

NAME OF LICENSEE: Legal name

ADDRESS OF LICENSEE: Physical and mailing address
The Bahamas

Electricity Transmission and Distribution Licence

Commencement Date: Day Month Year

Licence Number: TDL – YY-NNNN

TABLE OF CONTENTS

PART A	5
1 GRANT OF THE LICENCE	5
2 ACCEPTANCE OF TERMS AND CONDITIONS OF LICENCE	6
3 ENDORSEMENT OF AUTHORISED SUBSIDIARIES.....	6
PART B – GENERAL CONDITIONS	7
4 DEFINITIONS AND INTERPRETATION.....	7
5 ROLE AND DUTIES OF URCA	12
6 NATURE AND SCOPE OF THE LICENCE.....	12
7 DURATION AND RENEWAL OF LICENCE	13
8 CHANGE IN CONTROL.....	13
9 ASSIGNMENT OR TRANSFER OF LICENCE.....	13
10 AMENDMENT, MODIFICATION AND REVOCATION OF LICENCE.....	14
11 COMMUNICATIONS AND NOTICES	14
PART C - GENERAL OBLIGATIONS	15
12 OBLIGATIONS TO COMPLY WITH LAWS, REGULATION AND LICENCE CONDITIONS	15
13 BREACH OF OBLIGATION TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS	15
14 OBLIGATION TO PERFORM.....	16
15 STEP-IN EVENT.....	16
16 FORCE MAJEURE.....	17
17 EARLY RETIREMENT OF ASSETS.....	17
18 CATASTROPHIC FAILURE.....	18
19 INSURANCE.....	18

20	INTEGRATED RESOURCE PLANNING.....	18
21	APPEALS TO UAT.....	19
23	REPORTING OBLIGATIONS.....	20
24	ECONOMIC PURCHASING OF GOODS AND SERVICES	21
25	ENGAGING IN OTHER BUSINESS.....	22
26	RELATED PARTY TRANSACTIONS.....	22
27	CUSTOMER PROTECTION OBLIGATIONS	22
29	INFORMATION, AUDIT, INSPECTION AND ACCESS OBLIGATIONS	24
30	GENERAL PERFORMANCE STANDARDS OBLIGATIONS.....	25
31	USE OF APPROPRIATE STAFF	26
32	OUTSOURCING	26
	PART D – SPECIAL PROVISIONS APPLICABLE TO TRANSMISSION AND DISTRIBUTION	26
33	DUTIES OF THE LICENSEE.....	26
34	TRANSMISSION AND DISTRIBUTION STANDARDS	27
35	TECHNICAL SERVICE LEVELS (TRANSMISSION AND DISTRIBUTION)	27
36	DEVELOPMENT OF AND COMPLIANCE WITH TECHNICAL AND OPERATIONAL CODES	28
	PART E – SPECIAL PROVISIONS FOR SUPPLY.....	29
37	DUTIES OF THE LICENSEE.....	29
38	DUTY TO SECURE LONG TERM ELECTRICITY SUPPLY SYSTEM SECURITY AND RELIABILITY ..	29
39	TECHNICAL SERVICE LEVELS (SUPPLY).....	30
40	STANDARDS.....	30
42	PREPARATION, REVIEW OF AND COMPLIANCE WITH CODES OF PRACTICE.....	31
43	JOINT USE OF POLES.....	33
46	GRID CODE.....	33

PART F – PRICE CONTROLS MECHANISM AND TARIFFS	33
51 TARIFF PRINCIPLES	33
52 TARIFF REVIEWS	34
53 SEPARATED ACCOUNTS.....	34
PART G – TRANSITIONAL CONDITION.....	34

PART A

1 GRANT OF THE LICENCE

1.1 The Utilities Regulation and Competition Authority (URCA):

(a) having reviewed the approval issued by the Approving Authority in accordance with Section 24(1) of the Electricity Act, 2024, and other relevant information for the purpose of granting this licence; and

(b) in exercise of its powers conferred by section 26(1) of the Electricity Act, 2024,

HEREBY GRANTS to [Legal Name, same as on the cover of the licence], with registered address [Legal address, same as on the cover of the licence], The Bahamas (hereinafter called 'the Licensee') an Electricity Transmission and Distribution Licence authorising the Licensee to engage in the transmission and distribution of electricity, including the inter-island transmission of electricity within, into from or through the service territory within the Commonwealth of The Bahamas covering the geographic area of [], subject to the conditions set out in this Licence.

1.2 This Licence shall be cited as the [Legal name of licensee] Electricity Transmission and Distribution Licence.

1.3 This Licence shall come into effect on the [day month year, same as the on the cover of the licence] (the Commencement Date) and shall continue in full force and effect until termination or expiry unless amended, revoked or terminated pursuant to the terms and conditions set out herein.

1.4 The Conditions of this Licence are subject to amendment or modification in accordance with Conditions herein or in accordance with the Electricity Act, 2024.

1.5 This Licence shall be governed by and construed, enforced and performed in accordance with the laws of the Commonwealth of The Bahamas.

Executed and sealed for and on behalf of the Utilities Regulation and Competition Authority on the XX day of [month year].

Chief Executive Officer

2 ACCEPTANCE OF TERMS AND CONDITIONS OF LICENCE

2.1 We, [Legal name of the licensee] the named Licensee hereby accept the terms and conditions of this Licence on our behalf and on behalf of any Subsidiary Undertaking authorised in accordance with Section 27 and jointly named above or endorsed below.

SIGNED this day of[month year]

Signature

[Name of Authorised Officer]

[Title of Authorised Officer]

3 ENDORSEMENT OF AUTHORISED SUBSIDIARIES

3.1 URCA grants this Licence jointly to the following subsidiary undertakings of the Licensee named in paragraph 1.1 that have been notified to URCA in accordance with Section 27 of the EA: [Nil].

