

THE ELECTRICITY ACT
(CAP 131)

THE ELECTRICITY (DISTRIBUTION SERVICES) RULES, 2011

(Made under section 45)

ARRANGEMENT OF RULES

PART I
PRELIMINARY PROVISIONS

1. Citation
2. Application
3. Interpretation

PART II
LICENSING PROCEDURES

4. Obligation to Apply for a Licence
5. Licence Application Procedure
6. Publication of a Licence Application
7. Grant of a Licence
8. Application for a Provisional Licence
9. Publication of a Provisional Licence Application
10. Grant of a Provisional Licence
11. Application for Exemption
12. Publication of an Application for Exemption
13. Grant of Exemption
14. The Authority to Give Reasons for its Decisions
15. Right of Appeal
16. Validity, Duration and Transfer of a Licence
17. Licence Suspension and Revocation
18. Exempted Distribution Services
19. Rules 4 to 16 not to Apply to Exempted Distribution Services

PART III
OBLIGATIONS OF A LICENSEE

20. Conduct of Distribution Activity
21. General Obligations of a Licensee
22. Customer Service Charter
23. Distribution Code

24. Execution of Power Purchase Agreements
25. Termination and Amendments of Power Purchase Agreements
26. Annual Reports
27. Compliance Audit
28. Compensation for Loss Suffered

PART IV
FINANCIAL PROVISIONS

29. Financial Reporting
30. Maintenance of Separate Accounts
31. Prohibition to Cross Subsidization

PART V
TECHNICAL PROVISIONS

32. Access, Offer to Connect or Provide Distribution Services
33. Supply Agreement
34. Distribution Network Planning and Land Acquisition
35. Load Forecast
36. Security and Safety of Supply
37. Service Quality
38. Performance Standards
39. Power Factor
40. Distribution Network Losses
41. Preparation for Emergency Situations
42. Planned Outages for Preventive Maintenance
43. Interruption and Emergency Repairs
44. Notification of Distribution Service Interruptions
45. Metering
46. Detection and Prevention of Theft, Damage and Meter Interference
47. Performance Improvement Plan
48. Inspection
49. Prohibited Acts to Inspectors

PART VI
GENERAL PROVISIONS

50. General Penalty
51. Penalty for Continued Breach
52. Authority to Supplement Procedures

SCHEDULE

THE ELECTRICITY ACT
(CAP 131)

THE ELECTRICITY (DISTRIBUTION SERVICES) RULES, 2011

(Made under section 45)

PART I
PRELIMINARY PROVISIONS

- Citation **1.** - These Rules may be cited as the Electricity (Distribution Services) Rules, 2011.
- Application **2.** - These Rules shall govern the regulatory and licensing matters related to the provision of electricity distribution services in Tanzania.
- Interpretation **3.** - In these Rules, unless the context otherwise requires:
- Cap. 131 “Act” means the Electricity Act;
- “affiliate” means any legal entity holding shares in the licensee or any other legal entity in which the licensee is a shareholder;
- “applicable law” means any principal law, treaty, proclamation, regulation, rule, order or a by-law that is customarily treated in Tanzania as having legally binding force and which is relevant to matters pertaining to regulation of the electricity distribution services;
- Cap 414 “Authority” means the Energy and Water Utilities Regulatory Authority established under the provisions of the EWURA Act;
- “customer” means a person that receives or purchases distribution services from a licensee;
- “customer service charter” means a document prepared by a licensee and approved by the Authority setting minimum service standards including the procedure of receiving and settling complaints from customers, metering and connections handling;
- “Distribution Code” means the technical and procedural rules and standards prepared by the licensee under rule 11 (4) and approved by the Authority governing matters pertaining to the distribution services;

“distribution activity” means the distribution of electric energy at the voltage of 33 kV, that includes overhead lines, ground cables, feeders, transformers, control stations and metering equipment and the term distribution services shall be construed accordingly;

“distribution network” means facilities and equipment belonging to a licensee, designed to distribute electric energy at the voltage of 33 kV, that includes overhead lines, ground cables, feeders, transformers, control stations and metering equipment;

