detail any Financial Year with a value of Rs 500 million or more which the Licensee has conducted with any of its Affiliates or Related Undertakings and the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:
    - (1) charged from or to any other business together with a description of the basis of that charge; or
    - (2) determined by apportionment or allocation between the Distribution Business and any other business together with a description of the basis of the apportionment or allocation; and
  - (c) procure, in respect of the accounting statements prepared in accordance with this Condition in respect of a Financial Year, in their opinion, those statements have been properly prepared in accordance with this Condition and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Distribution Business; and
  - (d) deliver to the Commission the accounting statements referred to in sub-paragraph (b)(i) & Auditor General's/Independent Auditor's reports of the said accounting statements as soon as reasonably practicable and, in any event, not later than six months after the end of the Financial Year to which they relate in the case of the accounting statements referred to in sub-paragraphs (b)(i) and (c).
- (4) (a) The Licensee shall not, in relation to the accounting statements in respect of a Financial Year, change the bases of charge, apportionment or allocation referred to in sub-paragraph (b)(i) of paragraph 3 from those applied in respect of the previous Financial Year, unless the Commission shall previously have issued directions for the purposes of this Condition directing the Licensee to change such bases in a manner set out in the directions or the Commission shall have given its prior written approval to the change in such bases. The Licensee shall comply with any directions issued for the purposes of this Condition.
- (b) Where, in relation to the accounting statements in respect of a Financial Year, the Licensee has changed such bases of charge, apportionment or allocation from those adopted for the immediately preceding Financial Year, the Licensee shall, if so directed in directions issued by the Commission for the purposes of this Condition, in addition to

preparing accounting statements on those bases which it has adopted, prepare such accounting statements on the bases which applied in respect of the immediately preceding Financial Year.

5. Accounting statements in respect of a Financial Year prepared under sub-paragraph (b)(i) of paragraph 3 shall, so far as reasonably practicable and, unless otherwise approved by the Commission, having regard to the purposes of this Condition:
  - (a) have the same content and format (in relation to the Distribution Business) as the annual accounts of the Licensee (and any Affiliate or Related Undertaking of the Licensee) and conform to the best commercial accounting practices including Sri Lanka Accounting Standards currently in force;
  - (b) state the accounting policies adopted; and
  - (c) with the exception of the part of such statements which shows separately the amounts charged, apportioned or allocated and describes the bases of charge or apportionment or allocation respectively, be published with the annual accounts of the Licensee.
6. References in this Condition to costs or liabilities of, or reasonably attributable to, the Distribution Business shall be construed as excluding taxation and capital liabilities which do not relate principally to the Distribution Business and interest thereon; and references to any accounting statement shall be construed accordingly.

**Condition 9: Prohibited activities**

1. The Licensee shall not, and shall ensure that any Subsidiary or Related Undertaking of the Licensee install or keep installed an electric line above or below the ground, except as provided for in Section 44(2) of the Act or otherwise consented to by the Commission.

**Condition 10: Prohibition of cross-subsidies**

1. The Licensee shall procure that the Distribution Business do not give any direct or indirect cross-subsidy to, nor receive any direct or indirect cross-subsidy from, any other business of the Licensee or of an Affiliate or Related Undertaking of the Licensee.

**Condition 11: Payment of levy**

1. The Licensee shall pay to the Commission any amounts specified in, or determined under, a Levy Order, in accordance with the provisions of such Levy Order.
2. The levy referred to in paragraph 1 for any year shall be paid by the Licensee to the Commission before the 30th day of June in that year except in the case where the first

issuance of this Licence occurs after 30 June of the relevant year, in which case the levy shall be paid by the Licensee to the Commission within 30 days of such first issue date.

3. Without prejudice to the other powers of the Commission under this Licence or the Act, where the Licensee fails to pay the levy in accordance with paragraphs 1 and 2 above the Commission shall take action in accordance with Section 46 of the Act.

**Condition 12: Assignment of the Licence and transfer of the Distribution Business**

1. The Licensee shall not, without the prior written consent of the Commission and of the Minister, assign this Licence either in whole or in part.
2. The Licensee shall not, without the prior written consent of the Commission, transfer to another person (the "**Transferee**") all or any part of the Distribution Business carried out under this Licence.
3. Any consent of the Commission to any assignment of this Licence or transfer of the Distribution Business shall be subject to the Commission being satisfied that the assignee or Transferee, as the case may be, will have the technical and financial capability to comply with the Conditions of this Licence and, in the case of a transfer only, the Transferee being granted a Distribution Licence, and may be subject to compliance by the assignee or Transferee, as the case may be, with any other matters determined by the Commission to be necessary, including the modification of this Licence in accordance with the Act where deemed necessary by the Commission.
4. Nothing in this Condition shall prevent the Licensee transferring the Distribution Business to an assignee where the Commission and of the Minister has consented to such assignment, provided that such transfer is effected as soon as practicable after such consent has been given.

Condition 13: Not Used

**Condition 14: Revocation of the Licence**

1. The Commission may revoke this Licence in accordance with Section 20 of the Act in the following circumstances:
  - (a) if the Licensee agrees in writing with the Commission that this Licence should be revoked;
  - (b) if any amount payable under a Levy Order is unpaid 30 days after it has become due and remains unpaid for a period of 14 days after the Commission has given the Licensee notice in writing that the payment is overdue; provided that no such notice



shall be given earlier than the 16<sup>th</sup> day after the day on which the amount payable became due;

- (c) if the Licensee fails to comply with an enforcement order issued by the Commission under Section 34 of the Act within 60 days from the date of its issue or such longer period as the Commission may specify in the enforcement order;
- (d) if the Licensee ceases to carry on the Distribution Business for a continuous period of 3 months except where the Commission is satisfied that this has occurred as a result of events beyond the reasonable control of the Licensee, in which case the Commission shall substitute such longer period as it, in its sole discretion, considers reasonable in all the circumstances;
- (e) if it is found that the issue of this Licence had been based on information provided by the Licensee which is materially inaccurate or incorrect.

