

KINGDOM OF CAMBODIA
NATION RELIGION KING
ELECTRICITY LAW
OF
THE KINGDOM OF CAMBODIA

Promulgated by ROYAL DECREE No. NS/RKM/0201/03 dated February 02,
2001

ROYAL DECREE

I,

PREAHBATH SAMDECH PREAH NORODOM SIHANOUK REACH

HARIVONG UPHATO SOCHEAT VISOTHIPONG

AKAMOHABORASRAT

NIKARODOM THAMMIK MOHAREACHEATHIREACH

BOROMMANEAT BOROMMABOPIT PREAH CHAU KRONG

KAMPUCHEA THIPDEY

- Seen the Constitution of the Kingdom of Cambodia;
- Seen the Royal KRAM No. NS/RKM/0399/01 of March 08, 1999 promulgating the amendment of article 11, 12, 13, 18, 22, 24, 26, 28, 30, 34, 51, 90, 91, 93 and all articles of chapter 8 through 14 of the Constitution of Kingdom of Cambodia;
- Seen the Royal KRET No. NS/RKT/1198/72 of November 30, 1998 on the Appointment of the Royal Government
- Seen the Royal KRAM No. 02/NS/94 of July 20, 1994 promulgating the law for establishment of the Council of Ministers
- Seen Royal KRAM No.NS/RKM/0196/05 of January 24, 1996 promulgating the law for establishment of the Ministry of Industry, Mines and Energy
- Pursuant to the proposal of the Prime Minister and the Minister of Industry, Mines and Energy

HEREBY PROMULGATED

The Electricity Law of the Kingdom of Cambodia, which was adopted by National Assembly on November 06, 2000 at the plenary session No.5 of term 2, agreed by the Senate on the form and all context of the law on December 13, 2000 at the plenary session No.4 of term 1 and announced on January 15, 2001 by the Constitution Council, be consistent with the Constitution. This law is as follows:

ELECTRICITY LAW
OF
THE KINGDOM OF CAMBODIA
CHAPTER I:
GENERAL PROVISIONS

ARTICLE 1:

The purpose of this law is to govern and to prepare a framework for, the electric power supply and services throughout the Kingdom of Cambodia.

This law covers all activities related to the supply, the provision of services and uses of electricity and other associated activities of power sector.

The electricity in this law shall mean the electrical energy or the capacity for the production of electrical energy.

The electrical power service in this law shall mean the generation, transmission and distribution of electricity and other additional or miscellaneous services related to the above services.

ARTICLE 2:

This law aims to establish:

- (a) The principles for operations in the electric power industry and the activities of licensees in the provision of electric power services;
- (b) The favorable conditions for the investments in, and the commercial operation of, the electric power industry;
- (c) The basis for the regulation of the supply of electric power services throughout the Kingdom of Cambodia;
- (d) The principles for:

- (i) The protection of the rights of consumers to receive the reliable and adequate supply of electric power services at reasonable cost,
- (ii) The promotion of private ownership on the facilities for providing electric power services, and
- (iii) The establishment of competition wherever feasible within the electric power sector;
- (e) The principles for granting the rights and obligations, and penalizing the suppliers and consumers of electricity and also the public and land owners in relation to electricity generation and supply facilities; and
- (f) The Electricity Authority of Cambodia for regulating the electric power services.

The consumer in this law shall mean a person or his successor that purchases or receives electricity for consumption and not for delivery or resale to others.

CHAPTER II:

FRAMEWORK OF THE ELECTRIC POWER SUPPLY AND SERVICES

ARTICLE 3:

The Ministry of Industry, Mines and Energy shall be responsible for setting and administrating the government policies, strategies and planning in the power sector.

The Electricity Authority of Cambodia shall ensure that the provision of services and the use of electricity shall be performed efficiently, qualitatively, sustainably and in a transparent manner.

ARTICLE 4:

The Ministry of Industry, Mines and Energy shall ensure the communication on a regular basis with the Authority and shall provide to the Authority the information on policies, strategies, planning of power sector and its decisions on: – Investments in the rehabilitation and development of power sector in the short, medium and long term;

– Restructuring, private sector participation and privatization of Public Utilities;

– Promotion of the use of indigenous energy resources in the generation of

electricity;

- Planning and agreements on the export and import of electricity;
- Subsidies to specific classes of customers and priorities regarding consumers of electricity;
- Promotion of efficiency in generation, transmission, distribution and consumption of electricity and action taken to create a Comprehensive Electricity Conservation Program for Cambodia; and
- Electricity sector emergency and energy security strategies.