3.2 Notwithstanding the inclusion of its name on this Licence, such Subsidiary Undertaking shall cease to be licensed for the purposes of Paragraph 1.1 herein in the following circumstances:

- (a) fourteen (14) calendar days after URCA receives notice in writing from the named Licensee or the relevant Subsidiary Undertaking excluding the Subsidiary Undertaking from the licence; or
- (b) immediately subsequent to a determination by URCA excluding the Subsidiary Undertaking from the licence.

PART B – GENERAL CONDITIONS

4 DEFINITIONS AND INTERPRETATION

4.1 In this Licence, except in so far as the context otherwise requires:

“Act” means the Electricity Act, 2024;

"Affiliate" in relation to any entity means any holding company or subsidiary of that person or any subsidiary of a holding company of that person in each case within the meaning of the Companies Act;

“Approving Authority” means the authority referred to in Condition 1.1;

"Assets" mean the material assets and facilities owned, operated or leased by the Licensee, including real estate and resources of economic value that the Licensee owns or controls with the expectation of future benefit;

“BPL” means the Bahamas Power and Light Company Limited;

“Capacity” means the electric power (measured in megawatts) supplied or available to be supplied from a Generating Facility to the Grid;

“Catastrophic Failure” means a sudden and unexpected failure of any part of the electricity supply system which renders the electricity supply system in whole or in part economically or technically unfit to operate;

“Company” means the entity as named in Condition 1.1 of this licence.;

"Companies Act" means the Companies Act, Chapter 308 and any amendments thereto;

“Consumer Protection Plan” has the meaning as specified in Section 16 of the Act;

"Distribution Line” means any electric power line that delivers power to consumers;

"Distribution Electricity Supply System” means the network, including substations, distribution lines, transformers and other apparatus that receives electricity from the transmission electricity supply system and delivers it to customers;

“Electrical Inspector” or **“Inspector”** has the same meaning as defined in the Act;

"Electricity Supply System" means the transmission and distribution network owned or operated by the Licensee and used to transmit, distribute and supply electricity and includes any electrical lines, plant, meters and other equipment owned or operated by that Licensee in connection with the transmission distribution and supply of electricity;

"Fair Market Value" means the market value of the Licensee when evaluated as an ongoing business concern including this Licence and all lands, buildings, works, materials, plant and property of all kinds whatsoever suitable to or intended for the purposes of the undertaking and shall be determined by the price, expressed in cash equivalents, at which the Shares would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm's length in an open unrestricted market when neither is under any compulsion to buy or sell and when both have reasonable knowledge of the relevant facts. Fair market value shall be the average value as determined by a panel of three (3) independent valuation experts, one to be selected by URCA, one by the Licensee and one, who shall be Chairman of the panel, to be selected by the two other members. In the event that the nominees cannot agree on the selection, , be appointed by URCA;

"Financial Year" means the twelve (12) month period at the end of which the Licensee's annual accounts are closed;

"Force Majeure" means an event or circumstance which prevents the Licensee from performing its obligations under this Licence, which event or circumstance is not within the reasonable control of, or the result of the negligence of, the Licensee, and which the Licensee is unable to overcome or avoid or cause to be avoided through the exercise of due diligence. Events of Force Majeure may include, but are not limited to:

- (a) acts of God;
- (b) pandemics,
- (c) fire including fire resulting from an earthquake;
- (d) flood including flood caused by an earthquake or hurricane;
- (e) volcanic eruption;
- (f) earthquake;
- (g) hurricane, cyclone, tornado or windstorm;
- (h) overflow of the sea caused by hurricane, cyclone, tornado or windstorm the elements listed above;
- (i) war, riots or acts of terrorism;
- (j) strikes, walkouts, lockouts and other labour disputes;
- (k) requirements, actions or failure to act on the part of governmental authorities;
- (l) adoption or change in any law, regulation, statute, rule or regulation imposed by governmental bodies, including, without limitation, a change in the interpretation thereof; or
- (m) any lawful order by any court or administrative agency (so long as the Licensee has not applied for or assisted in the application for such court or governmental action);

“Fuel Costs” means the actual cost of fuel and lubricants used by a Licensee in the generation of electricity. This applies to an entity licensed by URCA to supply power to the electricity grid;

"Generating Facility/Facilities" means any power plant(s) and associated equipment owned or controlled by a Licensee and used for the production of electricity pursuant to a licence issued by URCA;

“Generation Licence” means a licence granted under the Act authorising a Licensee to carry out the generation of electricity for supply to the electricity supply system;

“Generation Licensee” means the holder of a generation licence granted by URCA under the Act;

"Generation Set" means any plant or apparatus used for the production of electricity;

“Government” means the Government of the Commonwealth of The Bahamas;

"Governmental Authority" means any (a) national, municipal, central or local government, department, central bank, court, council, commission, board, bureau, tribunal, agency or instrumentality of the Commonwealth of The Bahamas or (b) any subdivision, agent, commission, board or authority of any of the foregoing;

"Governmental Requirement” means all Acts, statutes, orders, ordinances, injunctions, constitutional provisions, treaties, licences, notices, rules, rulings, regulations, concessions, decisions, authorizations, consents, decrees, permits, proclamations, instructions, certifications, judgments, verdicts, confirmations, approvals, filings or similar items of, or granted by, any Governmental Authority which are applicable to the Licensee;

“Grid” means the Licensee’s power system, inclusive of transmission and distribution;

“Grid Code” means the technical specification for the connection and use of the Grid;

“GBPC” means the Grand Bahamas Power Company Limited;

“GTDS” means generation, transmission, distribution and supply;

“Guaranteed Service Standards” means the minimum levels of service that the Licensee must meet for every customer;

“Independent Power Producer (IPP)” has the meaning specified in section 2 of the Act;

“Integrated Resource Plan” has the meaning specified in Condition 20;

“Licensed Business” means the utility business of the Licensee comprising its Transmission, Distribution and Supply business;

“Licence Processing Fees” means fees prescribed by URCA for the processing of an application for the grant of a licence pursuant to the Act;

“Licensee” means the entity as named in condition 1.1 of this licence and includes any entity exercising step-in rights on a named Licensee;

"Minister" means the Minister responsible for the energy sector;