**Condition 15: Environment**

1. The Licensee shall comply with all applicable Environmental Laws in Sri Lanka, subject to any exemptions or grace periods which may be granted to the Licensee under such Environmental Laws for compliance.
2. The Licensee shall, not later than such date as the Commission may specify and in consultation with the Commission, prepare and, from time to time, modify a written policy setting out the manner in which the Licensee proposes to comply with its duties and obligations under all applicable Environmental Laws.
3. The Licensee shall report annually to the Commission on its environmental performance in such form and at such times as the Commission may specify.
4. For the purposes of this Licence, "**Environmental Laws**" means those laws which are, from time to time, in force whose purpose is the protection of the environment, including the protection of human health, flora, fauna and the eco-systems on which they depend and, for the avoidance of doubt, shall include, but shall not be limited to, the National Environment Act, No. 47 of 1980 and all relevant legislation relating to the assessment of environmental impacts and the protection of air, land and water.

**Condition 16: Health and safety**

1. The Licensee shall take all reasonable steps to protect persons, plant, property and equipment from injury and damage that may be caused by the Licensee when carrying out the Distribution Business, including preparing a safety and technical management plan as set out in paragraph 2 below.

2. The Licensee shall:
  - (a) not later than such date as the Commission may specify and in consultation with the Commission, prepare a safety and technical management plan and submit the plan to the Commission for approval;
  - (b) annually review, and if necessary update, the plan to ensure its efficient operation, and submit the updated plan to the Commission for approval;
  - (c) comply with the plan (as updated from time to time) as approved by the Commission;
  - (d) not amend the plan without the approval of the Commission; and
  - (e) ensure that an annual audit of its compliance with its obligations under the plan is conducted by an independent expert approved by the Commission and in accordance with the plan;
  - (f) compile health and safety statistics and indices specified by the Commission; and
  - (g) promptly report the results of those audits, statistics and indices to the Commission.

**Condition 17: Insurance**

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

**Condition 18: Disposal of Relevant Assets**

1. Except in relation to an assignment or a transfer permitted under Condition 12, the Licensee shall not Dispose of any Relevant Asset otherwise than in accordance with the following paragraphs of this Condition.
2. The Licensee shall give to the Commission not less than two months' prior written notice of its intention to Dispose of any Relevant Asset, together with such further information as the Commission may request relating to such asset or the circumstances of such intended Disposal or to the intention of the person proposing to acquire such asset. The Licensee may Dispose of any Relevant Asset as is specified in any such notice in circumstances where:
  - (a) the Commission confirms in writing that it consents to such Disposal (which consent may be made subject to the acceptance by the Licensee or any third party in favour of whom the Relevant Asset is proposed to be Disposed of such conditions as the Commission may specify); or

- (b) the Commission does not inform the Licensee in writing of any objection to such Disposal within the two months' notice period.
3. Notwithstanding paragraphs 1 and 2, the Licensee may Dispose of any Relevant Asset:
- (a) where the Commission has issued directions for the purposes of this Condition containing a general consent (whether or not subject to conditions) to:
    - (i) transactions of a specified description; and/or
    - (ii) the Disposal of Relevant Assets of a specified description;
  - (b) where the Disposal is in respect of retired or decommissioned Relevant Assets, or Relevant Assets which have been replaced by the Licensee; or
  - (c) where the Disposal in question is required by or under any enactment or subordinate legislation.
4. In this Condition:

**"Disposal"** includes any sale, gift, lease, licence, loan, mortgage, charge or the grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition to a third party and **"Dispose"** shall be construed accordingly;

**"Relevant Asset"** means any electric line or electric plant for the time being forming part of the Licensee's Distribution System, any control centre for use in conjunction therewith and any legal or beneficial interest in land upon which any of the foregoing is situated.

**Condition 19: Economic purchasing of goods, assets and services**

- 1. In contracting or arranging for the provision of goods, assets and services required to enable the Licensee to carry out its licensed activities, the Licensee shall purchase or otherwise acquire such goods, assets and services on the most economically advantageous terms, having regard to the quality and nature of the goods, assets and services required to enable it to discharge its obligations under the Act and this Licence and to the diversity, number and reliability of such goods, assets and services at the time available for purchase or other acquisition.
- 2. Any contract or arrangement which the Licensee enters into for the purchase of goods, assets and services from an Affiliate or a Related Undertaking of the Licensee shall be on the basis of terms and conditions, including as to price, which:

- (a) prevail in the market in respect of such goods, assets and services; and
  - (b) are not affected by any extra-contractual commercial relationship between the parties.
- (3) Without prejudice to the general powers of the Commission to investigate or to impose sanctions with respect to any breach of this Condition, the Licensee shall not be required to submit for approval by the Commission its purchasing arrangements.

**Condition 20: Compliance with standards of performance**

1. The Licensee shall comply with all standards of performance in connection with the Distribution Business as may be determined by the Commission, by regulation or otherwise pursuant to Sections 40, 41 and 42 of the Act.

**Condition 21: Confidential information**

1. The Licensee shall take reasonable measures to ensure that all information received by it relating to the Distribution Business:
- (a) is kept confidential by the Licensee except as otherwise permitted by the Commission, this Licence or any code of practice, and that access to such confidential information is provided only, and as is necessary for the due performance of their lawful functions, to directors, officers and employees of the Licensee, or to an agent of the Licensee that has agreed in writing to observe this requirement of confidentiality;
  - (b) is not used by the Licensee for any purpose other than that for which it was provided or for a purpose permitted by this Licence or a code of practice; and
  - (c) is not used by the Licensee for any commercial advantage in the provision of any service other than a service comprised in the Distribution Business.

**Condition 22: Dispute resolution**

1. The Licensee may:
- (a) in respect of a dispute between itself and a tariff customer arising under sections 25 to 30, or Schedules 1,2 or 3, of the Act which it is unable to resolve - refer the dispute to the Commission for mediation and resolution in accordance with the rules made by the Commission under the PUCSL Act;
  - (b) in respect of a dispute (other than a dispute referred to in paragraph 1(a) above) between itself and (i) a tariff customer, (ii) another licensee, or (iii) any other affected party which it is unable to resolve, in accordance with the rules made by the

Commission under the PUCSL Act refer the dispute to the Commission for resolution in accordance with such rules or, where directed to do so by the Commission refer the dispute to court or arbitration body in accordance with the Arbitration Act, No.11 of 1995.