ARTICLE 5:

Each power service supplier is required to have a license issued by the Electricity Authority of Cambodia, and shall abide by provision of this law and those of its license, regulation and procedures of Electricity Authority of Cambodia, and the requirements of the laws of the Kingdom of Cambodia.

While making decision on issuing licenses, the Authority shall take into consideration the government policies, strategies and planning in power sector which aim to reduce the long and short run marginal cost of supplying electricity throughout the Kingdom of Cambodia, and decisions set out in Article 4 of this law, and shall ensure the public interest.

The Electricity Authority of Cambodia shall ensure that the licensees shall use the standard related to technical operation, safety and environment, which issued and published by the Ministry of industry, Mines and Energy.

License in this law shall mean a license for the provision of an electric power service.

Licensee in this law shall mean a person to whom the Authority has granted a legal and valid license under this law.

CHAPTER III

ESTABLISHMENT OF THE ELECTRICITY AUTHORITY OF CAMBODIA

ARTICLE 6:

The Electricity Authority of Cambodia is a legal public entity, being granted the right from the Royal Government to be an autonomous agency to regulate the electricity services and to govern the relation between the delivery, receiving and use of electricity.

ARTICLE 7:

The Electricity Authority of Cambodia shall have the following duties:

- (a) To issue, revise, suspend, revoke or deny the licenses for the supply of electricity services as provided in article 29 of this Law;
- (b) To approve tariff rates and charges and terms and conditions of electric power services of licensees, except where the Authority consider those rates or charges and terms and conditions are established pursuant to a competitive, market-based process;
- (c) To order to implement guidance procedures and standards for investment programs by licensees;
- (d) To review the financial activities and corporate organization structure of licensees to the extent that these activities and organization directly affect the operation of the power sector and the efficiency of electricity supply;
- (e) To approve and enforce the performance standards for licensees;
- (f) To evaluate and resolve consumer complaints and contract disputes involving licensees, to the extent that the complaints and disputes relate to the violation of the conditions of license;
- (g) To approve and enforce a uniform system of accounts for all licensees;
- (h) To prepare and publish reports of power sector and relevant information received from licensees for the benefit of the Government and the public interest;
- (i) To prescribe fees applicable to licensees;
- (j) To determine the procedures for informing the public about affairs within its duties, in order to ensure that the Electricity Authority of Cambodia complies with the principle of transparency as set forth in Article 3 of this law;
- (k) To issue rules and regulations and to make appropriate orders, and to issue temporary and permanent injunction for electric power services;
- (l) To impose monetary penalty, disconnect power supply, suspend or revoke the license for the violations of this Law, standards and regulations of the Electricity Authority of Cambodia;
- (m) To require the electric power services and the customers to obey the rules relating

to the national energy security, economic, environment and other Government policies;

(n) To perform any other function incidental or consequential to any of the duties as describes above; and

(o) To establish the terms and conditions of employment of the officers or employees including expert/advisors of Electricity Authority of Cambodia.

ARTICLE 8:

The Electricity Authority of Cambodia shall have a Secretariat and Departments.

The Secretariat headed by one Executive Director shall be established for supporting the administrative and technical tasks and controlling the various expertise departments. The organization and functioning of the Secretariat shall be determined in the internal rule of the Authority.

ARTICLE 9:

The Electricity Authority of Cambodia shall consist of three members, including the Chairman. The chairman and members shall be designated and proposed by the Prime Minister and shall be appointed by the Royal KRET. Each member shall have a three year term, which shall be staggered except for the initial term, as described in Article 72 of this law.

No member shall be appointed to serve in the Authority for more than two (2) terms.

Within two (2) years after the completion of their term, neither the chairman nor any member shall enter into the employment or have any advisory or consulting relationship with any licensee.

ARTICLE 10:

An individual to be eligible to serve as a chairman or members of the Electricity Authority of Cambodia shall fulfill the following conditions: -a Cambodian born citizen and a qualified voter in the Kingdom of Cambodia,

-never been convicted by a criminal sentence,

-having university degree in electrical engineering, law, economics, accounting,

finance or other engineering related to the electricity sector, which are recognized

by competent institutions,

– having an experience of at least ten (10) years; and

-be a competent, neat and virtue person.

This designation for appointment is not based on political affiliation.

ARTICLE 11:

The members of Electricity Authority of Cambodia shall have full time employment at the Authority and shall not have any other employment nor accept any payment for any other activities.

ARTICLE 12:

All members or employees of the Authority shall not directly own any securities of, or have any economic interest in, or hold any position with any licensee or applicant for a license but can be a customer of any licensee.