“distribution use-of-system agreement” means a commercial agreement between a licensee and a customer governing the commercial terms related to distribution network tariffs;

Cap. 414

“EWURA Act” means the Energy and Water Utilities Regulatory Authority Act;

“generation facility” means premises, electric energy producing equipment including its auxiliary equipment, transformers, fuel handling equipment, switch-yard and interconnection facilities that is necessary for performing the generation activity as shall be specified in a licence;

“generation activity” means electricity generation services;

“generation licensee” means an entity licensed by the Authority to provide generation services;

“import licence” means a licence issued by the Authority to an entity to conduct electricity import services;

“Grid Code” means the technical and procedural rules and standards issued by the Authority on transmission and system operation;

“inspector” means an officer of the Authority or an agent appointed by the Authority pursuant to section 31 (2) of the Act to act as an inspector;

“interconnection point” means a point where the generation facility output line, electric system or transmission network feeds into the distribution network;

“large customer” means a customer that receives electricity supply at voltages higher than 1 kV;

“licence” means a licence issued by the Authority to conduct distribution activity;

“licensee” means the holder of a licence and shall include any entity that is exempted pursuant to rule 7;

“market operator” means person licensed to administer wholesale trade in electricity;

“market participants” means a licensee, generation licensee, a transmission licensee or a large customer;

“market rules” means the technical and procedural rules issued by the Authority on the administration of wholesale trade in electricity;

“Prudent Utility Practices” means those good and prudent practices, methods, and procedures which are attained by exercising that degree of skill, diligence, prudence, and foresight which would reasonably and ordinarily be expected from a skilled and experienced international distributor of electricity engaged in the same or a similar type of undertaking or activity in Tanzania and under the same or similar circumstances and conditions to those pertaining in Tanzania and satisfying the health, safety and environmental standards of reputable international electric distributing companies;

“power purchase agreement” means a contract for sale of electric power between a licensee and any other party;

“serious offence” means any of the offences listed in the Schedule;

“service area” means an area specified in a licence in which a licensee is authorized by the Authority to conduct distribution activity either exclusively or together with others for a specified period of time;

“service contract” means a commercial agreement between a licensee and any entity connected to a distribution network, governing the technical and other terms of such connection;

“small power project” means a power plant located in the service area that uses a renewable energy source or waste heat, or cogeneration of heat and electricity, with an export capacity of up to 10 MW;

“supply agreement” means an agreement entered between a licensee for the sale, resale, meter reading, or loan of electricity to customers, exclusive of any such transaction with either itself or a subsidiary;

“supply licensee” means any entity licensed by the Authority to sell electric energy to a customer, exclusive of any such transaction with either itself or an affiliate;

“system operator” means a person licensed to provide system operation services;

“tariff” means any charge, fee, price or rate charged for the provision of distribution services as shall be approved by the Authority;

“tariff methodology” means a methodology approved by the Authority that a licensee will use to determine a tariff;

“transmission licensee” means an entity licensed by the Authority to operate transmission network and for avoidance of doubts it shall include any entity exempted pursuant to section 18 of the Act; and

“transmission network” means a group of facilities and equipment belonging to a transmission licensee designed to transport electric energy and power at 50 Hz by means of high voltage lines, for loads of 66 kV and above that includes overhead lines, ground cables, sub-marine cables, dispatchers, transformers, communication networks, control stations and metering equipment.

PART II LICENSING PROCEDURES

Obligation to
Apply for a
Licence

4. - (1) No person shall conduct any distribution activity without a licence unless exempted by the Authority pursuant to rule 13.

(2) A person who conducts any distribution activity without a licence shall, not later than three months after coming into force of these rules, apply to the Authority for a licence.

(3) Notwithstanding the provisions of sub-rules (1) and (2) any person who has been conducting distribution activity with a licence issued by an institution other than the Authority shall within six months from coming into force of these rules, apply for a licence and the Authority shall proceed issuing a licence which shall contain terms and conditions not less favourable than those contained in the licence issued by an institution other than the Authority.

