# **GUYANA POWER & LIGHT, INC.**

# STANDARD TERMS AND CONDITIONS FOR ELECTRIC SERVICES

October 1, 1999 as amended March 24, 2000, December, 2001 and further amended January 2005

This document is the Guyana Power & Light, Inc. Standard Terms and Conditions for Electric Services.

It is the document originally approved on 1st October 1999,

with the Amendments inserted as approved by the Prime Minister of the Co-operative Republic of Guyana per his second letter dated 24 March 2000,

and further Amendments approved by the Public Utilities Commission (PUC) per the PUC letter to Guyana Power & Light, Inc. dated  $2^{nd}$  November 2001, and the PUC letter to the Guyana Power & Light Inc. dated  $20^{th}$  January 2005

# TABLE OF CONTENTS

SECTION			PAGE		
1.	INTER	PRETATION	. 1		
	1.1	<u>Definitions</u>			
2.	INTRO	DDUCTION	. 3		
	2.1	Amendments to Standard Terms and Conditions	. 3		
	2.2	Effective Date			
3.	GENERAL PROVISIONS				
	3.1	Standard Terms and Conditions Prevail	. 3		
	3.2	Ownership of Facilities	. 4		
	3.3	<u>Use of Energy</u>			
	3.4	<u>Customer Extensions</u>	. 4		
	3.5	<u>Customer Generation</u>	. 4		
	3.6	Frequency and Voltage Levels.	. 4		
4.	APPLICATION FOR AND CONDITIONS OF SERVICE5				
	4.1	General Requirements	. 5		
	4.2	Conditions of Service.	. 5		
	4.3	Connection Fee	. 6		
	4.4	Application of Tariff Schedules	. 6		
	4.5	Minimum Monthly Charges			
	4.6	Multiple Dwellings	. 8		
	4.7	Totalized Metering.	. 8		
	4.8	Consolidated Billing	. 8		
	4.9	Security Deposit			
	4.10	Use of Security Deposit	. 9		
	4.11	Delay in Taking Service – Real Estate Developments	. 9		
	4.12	Delay in Taking Service – Other than Real Estate Developments			
	4.13	Provision of Service			
	4.14	Conversion from Overhead to Underground Service			
	4.15	Temporary Service			
	4.16	Relocation of Company Facilities			
	4.17	Reconnection or Restoration of Service	12		
	4.18	Customer Contribution Refunds			
	4.19	Temporary Disconnection			
5.	RIGHTS OF WAY AND ACCESS TO FACILITIES				
	5.1	Easements			
	5.2	Right of Access to Premises			
	5.3	Vegetation Management			
	5.4	Interference with Company's Facilities			
6.	METE	RS	14		
	6.1		14		

Schedule A - Maximum Company Investment and Customer Contributions					
	11.4	Removal of Facilities	24		
	11.3	Company Termination Other Than For Safety			
	11.2	Company Termination for Safety Reasons			
	11.1	Customer-requested Termination.			
11.	TERMINATION OF SERVICE				
	10.4	Service Calls	22		
	10.3	Protective Devices			
	10.2	<u>Customer Responsibility</u>			
	10.1	Provide Permit			
10.		OMER RESPONSIBILITY AND LIABILITY			
	9.4	Supply Failure in Extraordinary Circumstances	21		
	9.3	Company Liability			
	9.2	Planned Outages			
	9.1	Continuous Supply			
9.	COMPANY RESPONSIBILITY AND LIABILITY				
	8.5	Forgiveness of New Peak Demands	20		
	8.4	Changes to Company Facilities			
	8.3	Responsibility for Damage			
	8.2	Company's Right to Reduce Capacity	19		
	8.1	Notice by Customer	19		
8.	SERV	ICE CHANGES	19		
	7.7	<u>Dishonored Cheques</u>	18		
	7.6	Late Payment Charge	18		
	7.5	Payment of Accounts	17		
	7.4	Pro-ration of Initial and Final Billings	17		
	7.3	Demand Calculations and Power Factor Penalties:	16		
	7.2	Reading and Estimates	16		
	7.1	Regular Billing.	16		
7.	METE	R READING AND BILLING	16		
	6.4	Energy or Demand Diversion	15		
	6.3	Meter Tests and Adjustments			
	6.2	<u>Location</u>			

#### STANDARD TERMS AND CONDITIONS FOR ELECTRIC SERVICES

#### 1. INTERPRETATION

## 1.1 <u>Definitions</u>

"billing demand" - the demand upon which billing to a Customer is based.

"Company" – Guyana Power & Light, Inc.

"Contracted Maximum Demand" - the maximum demand which the Company is contractually committed to supply to the Customer's premises.

"Contracted Maximum Energy Consumption" - the maximum energy consumption which the Company is contractually committed to supply to the Customer's premises.

"Customer" - a person, firm, partnership, corporation, organization or association (including, without limitation, individual members of any unincorporated entity) served by the Company.

**"customer contribution"** - the difference between the cost of extending the Company's facilities to serve a Customer and the maximum Company investment, as defined and determined in accordance with Schedule A.

"demand" - the level at which energy is delivered by the Company (expressed in kilowatt (kW) or kilovolt-amps (kVA) or other suitable unit) at a given instant or averaged over any designated period of time. Where the Customer's metering measures kilowatt (kW) demand, and not kVA demand, the Company will calculate the peak kVA demand by dividing the peak kW demand by the Customer's average power factor during the relevant billing period. If there is a need to determine a Customer's peak kW demand in a situation where the demand is measured in kVA, the Company shall determine such peak kW demand by multiplying the peak kVA demand by the average power factor during the relevant billing period.

"energy" - electric energy (expressed in kilo-watt-hours or other suitable unit).

"extraordinary circumstances" - circumstances not reasonably within the control of the Company, including acts of God, strikes, lockouts or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, high water, washouts, inclement weather, orders or acts of civil or military authorities, civil disturbances, explosions, breakdown or accident to equipment, and any other cause, whether of the kind herein enumerated or otherwise.

**"facilities" -** physical plant (including, without limitation, generating plants, transmission and distribution lines, transformers, meters, equipment and machinery).

**"in-service date" -** the date on which the Customer specifies service is to be available or the date the service is actually available, whichever is later.

"load" - the demand and energy delivered to or required at any point of delivery.

**"load factor" -** the ratio of the average demand (in kilo-watts) supplied during a designated period to the peak demand (in kilo-watts) occurring in the period. To express load factor as a percentage:

- (a) multiply the energy (kWh) used in the period by 100;
- (b) multiply the peak demand (kW) by the number of hours in the period; and
- (c) divide (a) by (b).

**"Minister"** - The Minister of the Government who at the time is assigned responsibility for the electricity sector in Guyana.

**"multiple dwelling" -** a residential building containing more than one residential dwelling unit.

"peak demand" - the maximum level of demand in any billing period.

**"point of delivery" -** the point at which the Company's service conductors are connected to the wires or apparatus of a Customer.

**"power factor" -** the average leading or lagging power factor (PF) based on meter readings is calculated from the consumption recorded on the kWh and kVARh (wattless) meters by means of the following formula:

$$PF = A / (A^2 + B^2)^{0.5}$$

where A = Total kWh

and B = Total kVARh.

In the event that the Company does not have kVARh metering installed at the site, but kVAh metering is installed, then the denominator can be replaced with kVAh.

"PUC" - the Public Utilities Commission as established under the *Public Utilities Commission Act*, No. 10 of 1999.

**"service"** - the delivery of energy by the Company at the demand required by a Customer at a point of delivery, or the construction, installation or extension of facilities, or both.