Licensee or any person acting on his/her behalf is prohibited to offer any gift or gratuity, different from that generally applicable to the public, to any member and employee of the Authority. Member or employee of the Authority is prohibited to accept, any gift or gratuity, different from that generally applicable to the public, from any licensee or any person acting on his/her.

During their term, neither the Chairman nor any Member, nor his spouse nor children, shall enter into the employ of, seek to enter into the employ of, hold any official, advisory or consulting role with, own stock or bonds of, or have any pecuniary interest in any licensee under the Law or with any person engaged in supplying electrical power services or to any related undertaking.

ARTICLE 13:

The function of members of the Authority are incompatible with those of a civil servant, a member of Constitutional Council, a member of Senate, a member of National Assembly, a member of leader group of any political party, or an adviser of any Government Institution, or a member of the Royal Government.

When an individual having a position as stated above is appointed as a member of the Authority, he/she shall temporarily resign or suspend from the above position or

membership, for the period of his/her office term.

ARTICLE 14:

The position of a member of the Authority shall fall vacant, when that member:

- 1 – dies,
- 2 – resigns,
- 3 – retires,
- 4 – is convicted by the criminal offence,
- 5 – loses the right to vote,
- 6 – is found to be mental or physical incapacity,
- 7 – is found to have committed a serious violation of any provisions stipulated in Article 11, 12 and 13,
- 8 – is found to have seriously neglected and no responsibility in the performance of duties;
- 9 – is found to have committed a grave misdemeanor in relation to his responsibilities; or 10 – abandons the duties;

If a member is found to be in the case 5, 6, 7, 8, 9 or 10 of article 14 the Prime Minister may decide to suspend the said member from duties and shall refer the case to the competent tribunal. In that case, the Prime Minister shall appoint temporary member to perform the job during the suspension period.

ARTICLE 15:

Whenever a vacancy in the Authority occurs prior to the expiration of a term, the Prime Minister shall designate new member to fulfill the former member's term. This new member shall be appointed by royal KRET. This replacement shall not count in the numbers of full term as stipulated in Article 9 of this Law.

ARTICLE 16:

The salary allowances and other interests of members of Electricity Authority of Cambodia shall be determined by the Government. The chairman's position shall be equivalent to the rank of a Secretary of State, the position of other members shall be equivalent to Under Secretary of State.

The members of the Authority shall retire from office when they attain the age of sixty (60). In case of retirement before the term expired, the Prime Minister may permit this member to continue his/her duties until the expired date of his/her term as necessary.

The chairman or other members may at any time request to resign from their office by giving at least one (1) month written notice to the Prime Minister.

ARTICLE 17:

The chairman shall not be removed from the position of Chairman of the Authority during his/her term in office except for the reasons given in Article 14 of this Law.

ARTICLE 18:

The chairman of the Authority shall be responsible for:

- managing the Authority
- presiding over the meetings of the Authority; and
- ensuring the publishing and implementation of all Authority's decisions.

In addition, the Authority may delegate to the Chairman any of its powers, duties, or functions, except:

- the power to issue, reject, amend, or revoke licenses
- the power to reject applications for a license or modification of a license;
- the power to set, approve, disapprove, or revise the tariffs or the investment programs and the power acquisition program;
- the power to issue, revise, or repeal the Authority regulations; or
- the power to decide on an appeal of the public.

Any aggrieved party or person may make appeals to the Authority in such cases within thirty (30) days of promulgation of the ruling.

The chairman of the Authority may designate in writing to one of the other members to fulfill the duties of the Chairman in his/her absence.

ARTICLE 19:

The chairman of the Authority, in consultation with other members, shall appoint all employees and shall hire other experts as may be necessary for the proper discharge of the Authority's duties. Employees and experts of the Authority shall abide by the Labor Law.

CHAPTER IV

FUNCTIONING OF ELECTRICITY AUTHORITY OF CAMBODIA

ARTICLE 20: The Electricity Authority of Cambodia shall adopt and declare the rules for controlling meetings between its members or employees and any party to establish a tariff or to grant a license. The rules shall determine the objective, the date and time, the place and the meeting proceeding for giving an opportunity to the interested persons to participate.

ARTICLE 21:

All members of the Authority shall have the right to vote on all matters requiring the decisions of the Authority. These decisions of the Authority will be based on the majority vote.

Two members shall constitute a quorum of the Authority to make decision.

All members of the Authority shall be given notice of the date and time, place and objective of the session in which the decision will be voted on.

ARTICLE 22:

The sessions of the Electricity Authority of Cambodia for hearing of any complaint shall be public. The Authority's decisions, with its reasons, shall be published as soon as the decisions are made unless the Authority has the reasonable causes and decides to delay the publication.