**Condition 23: System capacity**

1. The Licensee shall, on an annual basis, prepare a statement for approval of the Commission, showing, in respect of each of the succeeding Financial Years, circuit capacity, forecast power flows, expansion plans and loading on each part of the Distribution System and system losses for each distribution node including:
  - (a) information on the status of distribution capacity and the anticipated future requirements of distribution capacity in terms of levels of demand and losses;
  - (b) Network expansion plans in respect of next 05 years and implementation strategy inclusive of investment & resource requirements;
  - (c) such other matters as shall be specified in directions issued by the Commission from time to time for the purposes of this Condition;

provided that the Commission may, upon application of the Licensee, relieve the Licensee from the obligation to prepare any such statement in respect of any period and any part or parts of the Distribution System specified in directions issued to the Licensee by the Commission from time to time for the purposes of this Condition.

2. The Licensee may, with the prior consent of the Commission, omit from any such statement any details as to circuit capacity, power flows, loading or other information, disclosure of which would, in the view of the Commission, seriously and prejudicially affect the commercial interests of the Licensee or any third party.
3. The Licensee may periodically revise the information set out in and, with the approval of the Commission, alter the form of the statement prepared in accordance with paragraph 1, revise such statement in order that the information set out in the statement shall continue to be accurate in all material respects.
4. The Licensee shall send a copy of the statement prepared in accordance with paragraph 1 and of each revision of such statement in accordance with paragraph 3 to the Commission. Each such revision shall be considered by the Commission and shall not become effective until approved by the Commission.
5. Upon approval of the Commission the Licensee shall give or send a copy of the statement prepared in accordance with paragraph 1 or (as the case may be) of the latest revision of

such statement in accordance with paragraph 3 approved by the Commission pursuant to such paragraph to any person who requests a copy of such statement.

6. The Licensee may make a charge for any statement given or sent pursuant to paragraph 5 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Commission from time to time for the purposes of this Condition.

**PART III SPECIFIC CONDITIONS FOR DISTRIBUTION**

**Condition 24: Connection to the Licensee's Distribution System - requirement to offer terms**

1. The Licensee shall, subject to paragraphs 3, 4 and 5 and the Act:
  - (a) offer to enter into an agreement to provide a connection to the Licensee's Distribution System with any owner or occupier of premises within the Authorised Area specified in Schedule 1, or any Electricity Undertaking, who has made an application for connection to the Licensee's Distribution System in accordance with the Act; and
  - (b) offer to enter into an agreement for the modification of a connection to the Licensee's Distribution System with any person or electricity undertaking who has made an application for modification of a connection to the Licensee's Distribution System in accordance with the Act.
2. The Licensee shall, subject to paragraphs 3, 4 and 5, offer terms for an agreement in accordance with paragraph 1 as soon as practicable and, in any event, not more than 2 weeks after receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purposes of formulating the terms of its offer.
3. The Licensee shall not be obliged pursuant to this Condition to offer to enter into any agreement with any owner or occupier of premises within the Authorised Area by reason of the capacity of the Licensee's Distribution System and the use made or reasonably expected to be made of it, the Licensee would be required to expand or reinforce the capacity of the Licensee's Distribution System and where it would not, having regard to all the circumstances, be in the public interest for the Licensee to undertake such expansion or reinforcement.
4. The Licensee shall not be obliged pursuant to this Condition to offer to enter into any agreement with any electricity undertaking where the connection of the Electricity Undertaking represents a risk to the security and stability of the Licensee's Distribution System
5. The Licensee shall not enter into any agreement with any person or electricity undertaking if to do so would be likely to involve the Licensee:
  - (a) in breach of any technical or operational codes Approved by the Commission in accordance with Section 3(1)(c) of the Act; or
  - (b) in breach of the Act or any regulations made under the Act; or
  - (c) in breach of any enactment relating to safety or standards applicable to the Licensee's Distribution System; or

- (d) in breach of any other conditions imposed by the Commission.
6. Where the Licensee refuses to enter into an agreement with any person or Electricity Undertaking in accordance with paragraphs 3, 4 and 5, the Licensee shall as soon as practicable and, in any event, not more than 2 weeks after receipt by the Licensee of an application from that person or Electricity Undertaking, notify that person or Electricity Undertaking of the refusal, specifying the reasons for refusal.

**Condition 25: Connection to the Licensee's Distribution System - functions of the Commission**

- 1. If, after a period which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement with any person or Electricity Undertaking entitled or claiming to be entitled thereto pursuant to an application in accordance with Condition 24, the Commission shall, on the application of such person or Electricity Undertaking or the Licensee, settle any terms of the agreement in dispute between the Licensee and the person or Electricity Undertaking in question in such manner as appears to the Commission to be reasonable.
- 2. If the person or Electricity Undertaking wishes to proceed on the basis of the agreement as settled by the Commission, the Licensee shall forthwith enter into and implement such agreement in accordance with its terms.
- 3. If either party to an agreement for connection to, or modification of a connection to, the Licensee's Distribution System entered into pursuant to Condition 24 or this Condition proposes to vary the contractual terms of such agreement in any manner provided for under such agreement, the Commission shall, at the request of the Licensee or the other party to such agreement, settle any dispute relating to such variation in such manner as appears to the Commission to be reasonable.

**Condition 26: Non-discrimination in the provision of connection to the Licensee's Distribution System**

- 1. In the carrying out of works for the purpose of connection to the Licensee's Distribution System or in providing for the retention of a connection to the Licensee's Distribution System, the Licensee shall not unduly discriminate:
  - (a) between any persons or class or classes of persons;
  - (b) between the Licensee or any Affiliate or Related Undertaking of the Licensee and any person or class or classes of persons.