(4) Any person who contravenes the provisions of sub-rule (1), (2) and (3) shall be liable to a fine of five million shillings.

(5) Notwithstanding the penalty prescribed in sub-rule (4) any person who contravenes the provisions of sub-rule (3) may have its licence revoked in addition to the penalty in sub-rule (4).

Licence
Application
Procedure

5. – (1) An applicant for a licence shall apply to the Authority for a licence by filling in the appropriate form prescribed by the Authority, and shall lodge such application with the Authority, together with such other documents or records as may be required by the Act, the EWURA Act and other applicable law.

(2) Notwithstanding the provision of sub-rule (1), an application for a licence shall be accompanied by:

(a) certified copies of its registration documents if the applicant is a

- body corporate or unincorporated body;
- (b) proof of the availability of electric energy to be distributed;
- (c) proof of the financial capability for the distribution activity;
- (d) description of the area intended to be supplied with distribution services;
- (e) description of the distribution network; and
- (f) if an environmental assessment study has been conducted, a certified copy of the document setting out the outcome of such study

(3) An application for a licence shall be accompanied by an application fee prescribed by the Authority from time to time.

(4) The provisions of rule 4 and 5 shall not apply to any licensee who has applied and has been exempted pursuant to rule 13 from complying with the requirements of section 8 of the Act.

Publication of a
Licence
Application

6. – (1) A licence application received by the Authority shall be evaluated to verify its completeness and legality of information contained therein and thereafter a notice of the application shall be published in at least two newspapers of wide circulation in Tanzania one in English and another in Kiswahili with a view to soliciting comments and representations on the application.

(2) The public shall be invited to submit comments and representations within twenty one days from the date of publication of the notice and the comments and representations shall be considered by the Authority in arriving at the decision on the application.

Grant of a
Licence

7. – (1) The Authority shall, upon consideration of an application for a licence:

- (a) deny the application;
- (b) refer back an application;
- (c) grant an exemption pursuant to rule 13;
- (d) grant the application and issue a licence; or
- (e) grant a provisional licence subject to fulfillment of the general conditions set out in these rules and such other conditions as the Authority may determine.

(2) The Authority shall while making a decision to grant or deny a licence or grant an exemption, take into consideration:

- (a) the protection of the environment;
- (b) the applicant's record of compliance with the Act, these rules and other applicable laws;
- (c) economic efficiency and benefit to the applicant and the public in general;

- (d) financial capability of the applicant;
- (e) the compliance of a distribution network on matters including:
 - (i) safety;
 - (ii) health;
 - (iii) security;
 - (iv) hazardous substances;
 - (v) environment;
 - (vi) country and town planning requirements; and
- (f) any other matter relevant to the orderly conduct of distribution activity in Tanzania.

Application for a
Provisional
Licence

8. – (1) Any person seeking to conduct electricity distribution services shall, prior to applying for a licence, apply to the Authority for a provisional electricity distribution licence with a view to conducting some preparatory activities like conducting assessments, studies, financial arrangements and other activities necessary for applying for a licence.

(2) The applicant shall lodge to the Authority an application form for the provisional licence which shall be in a prescribed format together with the following:

- (a) a business plan;
- (b) prescribed fee;
- (c) Proof of financial capability;
- (d) a sketch map of the proposed service area;
- (e) Power Purchase Agreement, memorandum of understanding or letter of intent, if any; and
- (f) Any other documentation or information the Authority may require.

Publication of a
Provisional
Licence
Application

9. - (1) A provisional licence application received by the Authority shall be evaluated to verify its completeness and legality of information contained therein and thereafter a notice of the application be published in at least two newspapers of wide circulation in Tanzania one in English and another in Kiswahili with a view to soliciting comments and representations on the application.

(2) The public shall be invited to submit their comments and representations within fourteen days from the date of publication of the notice and the comments and representations shall be considered by the Authority in arriving at the decision on the application.

Grant of a
Provisional
Licence

10. - The Authority shall, after the expiration of the fourteen days deadline to submit comments in rule 9 (2) evaluate such application and thereafter make a decision basing on:

- (a) the applicant's record of compliance with the Act, these rules and other applicable laws;
- (b) economic efficiency and benefit to the applicant and the public in

- general; and
- (c) comments or representations received from the public, if any.