The Authority shall keep a record of all proceedings, orders, findings, and judgments, and to preserve all records, documents, and files of the Authority.

All orders, findings, judgments, records and other documents shall be open to public examination in the offices of the Authority; except provided that the Authority shall adopt appropriate rules to ensure confidential information received by Authority remains confidential, whenever Authority determines this confidentiality is necessary.

Except as otherwise expressly provided in this Law, no outside authority or agency of the Government shall interfere in the decisions of the Authority.

ARTICLE 23:

Before promulgating any general order, or any rule or regulation, the Authority shall give reasonable notice of its contents and shall give an opportunity to interested legal

persons and public to present their evidence and provide their opinion. All such orders, rules, and regulations shall be available to the public.

Before the Authority makes any finding, order, or judgment against any legal person or individual, the Authority shall give such legal person or individual reasonable notice of the time and place at which this legal person or individual has an opportunity to give evidence and opinion.

ARTICLE 24:

After the Authority issues a final decision, each affected institution and party shall have the right of appeal to the Courts of the Kingdom of Cambodia. This appeal shall be filed within three (3) months from the date of the final decision.

ARTICLE 25:

The Authority shall be jointly liable for the consequences resulting from the performance of functions by the members or employees of Authority pursuant to the provisions of this Law and any implementing Sub-Decrees and regulations.

ARTICLE 26:

The Authority shall determine the salary, and other remunerations of its officers and employees.

The Authority shall establish a budget of its operating expenses for each financial year that sets forth all the Authority's expected revenues and expenses. The budget shall clearly state the proposed license fees for the financial year, together with the method of calculating the license fees, and the salaries and other remunerations entitlements to be paid to each of the members and senior staff of the Authority. The Authority shall submit this budget to the Government for review and approval.

ARTICLE 27:

The Authority shall have an autonomous budget for their operation. This budget shall come through fees paid to the Authority by applicants and licensees. The fees shall be determined by the Authority. This fee is called the license fee.

The license fees shall be deposited in an account of a state bank of the Kingdom of Cambodia. Only the Authority shall have the right to use this fund.

The maximum license fees shall be determined by Sub-Decree.

Any balance funds in the Authority account at the end of a year shall be carried forward to the next year budget.

Any shortfall and surplus in annual budget of the Authority as stated above shall be adjusted through the license fees at the next year budget.

In case that shortfall in budget cannot be met even after maximum readjustment, the Authority is still unable to meet its operation expenses and repayment loan with interest, the Authority shall request to the Royal Government for reviewing and approving the new maximum license fees.

The financial and accounting operation of the Authority shall be performed in accordance with the public accounting system.

ARTICLE 28:

The Authority shall prepare its annual financial statement not later than one month after the end of each financial year.

Each annual financial statement, together with the accounting books of the Authority and related records, shall be audited by auditor and inspected by the National Audit Authority.

Within 1 (one) month after auditing, the Authority shall submit all reports to the Prime Minister for approval, and shall publish the approved reports to the public.

CHAPTER V

TYPE OF LICENSES

ARTICLE 29:

The licenses under empowerment of the Authority as stipulated in Article 7(a) of this law shall be as follows:

- 1- Generation License
- 2- Transmission License
- 3- Dispatch License
- 4- Distribution License
- 5- Bulk Sale License
- 6- Retail License

7- Subcontract License

8- Consolidate License

The provision of electric power service under any type of license as stated above shall be operated in form of company registered according to the rule in force. The provision of electric power service under generation, distribution and/or retail licenses may be operated in form of an individual, provided that this provision of services shall be in the small size as determined by the Authority.

ARTICLE 30:

The Generation Licensee shall have the right to generate electricity power from specifically fixed identified generation facilities. The Generation Licensee right in this law is to own, operate and manage or control the generation facilities for generating electricity for sale and not solely for own consumption.

The granting of Generation License shall be for the purpose of promoting the safe, reliable, and economic efficient operation of the national transmission grid or distribution grid and the connection facilities.

The validity of the generation license shall generally be for the expected useful life of the generation facility except in the case the Power Purchaser Agreement has a shorter term.

The generation license can be revoked under this Law.

ARTICLE 31:

The Transmission Licensee shall have the right to provide the transmission service. The transmission licensee right in this law is to own operate and manage the power transmission facilities for transferring and delivering or selling the electricity in bulk.

There shall be two types of transmission: National Transmission License and Special Purpose Transmission License.

ARTICLE 32:

The National Transmission License shall be issued to the state power transmission company that has the right to provide the transmission service for delivering the electric power to the distribution companies and bulk power consumers throughout the Kingdom of Cambodia, except in the territory served by the isolated systems as stipulated in Article 35

paragraph 1 and subject to the rights of special purpose licensees under Article 33 of this Law.