**Condition 27: Basis of charges for connection to the Licensee's Distribution System**

1. The Licensee shall, as soon as practicable and, in any event, within 28 days after this Licence has come into force, prepare and submit to the Commission, for the Commission's approval, a statement setting out the basis upon which charges for connection to the Licensee's Distribution System, and requests for security deposits in respect of that connection, will be made.
2. The Licensee may periodically revise the information set out in and, with the approval of the Commission, alter the form of the statement prepared in accordance with paragraph 1 and shall, at least once in every year this Licence is in force, revise such statement in order that the information set out in the statement shall continue to be accurate in all material respects.
3. The Licensee shall send a copy of the statement prepared in accordance with paragraph 1 and of each revision of such statement in accordance with paragraph 2 to the Commission. Each such revision shall require the approval of the Commission and shall not become effective until approved by the Commission.
4. The Licensee shall give or send a copy of the statement prepared in accordance with paragraph 1 or (as the case may be) of the latest revision of such statement in accordance with paragraph 2 approved by the Commission pursuant to such paragraph to any person who requests a copy of such statement.
5. The Licensee may make a charge for any statement given or sent pursuant to paragraph 4 of an amount reflecting the Licensee's reasonable costs of providing such a statement which shall not exceed the maximum amount specified in directions issued by the Commission from time to time for the purposes of this Condition.

**Condition 28: Provision of information to the Transmission Licensee and to other Distribution Licensees**

1. The Licensee shall maintain sufficient records to predict its future requirement for energy from the Transmission Licensee and the demand profile of such requirement, including details regarding:
  - (a) The technical non-technical losses inherent in the Licensee's Distribution System;
  - (b) energy provided by generators that are connected to the licensee's Distribution System;
  - (c) the impact of new connections; and
  - (d) the impact of demand management.

- (e) Load characteristics of different consumer categories
- 2. The Licensee shall furnish to the Transmission Licensee and to other Distribution Licensees, in such manner and at such times as may be reasonably required, such information or forecasts as may be reasonably required by the Transmission Licensee and the other Distribution Licensees in order to ensure the secure and efficient operation, co-ordinated development and inter-operability of the Total System.

- 3. In this Condition:

**"Total System"** means the Transmission System, the Licensee's Distribution System and the distribution systems of all other Distribution Licensees, taken together.

**Condition 29: Development of the Licensee's Distribution System**

- 1. The Licensee shall, not later than such date as the Commission may specify in writing, and thereafter whenever requested to do so by the Commission, prepare and submit to the Commission for its Approval a business plan for five (5) years. This business plan shall contain annual load growth, investment plan for system expansion, projected performance levels, cost reduction plan and projected financial position.
- 2. The Licensee shall implement the Approved business plan and, annually revise the plan and submit for Approval of the Commission.
- 3. The Licensee shall be responsible for operating, planning, maintaining and, developing the Licensee's Distribution System in accordance with any such standard of planning and operation as the Licensee may, following consultation with any Electricity Undertaking liable to be materially affected thereby and such other Electricity Undertakings as the Commission shall consider appropriate and with the Approval of the Commission, adopt from time to time.
- 4. The Licensee shall, within 3 months after this licence comes into force and thereafter whenever requested to do so by the Commission, draw up and submit to the Commission for its Approval a statement setting out criteria by which performance of the Licensee in maintaining distribution system security and availability and quality of service and the level of losses may be measured.
- 5. The Licensee shall, within 2 months after the end of each Financial Year, submit to the Commission a report providing details of the performance of the Licensee during the previous Financial Year against the criteria referred to in paragraph 4.

**PART IV SPECIFIC CONDITIONS FOR SUPPLY**

**Condition 30: Prohibition of discrimination in supply**

1. The Licensee shall not, in supplying or offering Terms for the supply of electricity to consumers:
  - (a) show undue preference to any person or class of persons;
  - (b) exercise undue discrimination between any persons or classes of persons; or
  - (c) set terms which are unduly onerous.
2. For the purposes of this Condition, Terms are unduly onerous if the revenue from the supply of electricity to consumers on those Terms significantly exceeds the costs of that supply.
3. For the purposes of this Condition, the Commission shall determine any question as to whether any Terms are unduly onerous, having due regard to whether such Terms incorporate charges which do not reasonably cover the costs incurred in consequence of supplying the consumers in question.
4. In this Condition:

**"Terms"** means all the terms on which a supply of electricity is offered or provided, including terms as to price, which significantly affect the evaluation of that supply.

**Condition 31: Supply tariff schedule**

1. The Licensee shall, as soon as practicable after this Licence shall have come into force and, in any event, not later than such date as the Commission shall specify in directions issued to the Licensee for the purposes of this clause, and from time to time thereafter prepare a tariff schedule for sales of electricity to consumers.
2. The tariff schedule shall:
  - (a) be in a form which shall be Approved by the Commission;
  - (b) contain such detail as shall be necessary to enable any consumer to make a reasonable estimate of the charges to which it would become liable for purchases of electricity;
  - (c) be set in accordance with a methodology Approved by the Commission so as to reflect the costs of the Licensee in providing electricity at specified times of the year, days of the week and times of the day and night and permit the Licensee to recover all reasonable

costs incurred in carrying out the activities authorised by this Licence on an efficient basis;  
and

- (d) separately identify:
- (i) the component of the tariff relating to the use of the Licensee's Distribution System;
  - (ii) the component of the tariff relating to the use of the Transmission System;
  - (iii) the component of the tariff related to electricity generation; and
  - (iv) the component of the tariff relating to supply of electricity.

3. Where the Commission considers that, by reason of the complexity of any such tariffs fixed by the Licensee, simplified explanatory statements are required or expedient for the understanding of consumers, the Commission may direct the Licensee to draw up such explanatory statements and thereafter to publish them with the tariff schedule.
4. Licensee shall obtain Approval for the supply tariff schedule from the Commission.
5. The Licensee shall give or send a copy of the tariff schedule (as from time to time revised) to the Commission not later than 14 days before it is to be made available to any other person.
6. The Licensee shall publish the tariff schedule as directed by the Commission.
7. The Licensee shall (subject to paragraph 8) give or send a copy of the tariff schedule and any explanatory statement (as from time to time revised) to any person requesting the same.
8. The Licensee may make a charge for any copy of the tariff schedule and any explanatory statement (as from time to time revised) given or sent pursuant to paragraph 7 of an amount which will not exceed any amount specified for the time being for the purposes of this clause in directions issued from time to time by the Commission.
9. The Commission may give to the Licensee directions requiring the Licensee to alter the form of the tariff schedule in such manner as shall be specified in the directions, or so as to attain such objectives as may be specified in the directions and the Licensee shall forthwith comply with any such directions.
10. The Commission may prescribe a procedure for review of the tariff schedule.