Application for Exemption

11. – (1) Any person may apply to the Authority to be exempted from complying with the requirements of section 8 of the Act.

(2) The application for exemption in sub-rule (1) shall be made in writing to the Authority stating the following:

- (a) description of the project including its shareholders;
- (b) description of a service area and a distribution network; and
- (c) reasons for exemption.

Publication of an Application for Exemption

12. - (1) Upon receipt of the application in rule 11, the Authority shall publish a notice of the application in at least two newspapers of wide circulation in Tanzania one in English and another in Kiswahili with a view to soliciting comments and representations on the application.

(2) The public shall be invited to submit their comments and representations within twenty-one days from the date of publication of the notice and the comments and representations shall be considered by the Authority in arriving at the decision on the application.

Grant of Exemption

13. - (1) At the conclusion of an inquiry process in rule 12 the Authority shall proceed evaluating the application and make a decision either granting or denying the application subject to such terms and conditions it may deem fit.

(2) The Authority shall while making a decision whether to grant an exemption or not, take into consideration the following:

- (a) gravity of the reasons submitted in support of the exemption; and
- (b) public interests to be protected.
- (c) comments or representations received from the public, if any.

(3) The term, obligations and rights to be provided by an exemption shall be specified in the Order to be published by the Authority in the *Government Gazette*.

The Authority to Give Reasons for its Decisions

14. - The Authority shall, in the event that it denies or refers back an application for a licence or a provisional licence inform the applicant of such decision in writing, including the reasons thereof.

Right of Appeal

15. - Any person who is aggrieved by the decision of the Authority in rules 7 10 or 13 may appeal to the Fair Competition Tribunal pursuant to the provisions of the Fair Competition Act.

Cap. 285

Validity, Duration and Transfer of a

16. – (1) The term of a licence and that for a provisional licence shall be clearly stated on the face of such licence or provisional licence, as the case

Licence

may be.

(2) A provisional licence shall remain valid for the term issued, provided, however, that the Authority may, on the written application of a licensee, extend the initial period for such further period as the Authority may determine.

(3) A licence or a provisional licence shall not be assigned or transferred from the licensee to another person without a written approval of the Authority.

(4) Without prejudice to the provisions of sub-rule (3), a change of ownership of a licensee in relation to which a licence or a provisional licence has been issued shall require approval of the Authority.

Licence
Suspension
Revocation and

17. – (1) The Authority may revoke the licence where it determines that the licensee is unable to discharge its obligations under the Act, the EWURA Act or any other applicable law or where the licensee is convicted of any serious offence.

(2) Notwithstanding the provisions of sub-rule (1) the Authority may suspend a licence for a period up to twelve months where:

- (a) the licensee has been found to be in serious violation of the provisions of the Act, the EWURA Act or these rules on matters relating to the protection of occupational health, public safety and environment; or
- (b) the licensee fails to pay a regulatory levy to the Authority and such levy remains unpaid thirty days after it has become due and the Authority has given the licensee notice in writing that such payment is overdue and the licensee has not paid

(3) Notwithstanding the provisions of sub-rule (1) and (2), the Authority may in lieu of suspending or revoking a licence and subject to the regulations to be made by the Minister appoint an administrator to replace management of a licensee, and manage the affairs of the licensee for such period the Authority may determine.

Exempted
Distribution
Services

18. - (1) An operator of an Off-Grid distribution network in rural areas where the maximum demand on the Off-Grid system is below one megawatt shall be exempted from the Authority's licensing requirements.

(2) Notwithstanding the provisions of sub-rule (1), an operator who is exempted from licensing requirements shall, pursuant to guidelines and directions issued by the Authority:

- (a) register with the Authority; and
- (b) provide the ministry responsible for electricity and the Authority with accurate information related to its distribution services.

Rules 4 to 16 not to Apply to Exempted Distribution Services

19. - The provisions of rule 4 to 16 shall not apply to any operator who is exempted pursuant to rule 18, provided however the Authority may take any remedial measures against the operator including suspending its operations for such period as the Authority may determine in the event of any violation of these rules and applicable laws.