The license issued under this Article may be of an indefinite term, subject to revocation under this Law.

ARTICLE 33:

The Special Purpose Transmission Licensee shall have the right to construct, own and/or operate the specifically fixed identified transmission facilities in Cambodia that have the specified purpose and ensure the public interest. The principles and conditions for issuing the Special Purpose Transmission Licenses shall be determined by the government regulation.

The validity of Special Purpose Transmission Licenses may have the indefinite term or limited to the useful life of that particular transmission facilities. The Special Purpose Transmission License is subject to revocation under this Law.

ARTICLE 34:

The Distribution Licensee shall have the right to provide the electricity distribution services in a determined contiguous territory. The right to provide the electricity distribution services under this law is the right of ownership, operation and managing or controlling the distribution facilities for supplying and selling the electricity to the customers. The ownership, operation and managing or controlling the distribution facilities in private territory for their own use is not considered as the provision of distribution service.

The license issued under this Article may be of an indefinite term, subject to revocation under this Law.

ARTICLE 35:

The Consolidate License is a license, which may be the combination of some or all types of licenses stated in paragraph 1 to 7 of Article 29 of this Law.

The consolidated license can be issued to EDC and to the isolated systems to grant the right to generate, transmit, dispatch, distribute and sale the electric power to consumers. If a consolidated licensee intends to add new generation facilities, then he must apply for

generation license for each new generation facility. For the purposes of encouraging efficiency and competition where this will contribute the least long run marginal cost of electricity, the Authority shall include the provision in this license for disaggregating the generation, transmission and distribution services in the service coverage territory of licensee.

ARTICLE 36:

The Electricity dispatch Licensee shall have the right to control, manage and operate the dispatch facilities for facilitating the delivery and receiving the electricity from the generation, transmission and distribution systems.

Electricity Dispatch License shall prescribe the regulation to ensure that the operation of generation, transmission and distribution systems under its dispatch control is in the safe, reliable and efficient condition.

Electricity Authority may issue the dispatch license to any person for providing dispatch service on a power system, provided that:

1. That power system has the transmission line connected to many important distribution areas,
2. The generation, transmission and distribution services have been separated from each other,
3. The electricity dispatch service is big enough that Authority can authorize to provide separated service.

The license issued under this Article may be of an indefinite term and subject to revocation under this Law.

ARTICLE 37:

The Bulk Sale Licensee shall have the right to buy the electricity from any Generation Licensees or from the power systems of neighboring country for sale to Distribution Licensees or to the large customers in one connected power system.

The Authority may issue the Bulk Sale License to any person for providing this service when all conditions defined in the government energy policy for opening the bulk market has been fulfilled.

The bulk market under this law is a market where the producers can sell electricity to many buyers and where the transmission service has been separated from the generation services and became the service provider for wheeling charge. In the bulk market the market management and the transmission operation has been separated.

The license issued under this Article shall be of a definite term and subject to revocation under this Law.

ARTICLE 38:

In issuing consolidate licenses, the Authority shall consider long term planning and the objectives of Government policy to reduce long run marginal cost in the long term supply of electricity to consumers, establish a national grid and progressively expand this grid throughout Kingdom of Cambodia.

ARTICLE 39:

The Retail Licensee shall have the right to engage in the sale of electric power to consumers. Each retail license shall apply to a contiguous service territory.

To obtain a retail license, the applicant shall have a subcontract agreement with electric utility licensed by Authority and this contract shall be submitted to the Authority for reviewing and approval.

The electricity sold to consumers by retail licensee shall be purchased from a licensed electric utility to supply in the applicable geographic territory, until such time when the Authority permits to purchase from other suppliers of electric power consistent with national energy policy. All licenses issued under this Article shall have a maximum five (5) year term and can be extended and revoked under this Law.

ARTICLE 40:

The Subcontract Licensee shall have the right to supply of electric power services according to the subcontract agreement with existing licensee. Subcontract Licenses under this Article shall include all applicable conditions, and such additional license conditions as the Authority may consider in the public interest.

The Authority may issue the regulations regarding the activities and operation of subcontract agreement when the Authority concludes that is in the public interest.

CHAPTER VI:

LICENSING OF ELECTRIC POWER UTILITIES

ARTICLE 41:

No person may operate as an electric power utility or supply electric power services except he/she has performed under and in accordance with the terms of a valid license issued by the Authority.