**Condition 32: Distribution & supply tariff agreement**

1. The Licensee shall (subject to paragraph 3 below and Condition 25) offer to enter into an agreement with any consumer of electricity or person seeking to become a consumer of

electricity, such offer to make provision for the charges to be made in respect of such sales of electricity and such charges to be presented in such a way as to be referable to the tariff schedule determined in Condition 31 above.

2. The Licensee shall offer terms for agreements in accordance with paragraph 1 as soon as practicable and (save where the Commission consents to a longer period) in any event not more than 02 weeks after receipt by the Licensee of an application containing all such information as the Licensee may reasonably require for the purpose of formulating the terms of the offer.
3. The Licensee shall not be obliged pursuant to this Condition to offer to enter or to enter into any agreement if to do so would involve the Licensee:
  - (a) in breach of its duties under the Act;
  - (b) in breach of any regulations made under the Act or of any other enactment relating to safety or standards applicable in respect of the Distribution Business;
  - (c) in breach of this Licence; or
  - (d) in breach of any Approved technical and operational codes.
4. The Licensee's obligation to enter into an agreement pursuant to this Condition may be satisfied by the insertion of appropriate clauses into a connection agreement entered into pursuant to Condition 25.

**Condition 33: Preparation, review of and compliance with Supply Services Code**

1. The Licensee shall prepare a supply services code which shall include, at a minimum, the provisions set out in Schedule 2 (the "**Supply Services Code**"). The Licensee shall acquire/develop all resources required including skills and expertise to comply the Supply Services Code.
2. The Licensee shall submit the Supply Services Code to the Commission for its approval.
3. If, within 30 days from the day the Licensee first submitted the Supply Services Code to the Commission for its approval, the Commission notifies the Licensee that it considers that the Supply Services Code does not meet the requirements of this Licence, the Licensee shall immediately make such changes to the Supply Services Code as the Commission may require.

4. The Licensee shall, whenever requested to do so by the Commission, review the Supply Services Code and the manner in which it has been operated, with a view to determining whether any modification should be made to it or to the manner of its operation.
5. The Licensee shall submit any revision of the Supply Services Code which it wishes to make to the Commission for its approval and, if the Commission approves the revision, the Licensee shall, following receipt of the Commission's approval in writing, then revise it appropriately. If the Commission does not approve the revision, the Licensee shall make further revisions to the Supply Services Code as the Commission may require, in order to meet the requirements of this Licence.
6. The Licensee shall:
  - (a) as soon as practicable following the preparation of the Supply Services Code or any revision made to it, send to the Commission a copy of the Supply Services Code or such revision in the form approved by the Commission;
  - (b) draw to the attention of its consumers the existence of the Supply Services Code and each substantive revision of it and how they may inspect or obtain a copy of the Supply Services Code in its latest form;
  - (c) make a copy of the Supply Services Code available for inspection by members of the public at each of the Relevant Premises during normal opening hours;
  - (d) give or send a copy of the Supply Services Code (as from time to time revised) at a cost decided by the Commission to any person who requests it.
7. No changes may be made to the Supply Services Code otherwise than in accordance with this Condition.
8. Subject to paragraph 10, the Licensee shall ensure, so far as reasonably practicable, that it complies with the terms of and the arrangements or procedures (as the case may be) as are contained in or described by the Supply Services Code or any revision to it approved by the Commission.
9. The Licensee shall provide the Commission with all assistance reasonably necessary to enable the Commission to monitor the implementation and operation of the Supply Services Code and this assistance shall include, without limitation, permitting the Commission access to relevant documentation held by the Licensee.
10. The Commission may (following consultation with the Licensee) issue directions relieving the Licensee of any of its obligations under the Supply Services Code to such an extent as may

be specified in those directions and subject to such terms and conditions as the Commission thinks fit.

11. In this Condition:

**"Relevant Premises"** means any premises of or occupied by the Licensee or any Affiliate or Related Undertaking of the Licensee open to consumers in the normal course of the Licensee's business.

**Condition 34: Record of and report on Licensee's performance**

1. The Licensee shall keep a record of its general operation of the arrangements mentioned in Conditions 32 and 33 and the Supply Services Code and, if the Commission so directs in writing, of its operation of any particular cases specified, or of a description specified, by it.
2. The Licensee shall, from time to time as required by the Commission, provide to the Commission such of the information contained in the records prepared in accordance with paragraph 1 as the Commission may request in writing.
3. As soon as is reasonably practicable after the end of each calendar year, the Licensee shall submit to the Commission a report dealing with the matters mentioned in paragraph 1 in relation to that year and shall:
  - (a) publish the report so submitted in such manner as will, in the reasonable opinion of the Licensee, secure adequate publicity for it; and
  - (b) send a copy of it at a cost decided by the Commission to any person requesting the same;

except that, in performing its obligations under sub-paragraphs 3(a) and (b), the Licensee shall exclude from the report such information as appears to it to be necessary or expedient to ensure that, save where they consent, individual consumers referred to therein cannot readily be identified.

4. The report shall be presented, so far as is reasonably practicable, in a standard form designated by the Commission for the purposes of this Condition.

**Condition 35: Estimation of energy supplied in the absence of an agreement**

1. The Licensee shall, as soon as practicable after this Licence shall have come into force and, in any event, not later than such date as the Commission shall specify in directions issued to the Licensee for the purposes of this clause, and from time to time thereafter prepare a

methodology to estimate energy supplied to consumers in the absence of an agreement, in terms of Section 50 (3) of the Act and Section 5 of Schedule III of the Act.