“Net Output” means the amount of electricity that is generated by Generating Facilities that is transmitted and distributed to the Grid;

"Outside person" means any *person* who is not an Affiliate of the Licensee;

“Overall Service Standards” are standards that must be achieved on average across quality and service, but do not apply to individual consumers;

"Person" means any individual, partnership, joint venture, association, company, trust company, or corporation;

"Power Purchase Agreement (PPA)" means a contract with an Independent Power Producer for the provision of either electrical energy only or electrical energy and capacity;

"Regulatory Accounts” means the reports on the financial and operating performance of the Licensee in such detail and format as designated by URCA;

“Related Party” shall have the meaning defined under the International Financial Reporting Standards (IFRS);

“Relevant Turnover” has the meaning specified in the Act;

“Renewable Energy Plan” has the meaning specified in Part V of the Act;

“Scheduled Outage” means a partial or complete interruption of the Electricity Supply System and/or any Generation Facility operation that has been planned and is for inspection, testing, preventative maintenance, corrective maintenance or improvement;

“Service Standards” means Guaranteed Service Standards, Overall Service Standards, Individual Service Standards and other standards in the Consumer Protection Plan;

“Service Territory” means, for the purpose of this Licence, within, into, from and through the area of supply within the Commonwealth of The Bahamas as specified in condition 1.1 of this licence;

“Shares” means the issued and outstanding shares of the Licensee;

"Subsidiary" shall have the meaning specified in the Companies Act;

“Subsidiary Undertaking” shall the meaning specified under the Act;

"Transmission Line" means any electric power line that is used for the bulk transfer of electrical energy from generating facilities for delivery to the distribution electricity supply system;

“Transmission, Distribution, and Supply” means, for the purposes of this licence, the bulk transfer of electrical energy over the licensee’s Electricity Supply System as part of a bilateral contract with a Public Electricity Supplier or Authorized Public Electricity Supplier. It does not include the generation, purchase or sale of electrical energy. It may include the storage and release of electrical energy as part of the aforementioned contract;

"Transmission Electricity supply system" means the electrical power lines and associated apparatus that are used for the bulk transfer of electrical energy from generating facilities for delivery to the distribution electricity supply system;

"URCA Fees" mean the Fees prescribed by URCA pursuant to the Act and published in URCA’s Fee Schedule.

4.2 For the purpose of interpreting the Conditions in this Licence:

4.2.1 except in so far as the context otherwise requires, words or expressions shall have the meaning assigned to them in:

- (a) the Licence, and otherwise;
- (b) the Electricity Act, 2024, and otherwise;
- (c) the URCA Act, and otherwise; and
- (d) the UAT Act;

4.2.2 for ease of reference, in this Licence terms defined in the Electricity Act have been capitalised;

- 4.2.3 subject to Condition 2.2.1 above, where there is any conflict between the provisions of this Licence and the Electricity Act, 2024, the provisions of the Electricity Act, 2024 shall prevail;
- 4.2.4 references to Conditions, paragraphs, subparagraphs and appendices are to Conditions, paragraphs, subparagraphs of and to the appendices to the Licence, as modified from time to time in accordance with this Licence and the Electricity Act, 2024;
- 4.2.5 a Document will be incorporated into and form part of the Licence where it is referred to in this Licence and a reference to a Document is to a Document as modified from time to time;
- 4.2.6 headings and titles used in this Licence are for reference only and shall not affect its interpretation or construction;
- 4.2.7 references to any law or statutory instrument include any modification re-enactment or legislative provisions substituted for the same;
- 4.2.8 use of the word “include” or “including” is to be construed as being without limitation;
- 4.2.9 expressions cognate with those referred to in this Licence shall be construed accordingly;
- 4.2.10 words importing: (i) the singular only shall include the plural and vice versa; (ii) the whole shall be treated as including a reference to any part; and (iii) any gender shall include all other genders; and

5 ROLE AND DUTIES OF URCA

- 5.1 The Licensee shall be subject to the regulatory supervision of URCA. URCA shall perform its functions and carry out its duties pursuant to the URCA Act, the Act and any other relevant laws, this Licence and have regard to relevant Government policy.
- 5.2 In carrying out its functions URCA shall act proportionately and non-discriminately balancing the interests of consumers with those of the Licensee.

6 NATURE AND SCOPE OF THE LICENCE

- 6.1 This Licence authorizes and gives the Licensee the right to transmit, distribute and supply electricity to the public in the Service Territory and to operate, construct, reconstruct, modify or replace the transmission, distribution and supply facilities for these purposes

subject to the Licence conditions, the Act and any other relevant law for the time being in force.

- 6.2 The Licensee has the right to supply electricity to third parties for public and private purposes in the Service Territory for which the Licensee is entitled to bill customers for the service provided at the rates and charges approved in accordance with the Electricity Act, 2024.

7 DURATION AND RENEWAL OF LICENCE

- 7.1 Subject to the provisions herein contained, the duration of this Licence shall be for a period not exceeding twenty-five (25) years from the Commencement Date.
- 7.2 The Licensee may at any time apply for an extension of the duration of this Licence having regard to any approved investment programme and/or the requirements of any commercial agreement entered into by the Licensee with another licensee for a period which extends beyond the remaining life of the Licence.
- 7.3 This licence shall be renewed by URCA in accordance with the procedure prescribed under section 24 of the Act.

8 CHANGE IN CONTROL

- 8.1 The Licensee shall obtain URCA's written approval of any change in control of the Named Licensee or any Notified Licensee prior to the change in control occurring.
- 8.2 Without limiting URCA's ability and duty to apply the merger control provisions in sections 42 to 47 of the Act, URCA may object to a change in control where in URCA's view the acquirer would not meet any of the criteria referred to in, or set by URCA pursuant to, section 24(2) of the Act.