Licenses shall be issued only to persons whose competence satisfies the requirement of Authority to operate as an electric power utility and to satisfy the service obligations and conditions included in the license. Licensees shall not be required to provide electric power services, the cost of which can not be recovered through electricity tariffs, except to the extent specific funds are provided to subsidies consumers and the licensee is agreeable to this arrangement.

ARTICLE 42:

Each Licensee must comply with all conditions set forth in its License, the rules and regulations adopted by the Authority, and the laws of the Kingdom of Cambodia, including laws regarding environmental protection, safety, health, taxes, and electric system performance, protection and standards.

Licensees shall use the resources and provide generation, transmission, dispatch, or distribution services, as applicable, at least cost and in accordance with prudent utility practices.

In accordance with Authority regulations, each Licensee shall submit to the Authority, with a copy to the Ministry of Industry, Mines and Energy, and make available to the public:

- (i) An annual summary report of Licensee's activities for the past year;
- (ii) An annual work plan for the following year describing the Licensee's anticipated activities; and
- (iii) Such other reports, statements, and information as the Authority by regulation, determines to be necessary and appropriate.

Each Licensee who holds a Generation License shall submit to the Authority for reviewing and approval the reports, statements, and information that the Authority, by regulation, deems necessary for the safe and reliable operation of the Transmission Grid and connection facilities.

ARTICLE 43:

Before issuing of any License, or reinstating of a suspended License, the Authority may require a bond or other form of financial security necessary to ensure satisfaction of service obligations pursuant to this Law and the conditions of the License, including the payment of License Fees.

ARTICLE 44:

The Authority shall establish the conditions on the issuing, amendment, suspension revocation or denying of licenses and its application procedures in according to this law. ARTICLE 45:

No licensee, other than a state owned licensee, may hold more than one license or own shares in, or have any other direct financial interest in any other licensee. No person other than the Royal Government and wholly state owned companies, that directly or indirectly owns or controls a Licensee may own any shares in or have a direct financial interest in any other licensee.

The licensee shall not rent, sell or deposit as lien its license to any other person. The licensee can assign or transfer its license to any other person only with the special approval of Authority. Only the Royal Government may transfer the licenses held by the state or by the state owned companies to another person as part of the power sector reform.

For the purpose of this law and in the public interest, the Authority may approve, disapprove, or restrict the following activities of licensees:

- Conducting a business merger or reorganization, or a major acquisition or sale of assets or securities; or
- Expanding the licensee's business activities.

CHAPTER VII:

TARIFFS

ARTICLE 46:

The Authority shall determine and review the tariff rates, charges, and service terms and conditions of the licensee. Within ninety (90) days from the receiving date of any application by licensees requesting the Authority to determine or revise their tariff, the Authority shall approve, revise, or disapprove this request.

The Authority shall determine the effective date for new tariff or the revised tariff not later than ninety (90) days as stipulated above.

ARTICLE 47:

The Authority shall establish procedures and models for submitting the tariff applications for approval in accordance with the provisions of this Law.

The Authority shall establish the rules for licensees regarding:

- Evidentiary requirements for tariff applications, including audited financial information;
- Time frames for tariff applications and decisions;
- Procedures for consumers and other interested parties to comment on tariff applications; and
- Procedures for the Authority to obtain additional information from the applicant as necessary to evaluate tariff applications.

ARTICLE 48:

The electricity tariffs approved by the Authority shall:

- (i) Protect consumers against monopolistic prices;
- (ii) Provide licensees with an opportunity to recover their costs but this cost recovery shall be the proper expenditure according to the business standard which is determined by Sub-Decree.
- (iii) Encourage the efficiency of operations and internal management of licensees by allowing to increase their financial returns according to the result of the minimizing its service costs; provided that the licensee meets all requirements of its license concerning the supply and quality of service;
- (iv) Encourage the economic efficiency of power sector by reflecting short run and long

run marginal costs and by sending accurate price signals regarding the abundance or shortage of the supply of electric power services; (v) Take into account the cost and other appropriate differences between categories of customers and types of service, any subsidies provided by the Government to subsidize any customer or category of customers; provided that no Government policy shall prevent a licensee from exercising any rights granted in its license to disconnect any public or private consumer for failure to meet its payment obligations under any contract or approved terms and conditions of service.

Allocations of the revenue required to cover the cost of licenses fees shall be assigned so that costs are recovered from each customer category in proportion to the costs of serving that category.

Different tariffs may be established for each customer category to reflect the quantity of peak, average, or overall usage of electricity at different times, seasons, the time of day or year, the types of services purchased, or other similar factors. Lower rates for low usage or poor residential and rural customers may be established to ensure the availability of electricity supply to these customers. Performance-based tariffs may, including revenue indexing, price indexing, and other innovative tariff methodologies may also be used if the Authority found that the use of such methodologies is in the interest of licensees and consumers.