#### 2. INTRODUCTION

#### 2.1 Amendments to Standard Terms and Conditions

Within six months after October 1, 1999, the Company may propose, and the Minister may approve, mutually agreed modifications to these Standard Terms and Conditions. The Company will provide 15 days prior notice to its Customers of any such approved modifications, via publication in the Guyanese daily newspapers on at least 5 days during the 15 day notice period.

Thereafter, unless otherwise provided for herein, the Company may propose to amend these Standard Terms and Conditions from time to time by filing a notice of amendment with the PUC. Included in the notice to the PUC shall be notification of which customer groups are affected by the amendment and an explanation of how affected Customers will be notified of the amendments.

The PUC shall have the right to disallow the proposed amendment within 45 days of its filing. If the PUC does not disallow the proposed amendment within that period, or approves the amendment as filed, then the Company will provide 15 days notice to its Customers of the proposed amendment, after which period the amendment shall take effect. Notice to Customers may be provided via publication in the Guyanese daily newspapers on at least 5 days during the 15 day notice period.

If during the 45 day period the PUC disallows the amendment, or proposes any changes to it, then the Company shall have the right to agree on changes with the PUC or to withdraw the proposed amendment.

#### **2.2** Effective Date

These Standard Terms and Conditions come into force on October 1, 1999 and shall apply to all Customers who were receiving service from Guyana Electricity Corporation immediately prior to that date. Subject to Section 2.1, revisions will be issued in the event that amendments to these Standard Terms and Conditions are proposed by the Company and approved by the Minister or the PUC, as the case may be.

#### 3. GENERAL PROVISIONS

## 3.1 Standard Terms and Conditions Prevail

These Standard Terms and Conditions apply to the Company and to every Customer, excepting in cases where a written supply agreement is entered into between the Company and the Customer. The Company shall have the right to require a site-specific supply agreement with any commercial or industrial Customer (a "special agreement"). No such agreement can provide for the waiver or alteration of any part of these Standard Terms and Conditions unless such agreement is first filed with and approved by the PUC. The PUC's approval in these cases shall only be withheld if the agreement is unjust, or unreasonable, or unjustly discriminatory or unduly preferential.

#### 3.2 Ownership of Facilities

The Company remains the owner of all facilities it provides to serve the Customer, unless a contract between the Company and Customer specifically provides otherwise.

Payment made by Customers for costs incurred by the Company in installing facilities does not entitle Customers to ownership of any such facilities, unless a contract between the Company and the Customer specifically provides otherwise.

The Company shall have the right to use facilities, which are part of the supply arrangement for a given Customer, for the purpose of extending supply to another Customer.

## 3.3 Use of Energy

Unless otherwise provided in a contract with the Company, a Customer shall not sell or re-sell energy provided by the Company unless the Company has first given written consent.

#### 3.4 Customer Extensions

A Customer shall not extend service facilities for use by another party whom the Company would consider to be a separate Customer.

## 3.5 <u>Customer Generation</u>

A Customer must sign an agreement with the Company, which may include special financial, technical and safety-related terms and conditions, if he wishes to use service:

- (a) in parallel operation with; or
- (b) as supplementary, auxiliary or stand-by service to,

any other source of electric energy.

## 3.6 Frequency and Voltage Levels

In all cases the supply shall be provided by means of alternating current (AC) having a nominal frequency of 50 or 60 Hz. It shall be made available at low voltage or, if necessary or requested, at medium or high voltage. The Company reserves the right to decide the voltage and frequency at which a particular supply will be provided and / or metered.

A low voltage (LV) supply is normally two or three wire single-phase at a nominal voltage of 120/240 (note \*) volts, or, where necessary, a three-phase four wire supply at nominal voltages of 240, 415 or 480 (note \*) volts between phases and 120, 240 or 277 (note \*) volts between phase and neutral.

Where a medium or high voltage supply is provided (i.e. higher than nominal 277/480 volts (note \*)), the Company shall specify the nominal voltage in each particular case.

In relation to the above-mentioned nominal values of voltage and frequency, it should be noted that the actual values are variable and that the voltage has several characteristics which are variable. The Company will take all reasonable steps to minimize variations which might affect the proper functioning of adequately designed equipment used by the Customer. Variations which occur within the Customer's own installation are the responsibility of the Customer.

Accidental and planned interruptions of the voltage occur from time to time. The Company will take all reasonable steps to minimize the number of interruptions and to restore supply as quickly as possible following an interruption. When it is necessary to schedule interruptions in order to permit essential work to be carried out on any part of the Company's system, the Company will give advance notice to the Customer to the extent practicable.

(Note \* = or such other voltage as is adopted in future as a standard supply voltage by the Company)

## 4. APPLICATION FOR AND CONDITIONS OF SERVICE

#### 4.1 **General Requirements**

The Customer shall make written application to the Company for either new connection to the Company's system or for changes to an existing service (e.g. changes in the Customer's Contracted Maximum Demand and/or Contracted Maximum Energy Consumption). The Company shall make application forms for such purposes available at its offices.

- (a) The Customer shall provide the Company with all necessary information about the premises for which the connection is required, the type and electrical rating of the equipment to be installed, the requested Contracted Maximum Demand and/or Contracted Maximum Energy Consumption as appropriate, and all other details which may reasonably be requested by the Company to enable the Company to determine the nature of the connection required.
- (b) An applicant may be required to sign an application or a contract for service and may be required to provide credit information, references, or a security deposit.

#### **4.2** Conditions of Service

Before connecting any new service, or fulfilling a request for a change to an existing service, the Company will inform the Customer of any special conditions that must be satisfied. The Company will also advise the Customer of the lead time required to connect the new service or to change the existing service. In communicating such

information to the Customer, the Company shall also apprise the Customer of the PUC's dispute resolution procedures.

## 4.3 <u>Connection Fee</u>

Whenever a connection is made during the Company's regular business hours, the Customer will pay a non-refundable connection fee of \$2000 in advance; otherwise the Customer will pay the Company's estimated actual cost if the connection is to be made at any other time.

This connection fee is applicable to the situations where there is no need for the installation of additional facilities to service the Customer; i.e., it is not a new service extension, or a change to an existing service, but a transfer of occupancy or ownership.

The Company will make every reasonable effort to connect the Customer to the Company's system by the date required, provided the Customer has complied with financial and other requirements specified and has paid the connection fee in full.

## 4.4 Application of Tariff Schedules

The applicable tariffs will be in accordance with the Company's tariff schedule as published from time to time, unless the Company and the Customer agree that the supply will be facilitated under a special agreement, to be approved by the PUC in accordance with Section 29 of the *Electricity Sector Reform Act*.

Application of particular tariffs in individual cases is dependent on the fulfillment of conditions laid down by the Company from time to time in regards to classification of supplies and related matters. The Company shall specify the category into which any Customer case falls, and shall publish from time to time such conditions in customer information brochures.

While advice on tariff selection is freely available, the responsibility rests with Customers to acquaint themselves with any alternate tariffs which may be available for any given usage of electricity. The Company will endeavor to apply the tariff schedule which is applicable to the service and is most favorable to the Customer.

Where the Customer's service requirements change so that some other tariff schedule(s) apply to the service, the Company will change the Customer's billing accordingly, and shall inform the Customer of the reason for the change.

A Customer may elect to have service billed on any other rate schedule applicable to that Customer's service requirements. The Company will make the schedule of approved rates available so as to facilitate customers' choices in this regard.

Any change in applicable tariff shall not be effective until the next complete billing period.

An election to change tariff under this section may not be made more than once in any 12-month period.