9 ASSIGNMENT OR TRANSFER OF LICENCE

- 9.1 The Licensee shall not, without the prior written consent of URCA, transfer, sub-licence, assign or grant any right, interest or entitlement in the Licence to any person or transfer or dispose of any of its assets that are necessary to provide the Licensed Business that the Licensee is obliged to provide under this Licence, save in the ordinary course of replacement of such assets necessary to provide the Licensed Business. Such consent shall not be unreasonably withheld.
- 9.2 URCA shall consent to an application for the assignment or transfer of the Licence where URCA is satisfied that the proposed assignee or transferee satisfies the criteria set out under Section 24(2) of the Act and any other criteria established by URCA pursuant to the electricity sector policy and objectives under the Act.

- 9.3 Should the Licensee wish to assign or transfer the Licence, it shall request, in writing, the consent of URCA and URCA shall reply in writing within sixty (60) calendar days of the receipt of such request informing of its decision on the application.
- 9.4 URCA shall publish its decision regarding a request to assign or transfer the Licence and its decision on its website and in the public media.
- 9.5 Where URCA refuses to give its consent it shall give reasons in writing for such refusal to the Licensee.
- 9.6 The Licensee may apply to URCA for a reconsideration of its decision not to assign or transfer its Licence and may appeal any decision made by URCA to the UAT following any such reconsideration in accordance with Condition 21 herein.

10 AMENDMENT, MODIFICATION AND REVOCATION OF LICENCE

- 10.1 URCA may revoke or modify this Licence in accordance with the procedures set out in section 31 of the Act.

Where URCA modifies by determination its general licence including the conditions, Licensee accepts as a Condition that it shall be issued and shall accept without application the modified licence pro-rated for the unexpired term of this licence.

11 COMMUNICATIONS AND NOTICES

- 11.1 Notices, orders and other documents under this Licence may be in writing or in print or in electronic format (permitting confirmation of receipt) and shall, where served on:

- (a) URCA be addressed to:
the Chief Executive Officer; and
- (b) the Licensee, be addressed to:
the Chief Executive Officer/Managing Director.

- 11.2 Any notice, order or document required or authorized to be served upon a body or person under this Licence may be served by the same being addressed to such body or person and being left at or transmitted by electronic mail or facsimile or by registered post to the address of such body or to the usual or last known place of abode of such person. Where served by post it shall be deemed to have been served at the time when the containing letter would be delivered in the ordinary course of post and in proving such service it shall be sufficient to prove that such letter was properly addressed, registered and put into the post. Where served by electronic mail or facsimile it shall be deemed to have been served when the electronic mail or facsimile shall have been transmitted by the sender.

- 11.3 Notwithstanding the above, the Licensee shall designate a person that will act as a primary contact with URCA on matters related to this Licence and shall notify URCA promptly in writing should the contact details change.
- 11.4 URCA may designate the Director of Utilities and Energy as the primary contact on matters related to this Licence.

PART C - GENERAL OBLIGATIONS

12 OBLIGATIONS TO COMPLY WITH LAWS, REGULATION AND LICENCE CONDITIONS

- 12.1 The Licensee shall comply with the Act and any other Act of the Commonwealth of The Bahamas that has application to it in the discharge of its performance under this Licence.
- 12.2 The Licensee shall comply with regulatory and other measures including any directive, order, rule, decision or approval issued, made or granted by URCA in accordance with its duties and functions under the Act or this Licence.

13 BREACH OF OBLIGATION TO COMPLY WITH LAWS, REGULATIONS AND LICENCE CONDITIONS

- 13.1 Where URCA has reason to believe that the Licensee has failed to comply with any relevant law, regulation, regulatory or other measures issued by URCA or condition of this licence, URCA may exercise all such powers and duties as are afforded to or required of it under the Act or any other relevant law and may take all such action as is permitted to it thereunder against either the Licensee or its subsidiary undertaking.
- 13.2 The Licensee shall be liable for all the acts and omissions of each of its subsidiary undertakings in respect of its obligations under this Licence.
- 13.3 Without prejudice to the Licensee's other obligations under this Licence, where its subsidiary undertaking has done something which would where done by the Licensee:
- (a) be prohibited or not authorised by any relevant law, regulation and condition of this Licence; or
 - (b) require the Licensee to take or refrain from taking a particular action under any relevant law, regulation and condition of this Licence and that no Licensee, including the subsidiary undertaking, has met that further requirement,

then, where URCA is not satisfied that the Licensee has taken all reasonable steps to prevent its subsidiary undertaking from acting in that manner, URCA may direct the

Licensee to take such steps as URCA deems appropriate for the purpose of remedying the matter, including restraining the defaulting subsidiary undertaking from carrying on with such activities connected with the Licensed Business as URCA may determine.

14 OBLIGATION TO PERFORM

14.1 The Licensee shall provide an adequate, safe and efficient service based on modern standards, to the Service Territory at reasonable rates so as to meet the electricity demand and to contribute to national economic development.

14.2 Subject to the provisions of this Licence and directions of URCA, the Licensee shall ensure that the development of the Electricity supply system is implemented based on agreed long term planning procedures and methodologies and that investments are made consistent with such plans and in conformity with prudent utility practice so as to ensure adequacy and continuity of supply at the least economic cost while at the same time ensuring that the Licensee earns a reasonable return on its investment.

14.3 The Licensee shall provide transmission/distribution access and service, and interconnection access and service, on a non - discriminatory basis to the facilities that it operates as soon as practically possible in response to service requests by generation Licensees.

14.4 The Licensee shall, to the extent that it is technically feasible and economically reasonable employ modern and leading-edge technological solutions to secure optimal efficiencies in its operations.

The Licensee shall take all reasonable steps to prevent and resolve unplanned interruptions to the provision of its Licensed Business.

14.5 The Licensee shall take all reasonably practicable steps to maintain, to the greatest extent possible, the proper and effective functioning of its Electricity Supply System and Licensed Business provided by it at all times.

14.6 The Licensee shall inform URCA about measures taken to resolve unplanned interruptions as required by URCA.

15 STEP-IN EVENT

15.1 A Step-in Event occurs in the following circumstances:

(a) Where the Licensee ceases to operate all, or any substantial part of the Electricity Supply System for a period of forty-eight (48) consecutive hours (the Initial Period) without the prior written consent of URCA; or

(b) URCA revokes or suspends this Licence.