2. The methodology shall apply in the event of;
  - (a) electricity supply with the absence of a meter
  - (b) a meter is proved to registering incorrectly;
  - (c) the malfunction of any meter;
  - (d) any person altering the register of any meter used for measuring the quantity of electricity supplied to any premises.
3. Licensee shall obtain approval for the methodology from the Commission.
4. The Licensee shall publish the methodology as directed by the Commission.

**Condition 36: Notices**

1. All notices and other communications given or made under this Licence shall be in writing.
2. Any such notice or other communication shall be addressed as provided in paragraph 3 and, if so addressed, shall be deemed to have been duly given or made as follows:
  - i) if mailed by certified or registered mail, ten (10) Business Days after mailing;
  - ii) if sent for overnight delivery with fee prepaid, six (6) Business Days after delivery to a recognised overnight express carrier;
  - iii) if sent via facsimile, upon dispatch with receipt of confirmation of transmittal, or
  - iv) If sent by personal delivery, upon delivery at the address of the Commission or Licensee.

Provided that, if, in accordance with the above provisions, any such notice or other communication would otherwise be deemed to be given or made outside working hours, such notice or other communication shall be deemed to be given or made at the start of the next period of working hours.



3. The relevant addressee, address and facsimile number of the Commission and Licensee for the purpose of this Licence, are:

<p><b>Commission</b></p> <p>Director General Public Utilities Commission of Sri Lanka Level 06, BOC Merchant Tower #28, St. Michael's Road Colombo 03.</p> <p>Tel: (011) 2392607/8 Fax: (011) 2392641</p>
<p><b>Licensee</b></p> <p>[Name of Contact Person] [Mailing Address]</p> <p>Tel: Fax:</p>

4. The Licensee shall notify the Commission of any change of the address provided in paragraph 3, within fourteen (14) days of such change.

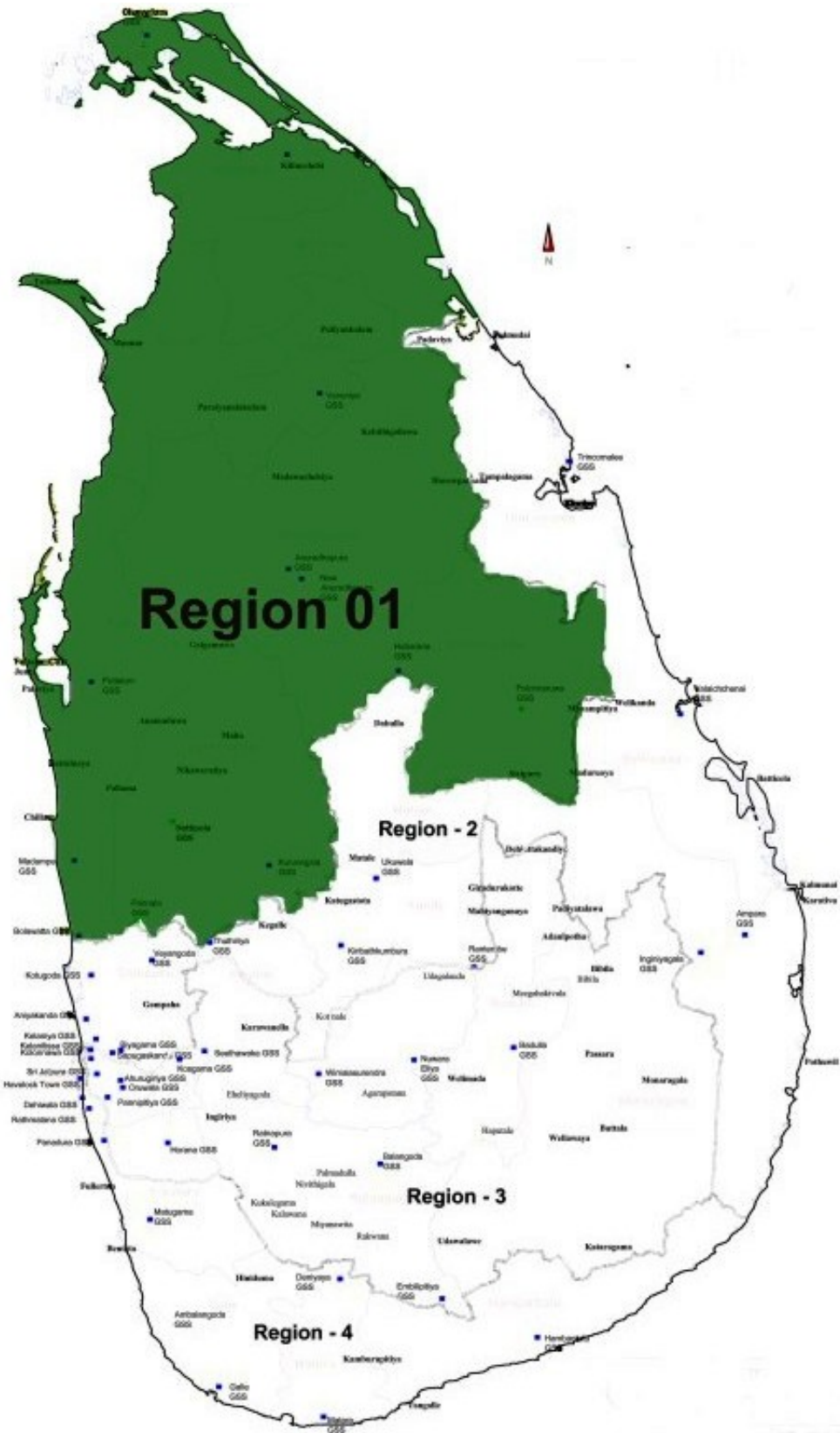


### **Schedule 1 - Authorised Area**

The Authorised Area shall comprise of Region 1 as shown in Schedule 1A, excluding the authorised area of the Lanka Electricity Company (Private) Limited, wherever applicable, as shown in Schedule 1B.