In each circumstance, the Company may recalculate the maximum Company investment to determine whether any adjustments are required to the customer's contribution amount.

In addition to payments for electric service, the Customer is required to pay the Company the amount of any tax or assessment levied by any tax authority on electric service delivered to the Customer.

#### 4.5 Minimum Monthly Charges

(a) Minimum monthly charges shall be applicable to all Customer classes in accordance with the applicable tariff schedules.

In addition, only where the Company has invested in supply facilities for Large Commercial Customers (i.e. commercial Customers whose consumption is over 500kWh in any month) or Industrial Customers, a minimum monthly charge shall apply which shall be based on a deemed minimum demand and a deemed minimum energy consumption. The deemed minimum demand shall be two-thirds (2/3) of the Contracted Maximum Demand in the case of industrial Customers, and the deemed minimum energy consumption shall be two-thirds (2/3) of the Contracted Maximum Energy Consumption (monthly) for both commercial and industrial Customers.

- (b) If a Customer has agreed to be billed on a rate which includes a demand charge, and there is no demand metering in place to record the Customer's demand, then the deemed Contracted Maximum Demand and deemed minimum demand shall both be equal to the capacity of the supply facilities to the point of delivery. In this circumstance, unless otherwise agreed with the Customer, the Company shall install appropriate demand metering as soon as reasonably possible.
- (c) In the event that a Contracted Maximum Demand or a Contracted Maximum Energy Consumption (monthly) amount has not been established for a given industrial or commercial Customer in a contract with the Company, these amounts shall be determined as follows:
  - (i) The Contracted Maximum Demand shall be the Customer's highest peak demand in the past twelve (12) months, per the bills issued to the Customer from Guyana Electricity Corporation or the Company (unless the billing demand is not metered, in which case (b) shall apply).
  - (ii) The Contracted Maximum Energy Consumption (monthly) shall be the highest recorded amount of energy consumed by the Customer in any of the past twelve (12) months, per the bills issued to the Customer from Guyana Electricity Corporation or the Company.

# 4.6 <u>Multiple Dwellings</u>

Each individual unit within a multiple dwelling will be served as a separate point of delivery, unless the Company agrees otherwise. The Company may require that all units be metered at the same physical location.

The Company and a Customer may agree that one bill will be issued covering all individual units in a multiple dwelling. In this case, the Customer will be liable for all consumption and other charges associated with such a service, provided that, if such service is disconnected, the customer fails to settle the outstanding charges, and the Company is willing to meter any individual unit(s) separately, the Applicant must, before connection, settle any estimated outstanding charges deemed applicable to the Applicant's unit, on a pro-rata basis; the computation of such charges shall be based on the installed capacity, and shall satisfy all other requirements relating to new services.

Where the Company and a Customer have agreed that service to a multiple dwelling shall be delivered through a single point of delivery, the applicable commercial (non-residential) rate schedule will apply to the service.

Where a Customer is receiving one bill in respect of more than one unit, the Company may choose to continue billing the Customer on that basis until such time as a change is required in the facilities serving that Customer.

# 4.7 <u>Totalized Metering</u>

Unless otherwise agreed in writing between the Company and the Customer:

- (a) each Customer will be supplied at a single point of delivery on a single site, and the Company will have the discretion to determine the single point of deliver for such single site; and
- (b) the Company will issue a separate bill for each point of delivery, subject to Section 4.8.

#### 4.8 Consolidated Billing

The Company will issue a separate bill for each point of delivery. However, the Customer and the Company may agree that the Company will issue one bill totaling charges for service delivered at more than one point of delivery.

# 4.9 <u>Security Deposit</u>

The Company shall have the right to require any Customer to provide a security deposit, and to update such security deposit requirement (on no more than an annual basis), to reflect increases in tariffs and/or changes in the Customer's consumption characteristics.

For residential and small commercial Customers with estimated annual energy consumption of 6000 kWh or less, the security deposit will be equal to G\$5000 or two times the average monthly charges for such Customer categories, whichever is greater.

For all other Customers, the security deposit shall not exceed the Company's estimate of the Customer's total bills for any average two-month period.

Any Customer that is supplied through a pre-payment meter shall not be required to pay a security deposit in respect of the supply.

In the event that the Company reasonably believes that a Customer will be taking service for only six months or less, then the Company shall have the right to require the Customer to pre-pay all or part of the expected billings to that Customer, but not less than would otherwise be required under this section.

In accordance with the Company's License, interest shall accrue at a rate of 7% (or such other rate as agreed by the Company and approved by the PUC), compounded annually, on the security deposit paid by a Customer to the Company from the date the deposit is received, provided that the Company holds the security deposit for more than six months.

Interest owing on security deposits at the end of each fiscal year will be credited to the Customer's bill for the subsequent period or will be refunded in case of service termination. Security deposits will be refunded to the Customer at the time of service termination, unless the Customer is requesting a new service at another location, in which case the security deposit relating to the first location shall be credited against the requirement for a security deposit for the second location.

In circumstances where a Customer has paid a security deposit prior to October 1, 1999 to the Guyana Electricity Corporation (GEC), and subject to (i) the Customer providing written proof of such payment to the satisfaction of the Company, and (ii) there being no outstanding amounts owing by the Customer to GEC or the Company at the time that such proof is provided to the Company, then such security deposit shall be treated in the manner described in these Standard Terms and Conditions.

#### 4.10 Use of Security Deposit

If a Customer fails to pay any amount billed, the Company may apply all or any portion of that Customer's security deposit to the unpaid amount.

When the Company has to take this step, the Customer will be required to top-up their security deposit in accordance with the amount allowed under Section 4.9. Failing this, the Company will have the right to disconnect the Customer's supply.

#### 4.11 Delay in Taking Service – Real Estate Developments

When a Customer (typically a property developer who is developing a multi-site residential or commercial site) requests service to a real estate development, i.e. a new

development which will have multiple service-takers, then in addition to any other charges payable by the Customer (including the customer contribution in accordance with Schedule A), the Customer shall make a payment, not to exceed the maximum Company investment specified in Schedule A, for each point of delivery within the real estate development where service will not be taken within 12 months of the in-service date.

When service is taken at a point of delivery within three years of the in-service date, and where the Customer has paid both the customer contribution and the Maximum Company Investment per the paragraph above, the Company will refund the payment of the Maximum Company Investment applicable to that point of delivery. Otherwise, such payment will be forfeited to the Company.

# 4.12 <u>Delay in Taking Service – Other than Real Estate Developments</u>

Except in the case of a Customer who requests service to a real estate development under Section 4.11, if service is not taken within 30 days of the in-service date, the Company may begin billing the Customer the minimum amount specified in the contract between the Company and the Customer, or as specified in Section 4.5, whichever is greater.

#### 4.13 Provision of Service

The Company shall estimate the cost of providing service (including accommodating changes to existing services) which shall include the capital cost of material and installation of facilities (including Company overheads).

If the Company's estimated costs of providing service at the request of a Customer are less than the maximum Company investment specified in Schedule A for the type of service provided, the Customer will not be required to make any contribution. In the event that a group of Customers are being newly interconnected to the system, then the Company shall determine at its discretion, acting equitably, the contributions required from each Customer, having due regard to the relative loads of the Customers and the extent of shared supply facilities for each.

In other cases which are not within the scope of Schedule B hereof, an agreement for payment of the customer contribution must be made between the Customer and the Company. Before any work on the service is commenced, the Customer shall pay the full amount as per the agreement, unless agreed otherwise.