PART III OBLIGATIONS OF A LICENSEE

Conduct of Distribution Activity

20. - (1) A licensee shall conduct distribution activity pursuant to the provisions of the Act, the EWURA Act, any applicable law and any power purchase agreement provided that the provisions of the power purchase agreement are not at variance with the provisions of these rules, the Act, the EWURA Act or any other applicable law.

(2) Without prejudice to the generality of sub-rule (1) a licensee shall be required to:

- (a) conduct distribution activity in the service area;
- (b) operate and maintain the distribution network;
- (c) charge the tariff to customers;
- (d) carry out all works related to the conduct of distribution activity, including engineering, construction, rehabilitation, operation and maintenance of the facilities in accordance with applicable law and Prudent Utility Practices; and
- (e) as far as it is practicable purchase or dispatch all the required electric energy from least costs generation licensee first.

General Obligations of a Licensee

21. - (1) A licensee shall while conducting distribution activity observe the rules and guidelines issued by the Authority in matters related to, among others,

- (a) tariffs;
- (b) tariff methodology;
- (c) transfer of control; and
- (d) payment of fees and levies.

(2) Notwithstanding the generality of sub-rule (1) a licensee shall be obliged to conduct distribution activity and connect all customers including from small power projects without any discrimination and bias, pursuant to the power purchase agreements (if any), the Act, the EWURA Act and other applicable law and shall under no circumstances stop to conduct a distribution activity save as provided in these rules and applicable laws.

Customer Service Charter

22. - All licensees shall within one year from the date of coming into operation of these rules prepare and submit to the Authority for approval a customer service charter, which shall include:

- (a) an offer to connect or provide services to a potential customer upon receipt of a request from such potential customer;
- (b) an offer to provide public lighting system upon receipt of written request from an owner of a public lighting system;
- (c) an offer to connect any eligible electric power generation licensee, including small power projects, as per the approved arrangement by the Authority;
- (d) the maximum time required to conclude distribution use-of-system agreement with customers; and
- (e) the minimum service quality and quality of supply standards based on Prudent Utility Practices.

Distribution Code

23. - All licensees shall within one year from the date of coming into operation of these rules prepare and submit to the Authority for approval the Distribution Code.

Execution of Power Purchase Agreements

24. - (1) No licensee shall enter into any power purchase agreement save as provided in these rules and the Act.

(2) The Authority shall be invited and participate in all negotiations related to execution of power purchase agreement as an observer.

(3) A licensee shall before executing any power purchase agreement with any person, submit to the Authority for review and approval, such power purchase agreement.

(4) Any power purchase agreement entered in contravention of these rules and the Act shall be void.

Termination and Amendments of the Power Purchase Agreement

25. – (1) A licensee shall promptly and in any event not later than seven days after receipt of any notice from the other party to a power purchase agreement (if any) intending to terminate any of the power purchase agreement, notify the Authority about the receipt of the notice.

(2) Without prejudice to the provisions of sub-rule (1) a licensee shall not terminate or amend a power purchase agreement or any other agreement relevant to the conduct of a distribution activity unless a ninety days written prior notice has been served to the Authority.

(3) A licensee shall not cause or consent to any proposed amendment to a power purchase agreement that may have adverse effects to the conduct of the distribution activity without seeking and receiving approval of the Authority.

Annual Reports

26. – A licensee shall submit to the Authority its annual report not later than thirty days after receipt of the audited report.

Compliance Audit

27. –(1) A licensee shall, as directed by the Authority from time to time, conduct an audit of its compliance with:

- (a) these rules;
- (b) any agreement relevant with the conduct of the distribution activity;
- (c) applicable law; and
- (d) any relevant codes.

(2) The compliance audit described in sub-rule (1) shall be conducted by:

- (a) an independent auditor; or
- (b) any other expert of required expertise hired by a licensee.

(3) The costs associated with the audit described in sub-rule (2) shall be paid by the Authority.