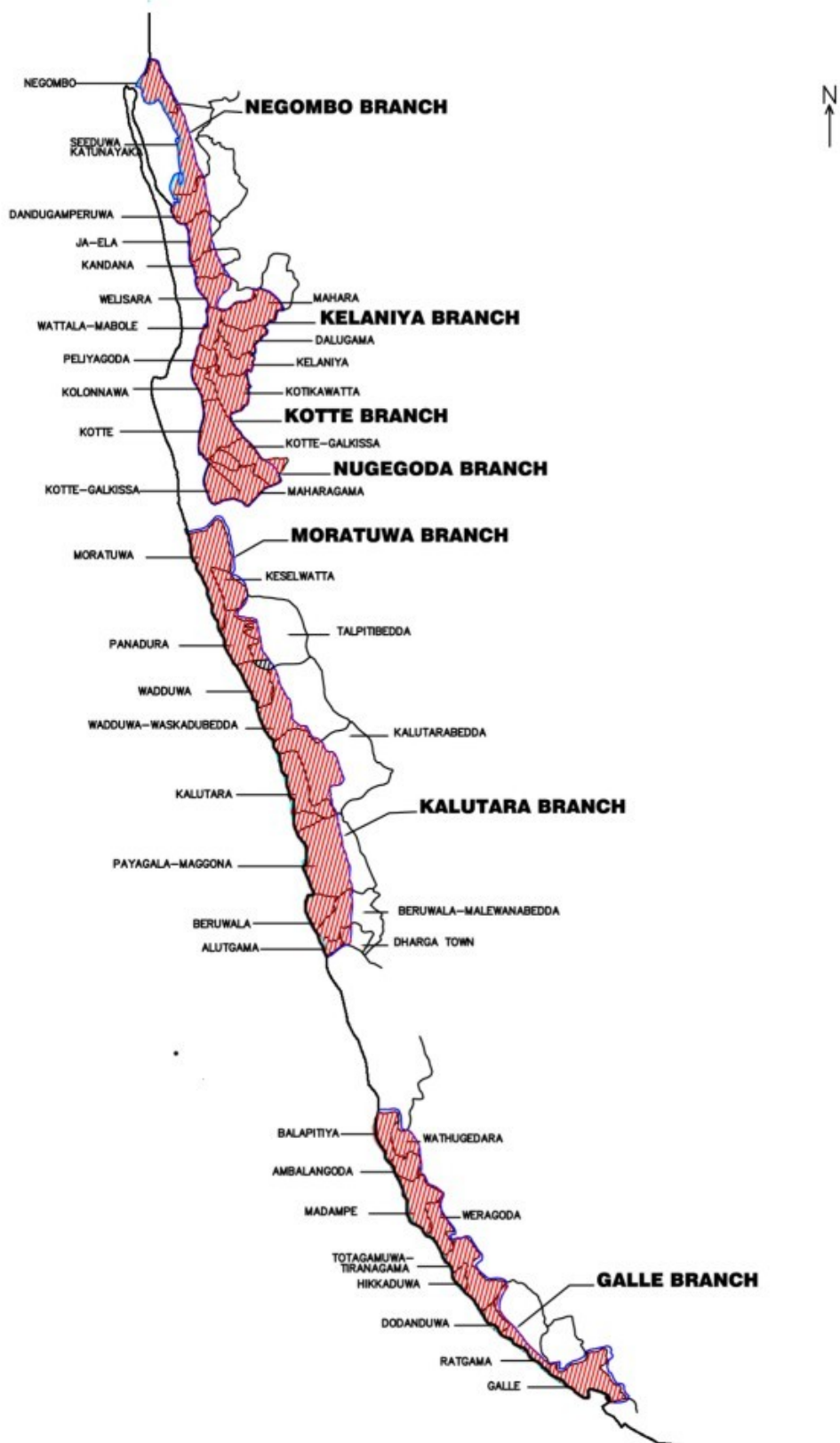


Schedule 1A – Region 1





**Schedule 1B – authorised area of Lanka Electricity Company (Private) Limited**







## Schedule 2 - Supply Services Code

### 1. Security and safety of supply

The Supply Services Code shall contain clauses to the following effect:

1. The Licensee shall make arrangements to keep each of its consumers informed of the postal address and telephone number of an enquiry service established and operated for the purposes of receiving reports from any person about any matter or incident that:
  - (a) causes danger or requires urgent attention, or is likely to cause danger or require urgent attention, in relation to the supply or distribution of electricity; or
  - (b) affects or is likely to affect the security, availability or quality of service of the Licensee's Distribution System through which the relevant consumer is supplied with electricity.
2. The enquiry service referred to at paragraph 1 shall be:
  - (a) provided without charge to the consumer;
  - (b) available to receive and process telephone reports and enquiries at all times on every day of each year; and
  - (c) operational no later than such date as the Commission shall specify.
3. The Licensee may discharge the duty imposed by paragraph 1 by providing the requisite information to each of its consumers:
  - (a) on the occasion of the consumer first commencing to take a supply from the Licensee; and thereafter
  - (b) either:
    - (i) where bills or statements in respect of charges for the supply of electricity are rendered to the consumer, on a quarterly basis (it being sufficient that the information is included on or with any bill or statement); or
    - (ii) in any other case, on an annual basis;

and by publishing such information in such manner as will, in the opinion of the Licensee, secure adequate publicity for it.
4. The Licensee shall, in so far as is practicable, take steps to inform each of its consumers of any change to the address or telephone number of the service referred to at paragraph 1 prior to such change becoming effective.

**2. Provision of information about theft, damage and meter interference**

The Supply Services Code shall contain a clause to the following effect:

1. Where a person other than the Licensee is the owner of any electric plant, electric lines or meter the Licensee shall, as soon as is reasonably practicable, inform that person of any incident where the Licensee has reason to believe:
  - (a) there has been damage to such electric plant, electric line or meter; or
  - (b) there has been interference with the meter to alter its register or prevent it from duly registering the quantity of electricity supplied.