Where the provision of service is covered by Schedule B hereof, the Company will negotiate a sharing of the customer contribution costs with the Customers, the Government, and any other involved agencies, in accordance with the principles outlined in Schedule B.

In determining the Company's investment amounts and the customers' contribution amounts, the Company's cost estimates will be based on the standard level of service that is adequate to serve the Customer. If the Customer requests a unique supply configuration, as opposed to the standard single source of supply which is offered by the

Company, the Customer shall be additionally responsible for the incremental costs of such unique supply configuration, including overheads, relative to the standard supply configuration.

The Company will investigate the merits of a "flat fee" contribution approach for interconnections of new residential and small commercial Customers. Under this approach, such Customers would pay designated customer contribution amounts for interconnection to the Company's system, to provide for administrative ease and predictability of charges. A feature of the "flat fee" contribution approach would be that Customers would not be entitled to receive subsequent refunds of all or a portion of such contributions (see Section 4.18 "Customer Contribution Refunds"). If the Company and the Minister are both satisfied that such an approach would be preferable to that envisioned herein, and that the revenue and cash impacts to the Company of such an approach would be neutral (relative to the approach herein), then the Company shall modify these Standard Terms and Conditions accordingly (including Schedules A and B), with the Minister's prior approval, and such modification shall not require the approval of the Public Utilities Commission.

In the interest of preventing investment in unused facilities, the Company shall reserve the right to delay provision of service until there is reasonable evidence, provided by the Customer, that the Customer's "connectable load" will indeed be forthcoming.

## 4.14 Conversion from Overhead to Underground Service

When a Customer requests that existing Company facilities be converted from overhead to underground, the Customer will be charged for the costs incurred (including the application of Company overheads) by the Company in connection with the conversion, including the following:

- (a) the estimated cost of removing the existing facilities, less the estimated salvage value, plus
- (b) the estimated cost for the installation of the new underground facilities, as above, less any applicable increase in Company investment, associated with any increase in the Customer's contracted service requirements, as specified in Schedule A.

#### 4.15 Temporary Service

Where the Company reasonably believes that a requested service will be temporary (i.e. that electric service will be taken by the Customer for 6 months or less), it may require the Customer requesting the service to pay the Company's total estimated cost of installation and removal of the service, less a provision for salvageable material.

The Company may require that such payment, plus the applicable security deposit per Section 4.9, be made before the temporary service is installed.

# 4.16 Relocation of Company Facilities

The Company may require a Customer to pay all reasonable costs incurred by the Company in relocating any Company facility at the Customer's request. The Company may require that the estimated cost of such relocation be paid in advance of implementing the relocation.

#### **4.17** Reconnection or Restoration of Service

This Section applies when the Company is asked to reconnect or restore service to a Customer whose service was previously restricted by a current-limiting device or discontinued (whether at the request of the Customer or not). This section does <u>not</u> apply when a Customer's service was disconnected for safety reasons. (See Section 11.2)

The Company will reconnect the Customer when the Customer has corrected the conditions that led to the disconnection and has made the following payments:

- (a) any overdue amounts owing to the Company;
- (b) a reconnection charge of G\$2000;
- (c) the minimum monthly charges which may have accrued during the period of disconnection up to a maximum of 12 months; and
- (d) the security deposit, if any, required under Section 4.9.

The reconnection fee may not apply when the reconnect is a result of change in occupancy or ownership.

Provided that the above conditions have been met, the Company will make all reasonable efforts to connect the Customer within 2 days after such conditions have all been met, subject to the specific conditions relating to the reconnection.

<u>Note</u>: For information specific to temporary disconnections, refer to Section 4.19 'Temporary Disconnection'.

#### 4.18 <u>Customer Contribution Refunds</u>

When a Customer has provided a customer contribution to obtain service, the Company will refund a portion of the customer contribution if requested to do so by the Customer and if:

- (a) the Customer increases the Contracted Maximum Demand and/or the Contracted Maximum Energy Construction such that a higher Maximum Company Investment is warranted per Schedule A; or
- (b) another new Customer benefits from the capacity provided by the facilities which were added and to which the customer contribution related.

This refund will be determined at the discretion of the Company, acting equitably. If there are several new Customers being added under (b), the Company's calculation shall take into consideration the relative loads of such Customers, and the extent of shared supply facilities for each.

The refund is payable only if the events in paragraphs (a) or (b) above occur within the initial 3 years of service or as otherwise stated in the contract with the Customer who originally paid the customer contribution.

Where the Company and the Minister agree to implement a "flat fee" contribution approach as described in Section 4.13, then any refunds contemplated under this section would not be eligible in such "flat fee" circumstances.

#### 4.19 Temporary Disconnection

Upon the request of the Customer, the Company shall disconnect temporarily any service that is being provided by the Company provided that upon the request to restore service the Customer will be responsible for and pay any applicable charges outlined in Section 4.17.

If the Customer requests that the service be permanently disconnected, the Customer billing for that service will be finalized and at the discretion of the Company, the facilities provided by the Company will be removed.

## 5. RIGHTS OF WAY AND ACCESS TO FACILITIES

## 5.1 Easements

The Customer shall grant, or cause to be granted, to the Company, without cost to the Company, such easements or rights-of-way over, upon or under the property owned or controlled by the Customer as the Company reasonably requires, to provide service to such a Customer.

#### **5.2** Right of Access to Premises

The Company's employees or agents shall have the right to enter a Customer's property at all reasonable times for the purpose of installing, maintaining, monitoring and removing the Company's facilities and for any other purpose incidental to the provision of service or in cases where, in the opinion of the Company's officials, any emergency exists. For clarity, where the Customer's supply facilities are also critical elements of the larger transmission and distribution system, or where such facilities also supply multiple Customers, then access will be required on a 24 hour basis, 7 days a week.

The Customer shall provide the Company with reasonable access to Company facilities located on the Customer's property.

## **5.3** Vegetation Management

The Customer shall permit the Company to manage vegetation on the property owned or controlled by the Customer to maintain proper clearances and reduce the risk of contact with the Company's facilities.

The Company shall endeavor to notify a Customer before such work is performed.

#### **5.4** Interference with Company's Facilities

Customers shall not place any structures that would interfere with the proper and safe operation of or access to the Company's facilities or which would adversely affect compliance with any applicable legislation.

Customers shall remove, on written request by the Company's employees or agents, any such structures even where situated on any private land. If the customer does not remove such structures within a reasonable time after being requested to do so, the Company may do so, and charge all associated costs to the Customer's account.

#### 6. METERS

#### 6.1 Installation

Except in cases where there is a Special Agreement to the contrary, the amount of electricity supplied to the Customer shall be ascertained by means of a meter or meters and other apparatus supplied and installed by the Company.

The Company shall provide, install and seal all meters necessary for measuring the energy supplied to a Customer, unless otherwise specifically provided in a contract with the Customer. Such meters and apparatus shall remain the property of the Company.

Each Customer shall provide and install a meter receptacle or other approved facilities suitable for the installation of the Company's meter or metering equipment. The Company shall have the right to require that the wires providing the connection between the Company's secondary (110V/220V) lines and the meter must be fully visible at all times for inspection by the Company's personnel.

#### 6.2 Location

Meter locations shall be approved by the Company based on type of service and convenience of access to the meter. Where a meter is installed on a Customer-owned pole, the pole shall be provided and maintained by the Customer.