CHAPTER VIII

OTHER REGULATIONS ON THE ELECTRIC POWER SERVICES

ARTICLE 49:

The Authority shall establish procedures and standards to obtain information from licensees regarding the investment and power acquisition programs.

ARTICLE 50:

The Authority shall require each licensee to ensure and certify that metering equipment and meter testing facilities comply with all applicable standards. Licensees shall measure the quantity of power supply only by the metering equipment, which has been tested by

meter test facilities certified by the Authority.

Any metering equipment and meter testing facilities may be inspected by the Authority from time to time to ensure continuing compliance with applicable standards and requirements as approved by the Authority.

Licensees and consumers of electricity shall give access to the Authority and its employees to inspect and test meters and meter test equipment to verify the accuracy of measurement of supplies without prior notice.

ARTICLE 51:

Licensees shall:

- (i) Install the metering equipment in the most practical location where the licensee can easily read the meter and the consumer can preserve the equipment;
- (ii) Have the right to test, replace and modernize metering equipment, the cost of which shall be borne by the licensee;
- (iii) At the request of a consumer, inspect and recalibrate the metering equipment and, if necessary, install a temporary meter if the installed equipment needs to be removed and repaired.

All charges for this testing, calibrating, inspection and replacement shall be approved by the Authority.

ARTICLE 52:

Consumers: (i) Shall report to licensee any observed malfunctions and facilitate the inspection, repair or replacement of that equipment by licensees upon giving reasonable notice; and

- (ii) May have their own metering equipment, provided that it satisfies all the prescribed standards and requirements.

ARTICLE 53:

All licensees shall use a uniform system of account established by the Authority for financial and economic reporting to the Authority.

The Authority shall use the financial and economic reports provided by licensees and its own analysis as the basis for calculating tariffs.

ARTICLE 54:

After receiving not less than twenty-four (24) hours notice before operation, consumers must allow the authorized representative of a licensee to enter into their premises or property for the purpose of inspection, repair and maintenance of meters and electrical facilities, legal disconnection of service or installation of electrical facilities and equipment. In the event of emergency situations, licensee or its authorized representatives have the right to enter any premises or property without prior notice.

ARTICLE 55:

A licensee may arrange, construct, or install, such electrical facilities and equipment as are necessary for the licensee to satisfy its electric power supply services responsibilities under this Law.

The licensee shall take reasonable efforts through negotiations and conciliation with the owners of the lands and by paying appropriate compensation to acquire necessary rights of entry, rights of way, and/or easements.

In the event that licensee is unable to obtain such rights through reasonable efforts as stated above, the Authority, upon request by the licensee, shall intervene to the relevant authority to settle these issues in the public interest.

ARTICLE 56:

Licensee shall be responsible for all actions performed by their employees on the operation of its electric power supply services.

CHAPTER IX

ENFORCEMENT OF THE AUTHORITY

ARTICLE 57:

The Authority shall be competent to file the complaint in the courts of the Kingdom of Cambodia for any violation of this Law, and violations of the regulations, orders, judgments and licenses issued by the Authority.

ARTICLE 58:

The Authority shall issue the regulations and the procedures for imposing sanctions and the amount and nature of penalties which it may impose for specified license violations, as

well as procedures governing the revocation of licenses and the conditions which shall apply for the continued operation of the facilities covered by the licenses.

ARTICLE 59:

The Authority shall determine the procedure including the instruction and the receiving procedure for governing the termination by licensee of electric power services for non – payment. The procedure shall also determine the penalties through payments of interests, charges for disconnection or reconnection and such other means as appropriate to ensure that licensees can fully recover all costs associated with payment of arrears, and that the arrangements are fair to consumers.

ARTICLE 60:

Any Licensee, or consumer that is party to a dispute regarding the supply of electric power services, under an Authority approved tariff or under a contract, may refer the dispute to the Authority for resolution; provided that the related License requires such dispute to be referred to the Authority.

Any interested person may file to the Authority a written complaint against a licensee alleging a violation of any provision of this Law. The Authority shall investigate this complaint and determine whether there may have been a breach of this law. If the Authority determines that there is a violation, then the Authority shall provide the licensee with written notice of this complaint and give an opportunity to the licensee to respond in writing. In either case, the Authority shall advise the complainants within fifteen (15) days after receipt of the complaint.

CHAPTER X:

ADMINISTRATION

ARTICLE 61:

Regulations issued by the Electricity Authority of Cambodia shall be published and thereupon shall be effective. The Authority may amend its regulations from time to time as the Authority may deem appropriate and the amendments shall be effective upon publication.