**3. Security deposits in respect of supply**

The Supply Services Code shall contain clauses to the following effect:

1. The Licensee may require a consumer to provide a security deposit in accordance with Section 28 of the Act and the paragraphs set out below in order for the consumer to receive a supply of electricity.
2. The Licensee shall not, in respect of the supply of electricity to a consumer, require a deposit:
  - (a) where the consumer is prepared to be supplied through a prepayment meter and it is reasonably practicable in all the circumstances (including in particular taking into account the risk of loss or damage) for the Licensee to provide such a meter; or
  - (b) where it is otherwise unreasonable in all the circumstances to do so.
3. Any deposit required from a consumer may be equal to 2 times the value of the average monthly consumption of electricity reasonably expected at the relevant premises
4. Where the Licensee requires a deposit of a consumer it shall at the same time inform that consumer of the effect of paragraphs 5, 6 and 8.
5. Where the Licensee holds any deposit it shall pay interest, at a rate it shall fix from time to time with the approval of the Commission,
6. Any deposit given by a consumer shall be repaid (with interest) by the Licensee as soon as reasonably practicable, and in any event within 1 month, where the Licensee has ceased to supply the consumer and the consumer has paid all charges for electricity supplied

7. Any dispute arising under this clause between the Licensee and a consumer may be referred by either party to the Commission. The Commission shall determine any such dispute, following such practice and procedure as it considers appropriate.

#### **4. Information given to consumers**

The Supply Services Code shall contain clauses to the following effect:

1. The Licensee shall keep each of its consumers (save insofar as the consumer receives an un-metered supply) informed of the amount of electricity which, since the consumer was last informed, its records show as having been consumed by that consumer:
  - (a) according to the meter through which the consumer is supplied; or
  - (b) where no meter reading is available, according to the estimate of the Licensee.
2. The Licensee shall keep each of its consumers informed:
  - (a) that the Commission can assist in resolving complaints which the Licensee has not resolved to the consumer's satisfaction; and
  - (b) of how the Commission can be contacted.
3. The Licensee may discharge its duties under paragraphs 1 and 2 by providing the relevant information on or with each bill or statement given to a consumer in respect of charges for the supply of electricity, and annually to each consumer to whom no such bills or statements are rendered.

#### **5. Procedures with respect to access to premises**

1. The Supply Services Code shall set out the principles and procedures the Licenses shall follow to ensure that any persons acting on its behalf who require access to a consumer's premises:
  - (a) possess the skills necessary to perform the required duties;
  - (b) are readily identifiable to members of the public;
  - (c) use passwords provided for vulnerable consumers;
  - (d) are appropriate persons to visit and enter a consumer's premises; and
  - (e) are able to inform consumers, on request, of a contact point for help and advice they may require in relation to the supply of electricity.

**6. Payment of bills**

1. The Supply Services Code shall provide for the payment of electricity bills by consumers, and include appropriate guidance for the assistance of such consumers who may have difficulty in paying such bills.

**7. Consumers in default**

1. The Supply Services Code shall provide for the methods the Licensee may use for dealing with consumers who, through misfortune or inability to cope with electricity supplied on credit terms, incur obligations to pay for electricity so supplied which they find difficulty in discharging including, in particular, methods for:
  - (a) distinguishing such consumers from others in default;
  - (b) detecting failures by such consumers to comply with arrangements entered into for paying by instalments charges for electricity supplied;
  - (c) making such arrangements so as to take into account the consumer's ability to comply with the arrangements referred to in paragraph (b);
  - (d) ascertaining, with the assistance of other persons or organisations, the ability of consumers to comply with such arrangements;
  - (e) providing for such a consumer who has failed to comply with such arrangements a prepayment meter where safe and practical to do so; and
  - (f) calibrating any prepayment meter so provided so as to take into account the consumer's ability to pay any of the charges due from the consumer under such arrangements in addition to the other charges lawfully being recovered through the prepayment meter.
2. The Supply Services Code shall establish procedures for monitoring the general operation of the arrangements set out in paragraph 1 and compliance by the Licensee therewith, and such procedures shall be submitted to the Commission for its approval.

**8. Connections and disconnections**

1. The Supply Services Code shall set out the procedure for connections and disconnections to the Licensee's Distribution System.

**9. Provision of services for consumers who are disabled, chronically sick or of pensionable age**

1. The Supply Services Code shall make arrangements for consumers who are disabled, chronically sick or of pensionable age, including special services in the following respects:
  - (a) providing, where practicable, special controls and adaptors for electrical appliances and meters (including prepayment meters) and repositioning meters;
  - (b) providing special means of identifying officers authorised by the Licensee; and
  - (c) giving advice on the use of electricity.
2. The Supply Services Code shall describe the special services available and any charges made or to be made to such consumers described in paragraph 1 above.

**10. Consumer complaint handling procedure**

1. The Supply Services Code shall contain a procedure for handling complaints from consumers about the manner in which the Licensee conducts the Distribution Business and any procedure established in accordance with this paragraph shall specify the periods within which it is intended that different descriptions of complaint should be processed and resolved.

**11. Meters**

1. The Supply Services Code shall include provisions relating to the nature of the meters to be provided by the Licensee for consumers having regard to the different classes of consumer, accuracy, requirements for time and day metering and remote interrogation facilities.
2. The Supply Services Code shall set out the methods for the reading of meters of consumers, in particular, methods for:
  - (a) ensuring the person reading the meter and any associated appliance possesses the appropriate expertise;
  - (b) inspecting the meter for any evidence of deterioration which might affect its function or safety;
  - (c) ensuring that the premises which the person reading the meter attends, are left no less secure by reason of the attendance;
  - (d) ensuring that the Licensee shall make good or pay compensation for any damage to property caused by the person reading the meter;

- (e) reporting the reading of the meter;
- (f) adjusting of charges for erroneous meter readings.

**12. Efficient use of electricity**

1. The Supply Services Code shall set out the ways in which the Licensee will make available to consumers such guidance on the efficient use of electricity as will, in the opinion of the Licensee, enable them to make informed judgments on measures to improve the efficiency with which they use the electricity supplied to them.

**13. Compliance by Licence with Charges**

1. The Supply Services Code shall set out the means by which the Commission will be able to monitor the compliance by the Licensee with the charges set by the Commission for the resale of electricity.