#### **6.3** Meter Tests and Adjustments

The Company may inspect and test a meter at any reasonable time. The Company may remove any meter that has been tampered with or that has been damaged, by a Customer

or otherwise, or any meter that is registering inaccurately. Where a meter or other apparatus belonging to the Company has been tempered with or damaged, the Customer shall pay to the Company the cost of repairing the meter, or if it cannot reasonably be repaired, the cost to replace it. Such cost may be included in the Customer's account for the supply of energy and shall be subject to the conditions of payment for the supply of energy.

At the request of the Customer, the Company shall test the accuracy of the meter to ascertain if it is within the prescribed range of plus or minus 2.5%. If it is outside this range, and there has been no tampering or interference with the meter, the Customer's account will be adjusted (with an additional charge or a refund) accordingly for the past 3 months, and the meter shall be repaired or replaced. Otherwise the recording of meters and other apparatus will be conclusive, and the Customer may be charged for the cost of the test. This cost will be set at \$2,000 for residential Customers, and for other Customers it will be \$2,000 or the cost incurred by the Company in investigating and testing the meter, whichever is greater.

In the event of electricity being supplied for any period before a meter is connected or of any equipment found to have been connected to a wrong meter or for any reason a meter has failed to record correctly the electricity used, the Company shall have the right to adjust the Customer's account accordingly (with an additional charge or a refund). The Company will exercise this right in a reasonable manner. If the Customer becomes aware of any such failure, he/she shall immediately notify the Company in writing.

In the event of unauthorized interference, whether by the Customer or otherwise, whereby electricity could have been consumed without being properly metered, the Company shall have the right to estimate the unrecorded consumption for a retrospective period not to exceed twenty four (24) months, and to include the resultant charges in the Customer's account.

Only persons authorized by the Company shall fix, connect, remove or work upon any meter, main fuse-box, seals, electric line or other apparatus belonging to the Company.

## **Energy or Demand Diversion**

If under any circumstances, a person prevents a meter from accurately recording the total demand or energy supplied, the Company may disconnect the service, or take other appropriate actions, without notice. Under such circumstances the Company may request the customer to deposit in advance an amount equivalent of three (3) months estimated billing.

The Company may then estimate the demand and amount of energy supplied but not registered at the point of delivery for a retrospective period not to exceed twenty four (24) months. The Customer shall pay the cost of the estimated demand and energy consumption plus all costs related to the investigation and resolution of the diversion, and reconnection costs as applicable.

#### 7. METER READING AND BILLING

#### 7.1 Regular Billing

The Company shall provide bills to Customers on a monthly basis, or such other period as may be approved by the PUC. The bills shall include charges for service in accordance with the Tariff Schedules, plus any amounts outstanding with respect to other services provided or work done in respect of the Customer's service (including administrative charges).

This monthly billing obligation may be relaxed due to limitations of the Company's metering, billing and related administrative systems and processes or circumstances outside the reasonable control of the Company.

## 7.2 Reading and Estimates

Customers' meters shall be read by the Company's staff, its agents or its contractors. Bills will be based on meter readings from time-to-time or on estimates for those billing periods when the meter is not read, such periods to be kept to a reasonable minimum. Estimates will be based on the previous and expected usage patterns for the Customer.

Whenever a bill is based on an estimate, an adjustment to reflect actual usage will be made after the meter is next read.

For Customers whose load requirements are small, consistent, and can be accurately predicted, the billing demand and the kWh consumption may be determined from the name-plate rating of the Customer's equipment rather than being metered, unless the Customer requests a meter in which case the Company will install such meter as soon as reasonably possible.

## 7.3 <u>Demand Calculations and Power Factor Penalties:</u>

- (a) Demand shall be calculated as the average demand in any interval of fifteen minutes. The Company shall use demand metering which is designed to accommodate this requirement. The fifteen minute requirement shall be relaxed to the extent that existing metering, or metering in inventory or on order as at closing, is designed to facilitate a different requirement.
- (b) The Customer shall at all times ensure that the demand does not exceed the level specified according to Section 4.1(a), and shall be responsible for the cost of preventing any disturbance or deterioration of supply to any other Customer which is caused by such excess. Upon such excess being brought to the attention of the Company, whether through notification by the Customer or otherwise, it shall be treated as an application for a new connection or changed service in accordance with Section 4.1(a).

- (c) Where the electricity supply is provided over more than one phase, the Customer shall ensure that the load is balanced as evenly as possible between the phases at all times.
- (d) The Customer shall not operate at a leading power factor, and shall take all reasonable steps to ensure that the average power factor at which supply is used is as close to unity as possible. The Company may, in its discretion, make continuous tests of power factor or may test the Customer's power factor from time to time. If the Customer's power factor as determined by the Company is less than 0.95 lagging, or is leading, the Company may require the Customer, at the Customer's expense, to install power factor corrective equipment to ensure that a lagging power factor of not less than 0.95 is maintained.
- (e) If a Customer neglects or refuses to install such power factor corrective equipment or auxiliaries as required above forthwith upon a request by the Company to do so, the Company may in its sole discretion:
  - (i) disconnect service; or
  - (ii) increase the Customer's bill for electricity by a surcharge equal to 0.6% for each 0.01 (or portion thereof) that the Customer's power factor is less than 0.95. The amount of the surcharge so determined shall be added to the minimum bill, or to the calculation of the bill under the rate clause, whichever is the greater.

For any billing period in which a Customer's power factor is less than 0.95, the Company may apply the surcharge described above regardless of whether or not the Company has previously requested that the Customer install power factor corrective equipment, except that until six months after written notification is provided by the Company to the Customer, the Company will waive such surcharge if the Customer was a customer at the time of closing, and is taking reasonable steps to correct their lagging or leading power factor in accordance with the requirements of this section.

## 7.4 Pro-ration of Initial and Final Billings

The amount of any initial and final charges, other than energy, may be prorated, based upon the ratio of the number of days that service was provided to a Customer in the billing period to the total number of days in the billing period.

For all new accounts, the Company may add the charges for service provided during the initial period to the bill for the following billing period.

#### 7.5 Payment of Accounts

(a) The Customer is liable to the Company in accordance with tariff schedules for payment of accounts for all electricity consumed or estimated to have been consumed on his premises or on foot of a contract for supply of electricity.

- (b) This liability continues until termination of the agreement in accordance with Section 11.1 below, even though the Customer may in the meantime have vacated the premises.
- (c) Unless otherwise agreed in an agreement between the Customer and the Company, every invoice issued by the Company, including an estimated account, is payable within 21 days of the issue of the invoice. Methods of payment including direct debit may be specified by the Company from time to time in the invoice.
- (d) Consumption or charges may be estimated by the Company for the purpose of issuing invoices between actual meter readings. Such estimates shall be accepted by the Customer as constituting his liability for the period indicated. Any necessary adjustment will be made on the basis of subsequent actual meter readings. The adjustment will be made in the invoice following the next meter reading or, in the case of a significant discrepancy, on request by the Customer.
- (e) Failure to receive a bill does not release a Customer from the obligation to pay the amount owing for any service provided by the Company.
- (f) If a Customer quits any premises at which the Company has supplied electricity, without paying all charges due, the Company may refuse to furnish such Customer or any other applicant who seeks to procure a supply of electricity in his/her name for the benefit of the defaulting customer, with a supply of electricity at the same or any other premises, until he/she pays the amount due.
- (g) If a Customer who receives service at more than one location fails to pay the bill for service at that location, such unpaid amount may be added to that Customer's bill for service at the second location.

## 7.6 Late Payment Charge

Notwithstanding Section 15(4) of the Third Schedule of *Electricity Sector Reform Act*, if the full amount of a bill rendered by the Company is not paid within 21 days after the issuance of such bill, the Company shall be entitled to charge interest on the amount remaining unpaid after the 21 day period at a rate not to exceed the prime rate charged by banks in Guyana, plus an additional 10%, per annum.