(4) A licensee shall within ninety days after completion of the audit described in sub-rule (1) deliver to the Authority the findings of such audit.

Compensation
for Loss
Suffered

28. – (1) A licensee shall be obliged to compensate any person who has suffered any loss of life or property as a result of a distribution activity.

(2) Any person suffered loss to life or property as a result of a distribution activity shall first lodge a complaint with a licensee with a view to reaching an amicable settlement.

(3) In the event no settlement is reached under sub-rule (2), the person who has suffered loss may refer the matter to the Authority for a decision and the Authority shall deal with such matter as if it is a complaint lodged pursuant to the provisions of Part VI of the EWURA Act.

(4) For the purpose of this rule, a person includes an administrator, executor or executrix of the estate of a deceased person.

PART IV FINANCIAL PROVISIONS

Financial
Reporting

29. – (1) A licensee shall within 90 days after the start of its financial year submit to the Authority its approved budget for such financial year., which budget shall include details on its:

- (a) operating revenue; and
- (b) capital and operating expenses.

(2) A licensee shall provide all financial information required by the Authority in a form prescribed by the Authority which information shall include:

- (a) a quarterly report on its commercial and financial performance not later than thirty days after the end of each quarter; and
- (b) auditor’s report on financial statements for each financial year

together with the management letter not later than 180 days after the end of financial year.

(3) A licensee shall submit to the Authority its audited accounts not later than thirty days after receipt of the same.

Maintenance of Separate Accounts

30. A licensee shall maintain a separate set of accounts for a provision of activities not related to the distribution activity.

Prohibition to Cross Subsidization

31. A licensee shall ensure that there is no cross subsidization between the distribution activity and any other activities including activities of affiliates.

PART V TECHNICAL PROVISIONS

Access, Offer to Connect or Provide Distribution Services

32. - (1) A licensee shall provide distribution services to all users on a fair, reasonable and non-discriminatory basis.

(2) A licensee shall perform all activities required to allow connection, disconnection, and reconnection to or from a distribution network pursuant to the distribution code, and any relevant codes issued or approved by the Authority.

(3) A licensee shall not reduce or discontinue distribution services to a customer unless such customer has failed to pay the tariff or charge within the prescribed period or comply with the terms and conditions of the supply agreement.

Supply Agreement

33. - (1) A licensee shall **not later than one year** after coming into force of these rules conclude a supply agreement with each customer.

(2) A licensee shall ensure that its supply agreement contains at the minimum, the following information:

- (a) the licensee's identity and the address;
- (b) the scope of the services to be provided;
- (c) the level of service quality at the time of initial connection;
- (d) the type of maintenance and customer service support offered;
- (e) the means by which customers may obtain information concerning tariffs;
- (f) the duration of the contract;
- (g) conditions for the renewal or termination of the contract; and
- (h) any compensation or refund arrangements in the event that contracted quality service levels are not met.

Distribution Network

34. - (1) A licensee shall, pursuant to rules issued by the Authority, prepare an asset expansion and development plan for its distribution network.

(2) A licensee shall, not less than two months prior to the beginning of each calendar year, submit the plan described in sub-rule (1) to the Authority for approval.

(3) The plan described in sub-rule (1) shall be carried out pursuant to specific action plans developed to upgrade the distribution network to an acceptable technical and economic level, taking into consideration:

- (a) health, safety and environmental standards;
- (b) load growth; and
- (c) availability and reliability of distribution services to customers.

(4) A licensee shall pursuant to the Act, apply for any wayleave right required over any piece of land that may be required to access, construct, maintain or expand the distribution network.

(5) The licensee shall take all such actions as may be necessary from time to time to maintain the interests in the land acquired under sub-rule (4).

35. – (1) A licensee shall submit the load forecast on an annual basis, and on such time as may be required by the Authority.

(2) A licensee shall after coming into force of these rules establish and submit to the Authority for its approval power demand and load forecasts within its distribution network, for three years rolling.

(3) A licensee shall deliver to the Authority:

- (a) the load profiling for each customer category;
- (b) the actual consumption profiling achieved by the load analysis for each customer category where the power is measured; and
- (c) the number of customers and a summary of energy needs within each customer category.