15.2 The following are not Step-in Events:

(a) Force Majeure; and

(b) A Scheduled Outage.

15.3 In the case of a Step-in Event, the Approving Authority shall assume of itself or through an agent the functions of the Licensee that are authorised under this Licence.

15.4 For the purpose of exercising its powers under Condition 15.3, the Approving Authority may enter, take possession of and operate the Licensee's Electricity Supply System used in the carrying out of the activities authorised under this Licence.

15.5 The Approving Authority may take action in court for recovery of costs and damages incurred by the failure of the Licensee to perform its obligations to the public in accordance with the terms of this Licence.

15.6 The Approving Authority shall give up possession of the Licensee's Electricity Supply System as soon as practicable after URCA advises that the Licensee has demonstrated its capability to resume its functions under this licence.

16 FORCE MAJEURE

16.1 The Licensee shall give notice and details of Force Majeure events to URCA as soon as reasonably practicable. URCA may issue a notice excusing the Licensee from its performance obligations during the period of Force Majeure.

17 EARLY RETIREMENT OF ASSETS

17.1 The Licensee shall not retire Assets early that are used for the transmission, distribution or supply of electricity without the prior written approval of URCA. Such approval shall not be unreasonably withheld.

17.2 Where such approval is granted, the Licensee shall recover the net book value of the Assets irrespective of whether:

- (a) the Assets are on the Licence's books at the Commencement Date of this Licence or are additions to Rate Base during the term of this Licence; or
- (b) the retirement results from an economic evaluation, change in government policy or regulatory action.

17.3 URCA, in consultation with the Licensee, shall specify the timeline and process for the recovery of Assets.

18 CATASTROPHIC FAILURE

18.1 In the event of Catastrophic Failure the Licensee may replace the failing installation or facility with written approval from URCA. Such approval shall not be unreasonably withheld.

19 INSURANCE

19.1 The Licensee shall obtain and maintain insurance on terms approved by URCA for:

- (a) physical damage to the Electricity Supply System;
- (b) third-party liabilities.

19.2 The Licensee must ensure that the insurance policy guarantees the insurer will notify URCA of lapses, cancellation, or changes to the policy 30 calendar days prior to the changes taking effect.

19.3 URCA shall notify the Licensee of required modifications to the insurance policy and the Licensee should procure that such modifications are made no later than 60 calendar days from the notice date, or any date agreed with URCA.

19.4 The Licensee may have reduced obligations to maintain insurance policies, where the following alternatives are approved by URCA:

- (a) self-insurance, where the Licensee has the financial capacity to meet any liabilities to a third party; and
- (b) special tariff factor, applied after a disaster and until Facilities affected are re-built and ready to operate.

20 INTEGRATED RESOURCE PLANNING

- 20.1 URCA may from time to time require the Licensee to submit an Integrated Resource Plan that sets out the following:
- (a) expected demand for the Electricity Transmission, Distribution and Supply System;
 - (b) proposed Electricity Transmission, Distribution and Supply System and energy efficiency resources that the Licensee will deploy to meet demand;
 - (c) load and resource balance covering the Licensee's load forecast, existing resources, and determination of the load and energy positions over a ten (10) year period; and
 - (d) proposed procurement process to provide these resources.
- 20.2 The Licensee's Integrated Resource Plan shall describe in detail the methodology used and conform to international best practice for Integrated Resource Plans.
- 20.3 URCA may require the Licensee to revise its Integrated Resource Plan from time to time but not more than once every three (3) years.

21 APPEALS TO UAT

- 21.1 Appeals of regulatory or other measures taken by URCA in relation to this Licence shall be made to the Utilities Appeal Tribunal as provided for in the Act and the Utilities Appeal Tribunal Act, 2009.

22 PAYMENT OF FEES AND CONTRIBUTIONS

- 22.1 The Licensee shall pay to URCA the following fees and contributions as notified by URCA from time to time in accordance with the Act:
- (a) annual URCA Fee pursuant to section 39(2)(d) of the Act;
 - (b) the Tribunal Fee payable pursuant to Schedule 3 of the Utilities Appeal Tribunal Act, 2009; and
 - (c) any other applicable fees and charges.
- 22.2 For each Financial Year of the Licence, any annual fees payable by the Licensee under section 39(2)(d) of the Act shall be based upon the following accounts in relation to the Licensed Business or, where appropriate, business plan for the Licensee and each of the subsidiary undertaking (or, where these are consolidated, the Licensee's consolidated accounts showing the turnover and revenue for the Licensee and each of the subsidiary undertakings):
- (a) the last available audited accounts; or

- (b) where the audited accounts are not available or those accounts do not include any Relevant Turnover as defined in the Act, accounts certified by an accountant in possession of a practising certificate issued by The Bahamas Institute of Chartered Accountants; or
 - (c) where the Licensee does not have any available accounts certified by an accountant in possession of a practising certificate issued by The Bahamas Institute of Chartered Accountants, the expected Relevant Turnover in the Licensee's business plan.
- 22.3 The annual fees calculated in accordance with Condition 22.2 herein shall be paid in advance on the first day of the Financial Year, with any adjustment due as a result of the audited accounts for that Financial Year becoming available being paid to URCA (or deducted from any other payment due to URCA) on the first day of the next Financial Year.
- 22.4 Without prejudice to Condition 13 herein, in the event of a default by the Licensee in the payment of any fees when due under this Licence:
- (a) the Licensee shall pay to URCA interest under Section 39(5) of the Act; and
 - (b) URCA may revoke this Licence in accordance with Condition 10 herein.
- 22.5 Interest on outstanding fees due to URCA under Section 54 of the Act is not recoverable in tariffs to customers.