#### 7.7 <u>Dishonored Cheques</u>

The Company may add a service charge to a Customer's bill in respect of any cheque returned by the Customer's bank for any reason. The service charge shall be equal to \$1000 plus any third party costs incurred by the Company. Changes to the quantum of this charge may be effected by the Company with the approval of the Minister.

#### 8. SERVICE CHANGES

#### 8.1 <u>Notice by Customer</u>

A Customer shall give to the Company reasonable prior written notice of any increase in service requirements, including any increase in expected and peak demand and energy consumption, to enable the Company to determine whether or not it can supply such revised service without changes to its facilities. In accordance with Section 4.2, the Company will advise the Customer in these circumstances of the lead time required to facilitate this increased service requirement.

Unless otherwise agreed in a contract between the Customer and the Company, a Customer wishing to decrease his service requirements (including any decrease in his Contracted Maximum Energy Consumption or Contracted Maximum Demand) shall be required to provide the Company with written notice to such effect, according to the following notice periods:

Reduction in Customer's Demand	Notice Period	
0 to 50 kVA	20 working days	
50 kVA to 1,000 kVA	6 months	
1,000kVA to 5,000kVA	12 months	
over 5,000kVA	24 months	

Note that in cases where the demand is not metered, the "Reduction in Customer's Demand" shall be estimated by the Company.

#### 8.2 Company's Right to Reduce Capacity

Where the contracted supply capacity is being underutilized, the Company reserves the right to reduce the contracted supply capacity to a new level which is not less than the maximum capacity used in the preceding three years.

#### **8.3** Responsibility for Damage

The Customer shall be responsible for all damage caused to the Company's facilities as the result of the Customer changing service requirements without the Company's permission.

## **8.4** Changes to Company Facilities

If the Company must modify its facilities to accommodate a change in the Customer's load or service, the Customer shall pay for all costs in connection with such modification including the following costs:

(a) the estimated cost of removing the existing facilities, less the estimated salvage value; plus

(b) the estimated cost for the installation of new facilities, including overheads, less any applicable increased Company investment associated with any increase in the Customer's contracted service requirements, as specified in Schedule A.

#### **8.5** Forgiveness of New Peak Demands

The Company will forgive new peak demands when:

- (a) the new peak demand is the result of a Company power outage which consequently required the simultaneous start of the Customer's equipment. In this situation, the Customer's normal peak demand will replace the new peak demand for billing purposes; or
- (b) the new peak demand is the result of a fire, explosion or similar disaster at the Customer's facility. In this situation, the new peak demand will be used for billing purposes for the billing period during which the new peak demand was established, but it will be waived for minimum demand charge purposes for future bills, and the Contracted Maximum Demand shall not be increased due to the new peak demand.

#### 9. COMPANY RESPONSIBILITY AND LIABILITY

# 9.1 <u>Continuous Supply</u>

The Company shall make all reasonable efforts to maintain a continuous supply of energy to its Customers, but the Company cannot guarantee an uninterrupted supply of energy.

#### 9.2 Planned Outages

The Company reserves the right to interrupt, discontinue or reduce the supply of energy to any Customer to allow for repairs and improvements to its facilities.

The Company shall endeavor to give prior notice to Customers who will have service interrupted and will endeavor to ensure that such interruptions are as short and infrequent as circumstances permit.

#### 9.3 Company Liability

The Company shall not be liable for any loss, damage, expense, charge, cost or liability of any kind (excepting only direct physical loss, injury or damage to a Customer or a Customer's property, resulting from the negligent acts or omissions of the Company, its employees or agents) arising out of or in any way connected with any failure, defect, fluctuation, reduction or interruption in the provision of service by the Company to its Customers. For the purpose of the foregoing and without otherwise restricting the generality thereof, "direct physical loss, injury or damage" shall not include loss of profits, loss of earnings, or any other similar damage or loss whatsoever, arising out of or in any way connected with the failure, defect, fluctuation, reduction or interruption in the provision of service to a Customer.

# 9.4 Supply Failure in Extraordinary Circumstances

Should the Company be unable, because of extraordinary circumstances, to provide a continuous supply of energy to a Customer, the Company's responsibilities, so far as they are affected by the extraordinary circumstances, shall be suspended during the duration of such circumstances. Where practical, the Company shall give notice to the affected Customers of such extraordinary circumstances.

#### 10. CUSTOMER RESPONSIBILITY AND LIABILITY

# 10.1 Provide Permit

The Customer shall provide necessary permits, licenses and authorizations prior to commencement of service or any change of service requirements at any point of delivery.

# 10.2 <u>Customer Responsibility</u>

The Customer shall be responsible for the installation and condition of all facilities on the Customer's side of the point of delivery, except metering or other equipment owned by the Company.

The Customer shall indemnify and save harmless the Company from and against any claim or demand for injury to persons or damage to property arising out of or in any way connected with the use of the service so long as such injury or damage is not caused by the grossly negligent acts or gross omissions or willful misconduct of the Company, its employees and agents.

Neither the connection of the supply of electricity to, nor the approval, inspection or testing of, a Customer's facilities shall imply any warranty that the facilities are safe or suitable for any purpose, and the Company shall not be liable for any injury, loss or damage resulting directly or indirectly from any defect or inadequacy in a Customer's facilities.

The Customer shall be responsible for safe keeping of all of the Company's meters, main fuse boxes, electric lines and other apparatus placed on the Customer's premises or under the Customer's control. The Customer will be liable for the cost of making good and repairing any damage to Company facilities or injury for which the Customer is responsible. The Customer shall also be liable for the charges for electricity estimated to have been consumed and unrecorded, in the manner provided elsewhere in this document.

## 10.3 Protective Devices

The Customer shall be responsible for determining whether he needs any devices to protect his equipment from damage that may result from the provision of service by the Company. The Customer shall provide and install any such devices on the Customer's side of the meter.

#### **10.4** Service Calls

The Company may require a Customer to pay the actual costs of a Customer-requested service call if the source of the problem is the Customer's own facilities.

#### 11. TERMINATION OF SERVICE

#### 11.1 <u>Customer-requested Termination</u>

A residential Customer, or a commercial Customer whose Maximum Contracted Energy Consumption is less than 6000kWh/year, may, at any time, give the Company a minimum of twenty working days written notice that he wishes to terminate his service. Upon receipt of such notice, the Company shall read the Customer's meter within a reasonable time and endeavour to disconnect supply on the requested day. A Customer is liable for all service provided to the time of such disconnection and reading.

The Customer may arrange for termination of service to be effected without disconnection, if satisfactory arrangements for transfer of liability to a person acceptable to the Company are in place. Charges for connection of the new Customer and establishment of that new Customer's account shall be effected in accordance with Section 4.3 "Connection Fee".

Unless otherwise specified in an agreement between a Customer and the Company, notice periods which shall apply to all other Customers who wish to terminate their service, shall be as follows:

Capacity Rating of Customer's Service	Notice Period
0 to 50 kVA	20 working days
50 kVA to 1,000 kVA	6 months
1,000kVA to 5,000kVA	12 months
over 5,000kVA	24 months

#### 11.2 Company Termination for Safety Reasons

The Company may, without notice, terminate a Customer's service where, in the Company's opinion:

- (a) the Customer's installation or use of electricity is such as to interfere with the satisfactory operation of the Company's system or to cause interference or disturbance to the service of other Customers;
- (b) the Customer's installation is in a dangerous condition; or
- (c) installation or use of the Customer's facilities fails to comply with applicable law.