36. - A licensee shall provide its customers with contact information they can use to notify the licensee of any matter or incident related to the availability of distribution services that:

- (a) causes danger or requires urgent attention; or
- (b) affects or is likely to affect the security of supply, availability or quality of the distribution services.

37. – (1) A licensee shall not later than six months after receipt of a licence submit to the Authority for approval the quality of distribution service and quality of supply standards.

(2) The quality of service and quality of supply standards provided in sub-rule (1) shall be based on Prudent Utility Practices.

(3) A licensee shall not later than ninety days after the approval under sub-rule (1) submit a plan on how to achieve such standards.

Performance Standards

38.—(1) A licensee shall, not later than one year after the publication of these rules, submit to the Authority for approval a report comprising the criteria against which the provision of distribution services shall be measured.

(2) Notwithstanding the provisions of sub-rule (1) the Authority may amend the criteria described in sub-rule (2) and it shall notify a licensee of such amendments.

(3) A licensee shall conduct distribution activity in a manner calculated to achieve applicable performance standards and targets.

(4) A licensee shall periodically review the approved performance criteria, and upon conclusion of such review, deliver to the Authority for approval:

- (a) a report comprising the findings of such review; and
- (b) any proposed revisions arising from such findings.

Power Factor

39. - A licensee shall install devices and equipment necessary to ensure that the power factor of the distribution network reaches levels approved by the Authority.

Distribution Network Losses

40. – (1) A licensee shall:

- (a) within one year after coming into force of these rules, submit a study identifying the level of technical and commercial losses in the distribution network including illegal connections; and
- (b) propose achievable targets for loss reduction for the approval by the Authority.

(2) A licensee shall, pursuant to applicable law, submit to the Authority a statement of the electrical losses on distribution network during the previous year, together with a plan to reduce such losses.

Preparation for Emergency Situations

41. – (1) A licensee shall take such actions within allowable technical limits as may be reasonably required for emergency preparedness and restoration of its distribution network.

(2) A licensee shall establish and implement procedures within allowable technical limits to ensure the safe and continuous operation of the distribution network in emergency situations.

Planned Outages

42. – (1) A licensee shall undertake the preventive maintenance activities to

for Preventive Maintenance

ensure continuation and reliability of distribution services.

(2) A licensee shall provide details of proposed planned outages periods to the Authority in writing not less than ninety days before the occurrence of any planned outages.

(3) A licensee shall while undertaking preventive maintenance, replacement, restoration or any other construction that may lead to the stoppage of provision of distribution services for more than (24) hours:

- (a) inform the Authority and the public at least three days prior to suspending the provision of the distribution service; and
- (b) ensure that all scheduled distribution service interruptions are planned for the shortest possible time.

Interruption and Emergency Repairs

43. -(1) A licensee shall immediately take all reasonable action to restore services in the event supply and delivery of electric energy to customer supply point is interrupted for any reason including unplanned outages.

(2) A licensee shall in the event of any damage to a plant or equipment that poses a danger or a risk of injury to the public or to property and immediately upon being made aware of such damage, remove such danger or risk of injury prior to carrying out any emergency repair or rehabilitation.

(3) A licensee shall promptly repair damaged plant or equipment and other facility defects and reconnect a customer as it shall be provided in the customer service charter.

(4) The Authority may impose penalties or take other remedial actions specified in a licence in the event a licensee fails to fulfill its obligations under sub-rule (2).

Notification of Distribution Service Interruption

44. – (1) A licensee shall notify the Authority and the customers in writing, in case distribution service is interrupted for the purpose of conducting rehabilitation or preventive maintenance and such interruption affects the provision of the distribution services.

(2) A licensee shall notify the Authority and the customers in writing, in case service is interrupted for the purpose of conducting emergency repair, where such interruption affects the provision of distribution service for more than 24 hours.

Metering

45. - (1) A licensee shall from each installed metering point, deliver to a generation licensee, transmission licensee or any other person all data required in order to calculate the fulfilment of its obligations or resolve any dispute related to any contract.