23 REPORTING OBLIGATIONS

- 23.1 The Licensee shall submit its audited financial statements, with certificate of the external auditors, for the Licensed Business and the accompanying annual report (which shall provide together with the current year at least ten years of operating and financial statistics) to URCA as required by URCA having regard to the Licensee's requirements for its annual report and audited financial statements.
- 23.2 URCA may require the Licensee to maintain an electricity supply system of separate regulatory accounts for regulatory reporting and tariff analysis.
- 23.3 The Licensee shall furnish to URCA without undue delay such information, documents and details related to the Licensed Business, as URCA may reasonably require in order for it to fulfil its functions and discharge its obligations under the Act.

- 23.4 The Licensee shall furnish to URCA without undue delay such information, documents and details related to the Licensed Business that have or is likely to have a significant impact its functions assigned to it by or under the Licence and the Act.
- 23.5 The Licensee shall provide a Major Outage Report to URCA within 24 hours of a major outage detailing, to the extent possible, the: (i) cause of outage; (ii) geographic area affected by the outage; (iii) number of customers affected by the outage; (iv) steps taken to restore service to the affected area; and (v) time taken for restoration of service. A Major Outage is defined as one that affects a significant geographic area and lasts longer than two (2) hours or any island-wide blackout.
- 23.6 The Licensee shall provide such other specified and relevant reports to URCA as may be reasonably required from time to time.
- 23.7 The Licensee shall annually prepare and submit to URCA a five (5) year forecast of projected demand and Electricity Transmission, Distribution and Supply System requirements.
- 23.8 The Licensee shall, annually, provide URCA with its capital investment plan and updated five (5) year capital investment plan.
- 23.9 The Licensee shall, in accordance with good industry practice, maintain and keep all appropriate books, records and accounts in respect of the activities to which this Licence relates including but is not limited to System Average Interruption Duration (SAIDI), the System Average Interruption Frequency Index (SAIFI) and Customer Average Interruption Duration Index (CAIDI) and such other internationally accepted utility industry performance indicators as URCA may direct.

24 ECONOMIC PURCHASING OF GOODS AND SERVICES

- 24.1 The Licensee shall exercise prudence in the purchase or acquisition of goods and services having regard to the quantity, timing and nature of the goods or services required to enable it to discharge its obligations under this Licence.
- 24.2 The Licensee shall, where requested by URCA, submit its procedures for procurement to URCA for consideration.
- 24.3 Nothing in the foregoing shall preclude the Licensee from outsourcing for goods and services through or from a Related Party so long as the Licensee can demonstrate at all times that such procurement is on terms which would obtain where such goods and services were procured competitively.

24.4 The Licensee in discharging its responsibility to procure or manage the procurement of goods and services shall follow best commercial practices designed to ensure fairness, transparency and value for money.

25 ENGAGING IN OTHER BUSINESS

25.1 The Licensee may engage in other business activities and shall keep separate accounts for its different activities. The Licensee's profits and losses from such other business activities shall not be considered for the purpose of setting tariffs.

25.2 At URCA's approval, the Licensee may allow third parties to have access to and use its facilities on an arm's length basis where such access and use allow the Licensee to operate more efficiently.

25.3 The leasing or use of the Licensee's Assets is subject to prior written approval by URCA. Such approval shall not be unreasonably withheld.

25.4 The Licensee may charge a third party a fee for access and use of its Facilities. Such fee shall be determined on an arm's length commercial basis determined by the value of the access or use.

26 RELATED PARTY TRANSACTIONS

26.1 In the case of a Related Party, transactions shall be at arm's length and the Licensee shall apply the same tests for economic choice and financial probity as where the related party were an unrelated third party.

27 CUSTOMER PROTECTION OBLIGATIONS

27.1 The Licensee shall submit to URCA for approval a Customer Protection Plan within three (3) months of the issuance of this Licence.

27.2 The Customer Protection Plan shall include all of the requirements outlined herein and the Licensee shall from time to time revise its Customer Protection Plan as required by URCA.

27.3 The Customer Protection Plan referred to in Condition 27.2 shall include –

- a) standards of service, quality and safety of electricity service and equipment provided;
- b) procedures for receiving and responding to customer complaints;
- c) procedures for resolving disputes with customers;
- d) procedures for billing and accelerated procedures for resolving disputes with customers related to billing;
- e) standards and procedures for terminating and restarting service that reflect that –

- i) electricity is a basic necessity;
 - ii) all residents should be able to afford essential electricity supplies;
 - f) special termination and restarting procedures for customers that provide an essential service and who satisfy eligibility criteria as outlined by URCA;
 - g) procedures for amending the customer protection standards adopted under this section when technological improvements or other changed circumstances require. The Licensee shall in any event update its Customer Protection Plan before each tariff review according to the timeline set by URCA;
 - h) specific plans for dealing with customers that provide an essential service, as a universal service obligation, in accordance with international industry best standards;
 - i) a damage claim policy and procedure for filing a claim for compensation.
- 27.4 URCA shall, before granting its approval, consult with stakeholders on the customer protection plan. URCA may, on completion of the consultation, require the Licensee to revise the proposed customer protection plan. The plan or revised plan, as the case may be, shall upon approval by URCA be implemented and enforced.
- 27.5 URCA shall monitor and enforce the customer protection conditions in licences and, in this regard, URCA may from time to time appoint in writing one or more suitably qualified electrical inspectors to inspect —
- a) any electrical installation or apparatus of any licensee; or
 - b) the wiring, fittings or apparatus used by any customer.
- 27.6 An electrical inspector appointed by URCA pursuant to Condition 27.5 has a right of entry to premises at all reasonable hours for the purpose of conducting an inspection and the owner or occupier of premises shall, upon production of an official card or badge by an inspector, admit the inspector to the premises.
- 27.7 URCA may issue regulatory or other measures relating to the protection of customers, including measures regulating —
- a) the standard of service and the quality and safety of the Electricity Transmission, Distribution and Supply systems and equipment;
 - b) the minimum requirements, qualifications and or tests a person must possess or undergo in order to be issued a licence or permit by any licensing or permitting authority to construct, erect, repair or alter, take charge or control the operation of, any installation or apparatus;
 - c) the handling of complaints by persons who are customers in the market for services and ancillary equipment; and
 - d) any other matter URCA deems necessary for securing the effective protection of persons who are in the markets served by public electricity suppliers and Electricity Transmission, Distribution and Supply systems.
- 27.8 A licensee shall —

- a) monitor its performance against such key performance indicators as may be set out in this licence or in any regulatory measures issued by URCA; and
- b) pursuant to a written request made by URCA, publish and provide in the manner required by URCA its performance results against the relevant key performance indicators.