The Company will reconnect the service when the problem is resolved and when the Customer has provided, or paid the Company's costs of providing, such devices or equipment as may be necessary to resolve such safety problem and to prevent such damage, interference or disturbance.

#### 11.3 Company Termination Other Than For Safety

The Company, or anyone acting under its authority, may, upon giving at least 48 hours' notice to the Customer in the case of the grounds listed at subparagraphs (d) and (h) below but without notice in the case of the other grounds listed, disconnect the Customer's service or install a current-limiting device to restrict the service to such Customer if the Customer:

- (a) violates any provision of these Standard Terms and Conditions or of the Company's tariff or of the Regulations under the *Electricity Sector Reform Act*;
- (b) tampers with any service conductors, meters, seals or any other facilities of the Company;
- (c) neglects or refuses to pay the charges for service due to the Company within 21 days of the date the bill for such service was issued, including bills relating to consumption of electricity provided by the Guyana Electricity Corporation;
- (d) violates the provision of any contract or rate schedule applicable to the service;
- (e) changes service requirements without the permission of the Company;
- (f) extends supply for use by other party whom the Company considers to be a separate Customer:
- (g) makes fraudulent use of the service being provided; or
- (h) fails for two consecutive months or more to ensure that the Company has access to the relevant meter.

The Company shall charge the Customer for the expense of disconnecting the supply under these circumstances.

The Company may reconnect the service when the problem is resolved and when the Customer has provided, or paid the Company's costs of providing, such devices or equipment as may be necessary to resolve such problem.

The Company may also disconnect supply, where alterations, repair, renewal or maintenance of the Company's system or the Company's property or means of supply require the disconnection of the Customer's supply, and will endeavour to provide reasonable notice of such disconnection to the Customer. In such situations, the Company will reconnect the Customer as soon as it is practicable to do so without any charges to the Customer affected.

# 11.4 Removal of Facilities

Upon termination of service, the Company shall be entitled to remove any of its facilities located upon the property of the Customer and to enter upon the Customer's property for that purpose.

## **SCHEDULE A**

## MAXIMUM COMPANY INVESTMENT and CUSTOMER CONTRIBUTIONS

When a Customer requests that the Company provide a new or modified electrical service, the Company will review the Customer's service requirements and determine:

- a) any facilities which must be modified or added to facilitate the Customer's load (the "Supply Facilities"), and the cost thereof;
- b) the maximum amount that the Company will invest in such facilities (the "Maximum Company Investment"); and
- c) the amount, if any, which the Customer will be required to contribute towards the cost of these facilities (the "customer contribution").

#### 1.0 Supply Facilities:

For each new or modified Customer service, the Company will determine the Supply Facilities required to facilitate the Customer's load, and the cost thereof ("Cost of Supply Facilities"). The Supply Facilities can include new facilities, or modifications to existing facilities. Supply facilities are grouped as follows:

- a) "System Facilities": These are the power system facilities which include generating plants, and transmission lines, substations, and distribution facilities which operate at or above 4,000 volts;
- b) "Secondary Distribution Facilities": These are the power system facilities which facilitate the distribution of electricity from System Facilities to the Customer's Direct Connection Facilities. Transformers which step-down the voltage from 4,000 Volts or higher to the secondary voltage level (e.g. 120V, 240V or 415V, or such other secondary voltage as is adopted as a standard by the company) are included in Secondary Distribution Facilities. Secondary lines which connect these transformers to the Direct Connection Facilities are also included in Secondary Distribution Facilities; and
- c) "Direct Connection Facilities": These are the facilities required to connect the Customer's service to a nearby secondary voltage line. The Customer's meter is part of the Direct Connection Facilities.

In estimating the "Cost of Supply Facilities", the Company will include the estimated cost of materials, labour, and expenses, including allocated overhead and related indirect costs.

#### 2.0 Maximum Company Investment:

The Company will invest in those Supply Facilities required to facilitate the Customer's service requirements, up to the Maximum Company Investment which is dependant on (i) the amount of electrical load being added by the Customer, and (ii) the tariff category applicable to the Customer, as outlined below.

As described in Section 3.0 Customer Contribution below, "Additional Investment" can be applied to System Facilities, and/or Secondary Distribution Facilities, and/or Direct Connection Facilities as the situation requires.

### (a) Residential Service (Tariff 'A'):

System Facilities: The Company will invest, free of charge to the

Customer, in the following:

• the generation facilities required to serve the

Customer's load, and

modifications to any other <u>existing</u> System
 Facilities, which modifications must be undertaken to accommodate the Customer's load requirements.

Direct Connection Facilities: The Company will invest, free of charge to the

Customer, in the following:

• the meter, and

• for those residential Customers whose load is expected to be above 300kWh/year, up to 60 feet of secondary line, to the nearest secondary voltage

pole/connection point (for each individual

Customer connection).

Additional Investment: In addition to the above, for those residential

Customers whose load is expected to be above

3000kWh/year (subject to the Company's confirmation of the expected load) the Company's will invest up to G\$10,000 for every 1000kWh/year of expected consumption above 3000kWh/year to the extent that

such Additional Investment would offset what would

otherwise be a required customer contribution.

#### (b) Commercial Service (Tariff 'B'):

System Facilities: The Company will invest, free of charge to the

Customer, in the following:

• the generation facilities required to serve the

Customer's load, and

modifications to any other <u>existing</u> System
 Facilities, which modifications must be undertaken to accommodate the Customer's load requirements.

Direct Connection Facilities: The Company will invest, free of charge to the

Customer, in the following:

• the meter, and

• for those commercial Customers whose load is above 300kWh/year, up to 60 feet of secondary

line, to the nearest secondary voltage pole/connection point (for each individual

Customer connection).

Additional Investment: In addition to the above, the Company will invest up to

G\$10,000 for each 1000kWh of (annual) Contracted Maximum Energy Consumption above 6000kWh/year, to the extent that such Additional Investment would offset what would otherwise be a required customer

contribution.

#### (c) Industrial Service (Tariffs 'C' and 'D'):

System Facilities: The Company will invest, free of charge to the

Customer, in the generation facilities required to serve

the Customer's load.

Direct Connection Facilities: The Company will invest, free of charge to the

Customer, in the Customer's meter.

Additional Investment: In addition to the above, the Company will invest up to

G\$20,000 per kW of Maximum Contracted Demand for Customers with an expected load factor of 25% or more (as determined by the Company), to the extent that such Additional Investment would offset what would otherwise be a required customer contribution. For clarity, Customers with an expected load factor less than 25% will not be entitled to this or any Additional

Investment.

#### d) Street Lighting (Tariff 'E'):

System Facilities: The Company will invest, free of charge to the

Customer, in the generation facilities required to serve

the Street Lighting load.

#### **Notes:**

- 1. For clarity, modifications to existing System Facilities do not include construction of new extensions to such facilities (e.g. new distribution lines, etc.).
- 2. The Maximum Company Investment amounts shown above are related only to *additional* load which the Customer is connecting to the Company's system.
- 3. Beginning in 2001, the "Additional Investment" amounts shown under subparagraphs (a), (b) and (c) above will be increased or decreased in proportion to the tariffs for each respective tariff category. Hence, if the Industrial Tariff for year 2001 is 5% higher than that for year 2000, then the Additional Investment amount of G\$20,000 per kW will be increased to G\$21,000 per kW. These increased or decreased Additional Investment amounts will be rounded to the nearest G\$1000.