(2) A licensee shall install, maintain, and as per manufacturer's

recommendation, verify the accuracy of meter installations at all points of off-take from the distribution network.

(3) A licensee shall ensure that each meter installation described in sub-rules (1) and (2), complies with applicable law and other applicable codes and standards.

(4) A licensee shall in the event that any malfunction or damage occurring to a meter for any reason that is out of the customer's control, repair such malfunction or damage or change the meter as quickly as possible.

(5) The electric energy consumed during the period when a meter is stopped or is malfunctioning shall be estimated pursuant to:

- (a) in the case of a large customer the relevant contracts; and
- (b) in all other cases, and in the absence of any contract estimation based on consumption trends.

(6) Notwithstanding the provisions of sub-rule (5) (b), where a customer is not satisfied with the estimated amount, he shall refer the matter to the Authority for a decision and the Authority shall deal with such matter pursuant to the provisions of the EWURA Act.

Detection and Prevention of Theft, Damage and Meter Interference

46. - A licensee shall take all reasonable steps to detect and prevent:

- (a) theft of electricity in the service area;
- (b) damage to or fault in any electric plant, electricity meter in the service area;
- (c) interference with any electricity meter in the service area; and
- (d) any unrecorded consumption of electricity in the service area.

Performance Improvement Plan

47. – (1) A licensee shall, within a year after coming into operation of these rules confirm a baseline on operational and organisational matters upon which it shall establish a performance improvement plan to be approved by the Authority.

(2) The plan required under sub-rule (1) shall:

- (a) comprise specific targets to improve service by developing comprehensive quality standards and by establishing methods to monitor achievements; and
- (b) as necessary, be developed pursuant to rules or directions of the Authority.

(3) A licensee shall, on an annual basis, review and submit to the Authority for its approval the plan described in sub-rule (2).

Inspection

48. – (1) An inspector shall have the right to inspect the distribution network

and documents, and the licensee shall render necessary assistance in the course of inspection of its services.

(2) During inspection, an inspector may, *inter alia*;

- (a) make copies or take extracts from any books of accounts or records kept by a licensee; and
- (b) inspect machinery, equipment, appliances, meters, fittings and apparatus.

(3) If upon investigation, the Authority concludes that a licensee has not complied with these rules, the licence, the Act, the EWURA Act or other applicable law, the Authority may without prejudice to the penalties prescribed in these rules, the Act and the EWURA Act:

- (a) take appropriate actions as provided in the licence; or
- (b) take such other actions as it deems appropriate to protect the interests of a customer.

Prohibited Acts
to Inspectors

49. - A licensee shall not:

- (a) hinder or obstruct an inspector in the exercise of any of the powers conferred upon him by these rules, the Act and applicable law;
- (b) use abusive, threatening or insulting language to an inspector;
- (c) refuse or fail to comply with any lawful order, direction or notice of an inspector; and
- (d) when required by an inspector to answer a question, refuse or fail to answer such question to the best of the licensee's knowledge, information and belief.

PART VI GENERAL PROVISIONS

General Penalty

50. - (1) Any person who breaches any provisions of these rules for which no specific penalty is prescribed shall be liable to a fine of ten million shillings.

(3) A licensee who employs an agent, clerk, servant or other person, shall be answerable and liable for any acts or omissions of such persons in so far as the actions or omissions concern the distribution activity.

Penalty for
Continued
Breach

51. - Any person who is in continuous breach of these rules shall be liable to a fine of five million shillings for everyday on which the breach continues or recurs.

Authority to
Supplement
Procedures

52. - Where procedures are not provided for in these rules, the Authority may do whatever is necessary and permitted by the Act, the EWURA Act and applicable law to enable it to effectively and completely adjudicate on the matter before it.

SCHEDULE

List of Serious Offences

1. All offences listed under section 12 of the Anti-Money Laundering Act, Cap. 256;
2. All offences related to tax evasion which attracts a fine of ten million shillings or more or an imprisonment term of six months or more; and
3. Any other offences as shall be determined by Order of the Authority.

.....
....., 2011

Haruna Masebu
Director General