28 SERVICE STANDARDS

- 28.1 URCA shall set Service Standards based on the Licensee's approved Customer Protection Plan. These standards shall include Guaranteed Service Standards, Overall Standards and/or other standards approved by URCA. These standards will be set considering the reasonable cost of meeting them, and any trade-offs with affordability.
- 28.2 The Licensee shall provide adequate, safe, and efficient service that meets the Service Standards set by URCA.
- 28.3 Where the Licensee breaches the Guaranteed Service Standards the aggrieved customer shall be entitled to a compensatory payment. URCA will set the amounts, and the amounts will be published by URCA and the Licensee on their websites.
- 28.4 The Licensee shall inform URCA of any breach of the Overall Service Standards, or of any performance below the agreed level and the steps taken as corrective measures. URCA may impose penalties where the Licensee's performance remains below the agreed levels, despite the implementation of corrective measures.
- 28.5 The Licensee shall collect data on its performance against the Service Standards. Information shall be compiled and submitted to URCA in the Annual and Quarterly reports under this Licence.
- 28.6 Performance against Overall Service Standards shall be considered by URCA in its rate setting and consumer protection determinations.

29 INFORMATION, AUDIT, INSPECTION AND ACCESS OBLIGATIONS

- 29.1 URCA may require:
 - (a) an inspection and/or audit of any aspect of the business of the Licensee and the Licensee shall assist or shall procure assistance to URCA as it may reasonably require;
 - (b) the Licensee or any of its subsidiary undertakings to provide URCA with such information, documents, accounts, returns, estimates, reports or other information

required by URCA in the manner and at the times specified by URCA. URCA may use this information for, but not limited to, purposes of compiling statistics and publishing periodical reviews of the Electricity Sector, and as required or permitted by the Act or other laws or legal process;

- (c) the Licensee to notify URCA of the details of all subsidiary undertakings providing a Licensed Business under this Licence; and
- (d) the Licensee to permit a person authorised by URCA to carry out such inspection and/or audit;

29.2 The Licensee shall maintain the data necessary to measure service and other electricity sector standards regulated by URCA and shall update this information annually or as required by URCA.

29.3 The Licensee shall at the request of URCA furnish URCA, at the Licensee's expense, with copies (in such format as URCA may specify) of any book, register, record or accounts as URCA may reasonably require.

30 GENERAL PERFORMANCE STANDARDS OBLIGATIONS

30.1 The Licensee shall make its best endeavours to comply with or exceed performance standards that have been agreed with URCA. Performance standards may be designed such that there is a balanced framework for penalties or rewards compared to historical or benchmarked performance and in these circumstances shall include “zones of acceptability” where no penalties or rewards would apply.

- (a) Where performance falls below agreed levels, the first step shall be discussion with URCA to assess the reasons, make and agree on corrections for poor performance as appropriate within such time as may be agreed between the Licensee and URCA and failing such agreement within such time as shall be directed by URCA.
- (b) The Licensee shall be given reasonable time to rectify poor performance levels and where performance continues to fall below the standard after those agreements, URCA may impose penalties for poor performance where the Licensee has not implemented the agreed-on action plan.

30.2 The Licensee will report on its performance against all standards as reasonably required by URCA from time to time.

30.3 Having regard to any written representations received by URCA or upon its own motion, after giving the Licensee an opportunity to present its own perspective on the same, for

reasons recorded in writing URCA may require the Licensee to revise its Electricity Transmission, Distribution and Supply system Planning and Reliability Standards, and Electricity Transmission, Distribution and Supply system Operating Standards, and the Licensee shall comply with the directions of URCA in relation thereto.

30.4 Standards may be reviewed at any time, whether initiated by the Licensee or URCA.

31 USE OF APPROPRIATE STAFF

31.1 The Licensee shall, in connection with the conduct of its business of generating, transmitting, distributing and supplying electricity under the Licence, ensure that its employees are appropriately trained and qualified.

32 OUTSOURCING

32.1 The Licensee may utilize the services of third parties on an ongoing basis in the provision of Transmission and Distribution (including supply) services. Procurement of such outsourced services shall be subject to URCA approval where they represent core and ongoing Transmission and Distribution (including supply) functions.

32.2 An approval granted by URCA shall be based on the cost effectiveness of the outsourced services, benefits to the economy of The Bahamas overall, to consumers in general and the fitness and propriety of the relevant third parties and shall not be unreasonably withheld.

PART D – SPECIAL PROVISIONS APPLICABLE TO TRANSMISSION AND DISTRIBUTION

33 DUTIES OF THE LICENSEE

33.1 The Licensee shall develop and maintain an efficient, coordinated and economical electricity supply system of electricity transmission and distribution in the Service Territory.

33.2 Subject to the provisions of this Licence and to the technical and economic constraints regarding access to the electricity supply system, the Licensee shall provide access to its transmission and/or distribution electricity supply system as appropriate, and interconnection access and service, on a non-discriminatory basis to facilities that it operates on requests by Public Electricity Suppliers, Authorized Public Electricity Suppliers, Independent Power Producers (IPPs) and, where appropriate, other transmission licensees.

33.3 Any dispute as to the terms and conditions on which such transactions take place may be determined by URCA.

33.4 The Licensee shall have no obligation to connect IPPs until after the parties have agreed that the installation and commissioning have been completed to the satisfaction of both parties. Where there is disagreement either party may apply to URCA to determine the issue.

34 TRANSMISSION AND DISTRIBUTION STANDARDS

34.1 The Licensee shall design, build, operate and maintain the electricity supply system for the transmission and distribution of electricity in accordance with the latest revisions of the Standards issued by the Canadian Standards Association (CSA) and other recognised international standards institutions such as the National Fire Protection Association (NFPA), International Electro-technical Commission (IEC); the Institute of Electrical and Electronic Engineers (IEEE); the American National Standards Institute (ANSI); and the Institution of Engineering and Technology (IET).