#### 3.0 Customer Contribution:

For each new or modified service, in accordance with the provisions above, the customer contribution shall be determined as follows:

# **Customer Contribution = Cost of Supply Facilities - Additional Investment**

where:

Cost of Supply Facilities is as outlined in 1.0 above.

Note that certain elements, such as the Customer's meter plus 60 feet of secondary line in the case of residential Customers (who consume more than 300kWh/year), are to be provided at no cost to the Customer, and hence would be allocated a \$0

cost here.

Additional Investment is as outlined in 2.0 above.

#### SCHEDULE B

#### RURAL ELECTRIFICATION

"Rural Electrification Situation"

Rural Electrification Situations are those where a community of 40 or more previously unserved Customers are seeking electric service from the Company, and are all located more than 2 miles from the nearest Company distribution (>4,000 volts) line.

"Subsidised Customer Contribution":

In Rural Electrification Situations, and subject to Supplemental Funding being provided in the manner described below, the customer contribution amounts described in Schedule A will be paid in accordance with the following approach:

- 25% of the customer contribution otherwise required per Schedule A will be provided by the Company, to a maximum of US\$1 million per year for each of the 5 full fiscal years after October 1, 1999.
- 75% of the customer contribution otherwise required per Schedule A will be provided by Supplemental Funding.

"Supplemental Funding":

This is funding from a combination of sources, including Customers, funding agencies, etc. as organised through discussions facilitated by the Government of Guyana and the Company. A minimum of one-third of the Supplemental Funding must be provided by the Customers who will benefit from the provision of service.

## **Schedule B - APPENDIX 1**

## **Unserved Areas Electrification Programme**

"Unserved Areas Electrification Programme":

On 9<sup>th</sup> May, 2001, the Company entered into an agreement with the Government relating to the electrification of previously unserved areas (the "UAEP Agreement"). The May 9, 2001 Agreement was replaced with the UAEP Project Agreement of October 15, 2004. The UAEP Project Agreement is effective as of October 15, 2004 and shall expire on December 31, 2009, unless earlier terminated or extended pursuant to its terms. During the term of the UAEP Agreement, the provisions of Schedule B shall be suspended and replaced by this Schedule B - Appendix I. All references contained in the licence to Schedule B shall be construed to relate to this Schedule B- Appendix 1.

# 1. Scope

- 1.1 The qualifying areas are collectively referred to herein as "Unserved Areas" and the Unserved Areas Electrification Programme is referred to herein as the "UAEP". The specific unserved areas to be electrified will be those mutually agreed to (area by area) by GPL and Government of Guyana (GoG).
- **1.2** Broad guidelines for designating Unserved Areas are:
  - the Unserved Areas are to be well defined, contiguous locations with recognisable natural geographic features;
  - 1.2.2 the minimum distance from existing networks previously specified in Schedule B of these Standard Terms & Conditions is eliminated for the UAEP;
  - 1.2.3 it is not envisaged that new housing developments (i.e. which have no premises constructed as of the last date of the proposed Designated Application Period, which is approximately 3 months) will be designated under the UAEP, whether adjacent to or remote from GPL's system. Long standing areas with a mix of old and new developments may be designated;
  - 1.2.4 it is not envisaged that individual connections will be designated under the UAEP, whether adjacent to or remote from GPL's system, however GoG as part of its socio-economic development policy may designate additional funding to subsidise individual connections in areas that are already served; in such cases GPL's contribution will not apply; and
  - 1.2.5 it is not envisaged that areas remote from GPL's system will be designated under the

UAEP. As a guideline, any area with a cost of connection in excess of G\$200,000 per customer is not anticipated to be designated under the UAEP.

1.3 The intention of the UAEP is to provide electricity supply to unserved areas and customers, which will generate a viable revenue stream to GPL thereby minimizing upward pressure on rates paid by GPL's other customers.

# 2. Funding / Payments

- 2.1 GPL has agreed that it will contribute up to US\$1 million per annum for five years (the "GPL Funding") to Rural Electrification. These monies will now be directed towards the UAEP. The GPL Funding will constitute no more than 25% of Total Actual Project Cost.
  - GoG will provide funding at least equal to the GPL Funding (the "GoG Funding"), and GoG payments will be made in advance of work commencing.
- 2.2 The GPL Funding and the GoG Funding will be used only for service connections to "Rate A (Residential)" and "Rate B (Commercial)" customers who have paid in advance the UAEP Connection Charges described in Section 2.3 below. Other types of customers, who by definition generally require more specialised supply facilities, will be required to pay the normal customer contributions in accordance with the Standard Terms and Conditions, subject to Section 2.7 below. Any such capital contributions are to compensate GPL for the fact that the cost of supply is greater than is justified by the customers' projected revenue stream relative to the cost of constructing the network required to provide supply. As such, these contributions flow into GPL's customer contribution account.
- 2.3 Customers in Unserved Areas who qualify for "Rate A (Residential)" or "Rate B (Commercial)" will be charged G\$10,000 for connection under the UAEP (the "UAEP Connection Charge"). This charge may be amended if agreed between GoG and GPL.
- 2.4 The UAEP Connection Charges can be paid by the lawful occupant or property owner. In either case, these customer contributions are non-refundable under any circumstances except where construction in a given unserved area does not commence within nine (9) months.
- 2.5 For each unserved area, GPL will provide and publicise a period "Designated Application Period" (approximately three months) within which prospective customers in that unserved area will have the opportunity to pay the UAEP Connection Charges to GPL. Provided that Government and customer obligations are met, GPL will take reasonable steps to provide the networks required for supply within six months of the end of each Designated Application Period.
- 2.6 For each unserved area GPL will determine an estimate of the number of potential consumers ("Estimated Potential Customers") based on a cadastral survey map produced by a Sworn Land Surveyor. In each unserved area, 50% or more of the Estimated Potential Customers must make their UAEP Connection Charge payments to GPL before construction of the Project can be initiated by GPL. This minimum threshold may be

varied by agreement between GoG and GPL. In the event that the threshold of 50%, or any other threshold agreed to between GoG and GPL is not reached within the Designated Application Period through customer contributions or otherwise, customer payments will be refunded as expeditiously as possible, but in any event no later than six months after payments have been received by GPL.

2.7 If, during the electrification process or within three years after an Unserved Area is electrified under the UAEP, other customers within the boundaries of an area or outside it seek connection to networks constructed under the UAEP, the charge payable by such customers will be (i) the UAEP Connection Charge applicable in the year of their application for connection; or if the UAEP has been terminated, the amount applicable in the final year of the UAEP or (ii) the customer contribution as determined by the Standard Terms and Conditions, whichever is greater.

Subsequent to the three-year period described above, new applications for connection will be dealt with according to the Standard Terms and Conditions.

- 2.8 For the purposes of the UAEP or subsequent connections to networks built under the UAEP, the year of application by the customer will be determined by the date on which the Designated Application Period for the area closed or the actual date on which the customer application is made, which ever is later.
- 2.9 Customers supplied under the terms of the UAEP or from UAEP networks will not be entitled to receive refunds (which they otherwise may be entitled to under the Standard Terms and Conditions) of all or any part of the UAEP Connection Charges, even if those networks are utilised for other purposes.

# 3. Initiation of the Programme

- 3.1 Final connections will only be made where the customer has provided an electrical installation to which a connection can be safely made, and has met any other requirements specified in *Electricity Sector Reform Act 1999*, the Standard Terms and Conditions and other applicable regulations.
- 3.2 In addition to the UAEP Connection Charges, each customer will be required to pay the security deposit and any other normal fees, in accordance with the Standard Terms and Conditions.