ARTICLE 62:

The Authority may investigate any facts, natures, actions or matters which it may find necessary or proper to determine whether any person has violated or is about to violate any provision of this law or any implementing Sub -Decree, regulation, order, or judgment of the Authority.

ARTICLE 63:

All orders, regulations, judgments, and determinations of the Authority together with the related written explanation, shall be submitted to the interested parties with a copy to be sent to the Royal Government. In addition, all orders, regulations, judgments and determinations shall be made available to the public, free of charge, at the offices of the Authority. The Authority shall require the licensee to make available for the public inspection of all their licenses and approved tariffs, other charges, and terms and conditions of their service at the principle offices of the licensee and at such other locations as the Authority may require in accordance with the public interest.

CHAPTER XI:

PENALTIES, SANCTIONS AND FINES

ARTICLE 64:

Monetary penalties ranging from 400,000 Riels up to 4,000,000 Riels shall be imposed on licensees and their employees per violation per day for each day that a violation of the provisions occurs. In the case that the violation continues, the Authority may issue the termination notice and take other legal measures;

ARTICLE 65:

In the case of the licensee's material failure to comply with the conditions of its license, the Authority has the power to suspend or revoke its license and submit the case to the court. If the Authority found that it is in the public interest not to revoke the license, the Authority may in lieu of revocation impose sanctions as stated under Article 64 above until the availability of new licensee to replace the existing one.

ARTICLE 66:

In addition to the sanctions as determined under Article 64, a fine ranging from one time to three times of the price of electricity stolen or cheated, without prejudice of the

compensation for other damages, shall be imposed on the licensee who has the intention to steal the electricity from the consumers.

ARTICLE 67:

Monetary penalties ranging from 400,000 Riels to 4,000,000 Riels per day for every day shall be imposed on any person found to be providing electric power services without having obtained the necessary license;

ARTICLE 68:

Monetary penalties ranging from one to three times of the price of electricity calculated based on the average price of the electricity used over the previous three months before having committed the offense or calculated based on connected electrical equipment, without prejudice of the compensation for other damages, shall be imposed to any person who steals electricity by illegal connection, destroying or tampering the meter or by other methods. The offender shall also pay for the electricity which has been stolen calculating based on the average consumption above but not more than twelve (12) months.

ARTICLE 69:

Theft, tampering of, or causing willful damage to the power supply installation, facility or equipment of the licensee is a criminal offense and shall be punished by fine from 4,000,000 Riels to 40,000,000 Riels or imprisonment from one (1) to three (3) years or both punishments, without prejudice of the compensation of other damages.

ARTICLE 70:

All employees of the Authority, who violates this law will face administrative action punishment, without prejudice of other criminal sentences.

CHAPTER XII:

TRANSITIONAL PROVISIONS

ARTICLE 71:

The Electricity Authority of Cambodia is established as of the effective date of this Law.

ARTICLE 72:

By no later than three (3) months after the effective date of this Law the Prime Minister shall appoint the Chairman of the Authority with a three (3) years term and (2) two other

members with two (2) years term for the first member and one (1) year term for the second member.

ARTICLE 73:

The Royal Government shall provide the initial fund to the Authority for its operation upon the appointment of the Chairman. The Authority shall deposit this fund in a separate account for its use.

ARTICLE 74:

The Ministry of Industry, Mines and Energy shall transfer the functions and duties defined in this law in an orderly manner to the Authority as soon as the Authority is fully operational.

ARTICLE 75:

All existing suppliers of electric power services shall apply for a license with the Authority within six (6) months after receiving the announcement of the Authority. **ARTICLE 76:**

The Authority shall not issue any order or regulation abridging or expanding, without the mutual consent of the parties, the rights or obligations provided under a contract in existence at the effective date of this law including the right to recover rates or charges under such contract.

ARTICLE 77:

After the effective date of this Law, the Authority shall issue the regulation in relation to the operation of own generation facilities that affect the environment.

CHAPTER XIII:

FINAL PROVISIONS

ARTICLE 78:

Any provisions that contradict this Law shall consider null and void.

ARTICLE 79:

This law shall be promulgated as urgent.

Phnom Penh, February 02, 2001

Signed by

NORODOM SIHANOUK

Reported and Requested for
the signature of His Majesty the King of Cambodia

Prime Minister

Signed by

HUN SEN

Reported to the Prime Minister
Minister of Industry, Mines and Energy

Signed by

SUY SEM

English translation has been reviewed with
Ministry of Industry, Mines and Energy on
August 2001.

Unofficial translation.

Printed by Electricity Authority of Cambodia