34.2 The Licensee shall also propose standards to URCA for its consideration.

34.3 When requested by URCA, the Licensee shall file with URCA a schedule of the applicable standards that relate to its transmission and distribution operations along with the references in soft copy.

34.4 URCA shall review, approve, modify or amend such standards as necessary.

35 TECHNICAL SERVICE LEVELS (TRANSMISSION AND DISTRIBUTION)

35.1 The Licensee shall design, build, operate and maintain the electricity supply system for the transmission and distribution of electricity so as to achieve service levels in line with applicable industry best practice for similar electricity supply systems and such other benchmarks as URCA, after consultation with the Licensee, may direct from time to time.

35.2 Without limiting the requirements of Condition 35.1, when requested by URCA the Licensee shall submit to URCA a plan setting out its strategy for achieving the target service levels that will have been established in accordance with Condition 35.1.

35.3 URCA may direct the Licensee to update and resubmit the plans from time to time.

35.4 URCA may direct the Licensee as to matters to be included in the plans and may amend or replace such direction from time to time.

35.5 The service level targets and the plans submitted by the Licensee or any revisions thereof, once approved by URCA, shall form part of this Licence as a Condition.

- 35.6 The Licensee shall provide URCA with a written report on its achievements under the plans as requested by URCA.
- 35.7 The Licensee shall comply with any directions issued by URCA from time to time, regarding any other quality of service indicators and measurement methods for the transmission distribution and supply business and shall, as and when required by URCA, supply to URCA the results of its measurements of actual performance against any quality of service indicators and measurements so specified.
- 35.8 URCA may publish or require publication of such information as it considers appropriate.

36 DEVELOPMENT OF AND COMPLIANCE WITH TECHNICAL AND OPERATIONAL CODES

- 36.1 The Licensee shall, in consultation with any other Licensee liable to be materially affected thereby and such other persons as URCA shall consider appropriate, develop and implement, at the request of URCA, such technical and operational codes as URCA may, from time to time, direct.
- 36.2 The Licensee shall, in consultation with any other Licensee liable to be materially affected thereby and such other persons as URCA shall consider appropriate, periodically review (including at the request of URCA) such technical and operational codes as are developed and implemented by the Licensee pursuant to Condition 36.1.
- 36.3 Following the development of any technical and operational codes pursuant to this Condition 36 and the review of any such codes, the Licensee shall send to URCA:
- (a) a report on the outcome of any consultation and of the review as the case may be; and
 - (b) any proposed revisions to any such code from time to time as the Licensee (having regard to the outcome of any consultation or review) reasonably thinks necessary; and
 - (c) any written representations or objections from any Licensee arising during the consultation process and not withdrawn.
- 36.4 Having considered the information provided pursuant to Condition 36.3 and such other relevant information, URCA may direct the Licensee to change any technical and operational codes developed pursuant to Condition 36.1 and the Licensee shall comply with such directions.
- 36.5 The Licensee shall give or send a copy of all approved technical and operational codes (and any revisions thereto) developed and implemented by the Licensee pursuant to this

Condition 36 to URCA and at the same time the Licensee shall make this information available generally by way of publication on the Licensee's website.

- 36.6 The Licensee shall comply with the provisions of any approved technical and operational codes insofar as applicable to it.
- 36.7 URCA may, following consultation in relevant circumstances with any Licensee liable to be materially affected thereby and such other Licensees and other parties as URCA shall consider appropriate, issue directions relieving the Licensee of its obligation under Condition 36.6 in respect of such part or parts of any approved technical and operational codes to such extent as may be specified in those directions.

PART E – SPECIAL PROVISIONS FOR SUPPLY

37 DUTIES OF THE LICENSEE

- 37.1 The Licensee shall design, build, operate and maintain an efficient coordinated and economical electricity supply system of electricity supply to consumers and its customers, in the Service Territory.
- 37.2 The Licensee shall at all times during the term of this Licence or any extension thereof furnish and maintain a supply of electricity for public and private use in accordance with reasonable standards of safety and dependability as understood in the electricity supply business.
- 37.3 The Licensee has a duty to connect any person desiring to obtain electric service that enters or is qualified to enter into an agreement with the Public Electricity Supplier or Authorized Public Electricity Supplier in accordance with the provisions of the Act.

38 DUTY TO SECURE LONG TERM ELECTRICITY SUPPLY SYSTEM SECURITY AND RELIABILITY

- 38.1 Subject to the provisions of this Licence and directions of URCA, the Licensee shall ensure that the development of the electricity supply system is implemented based on agreed Long Term Planning procedures and methodologies and that investments are made consistent with such plans and in conformity with prudent utility practice so as to ensure adequacy and continuity of supply at the least economic cost at the same time ensuring that the Licensee earns a reasonable return on its investment.
- 38.2 The Licensee shall plan and operate its transmission and distribution electricity supply system to ensure that subject to the availability of adequate power of appropriate quality, the electricity supply system is capable of providing consumers with a safe, reliable and efficient supply of electricity.

38.3 In developing the electricity supply system plans, URCA and the Licensee shall have regard to the Government's energy and electricity policies as the case may be.

38.4 The Licensee shall not, without the prior written consent of URCA, permanently close, retire or cease operating any electricity supply system assets.

39 TECHNICAL SERVICE LEVELS (SUPPLY)

39.1 The Licensee shall submit to URCA a plan setting out its strategy for achieving the service levels in line with international best practice and such other benchmarks as URCA after consultation with the Licensee, may direct from time to time.

39.2 URCA may direct the Licensee to update and resubmit the plans from time to time.

39.4 URCA may direct the Licensee as to matters to be included in the plans and may amend or replace such direction from time to time.

39.5 The service level targets and the plans submitted by the Licensee or any revisions thereof, once approved by URCA, shall form part of this Licence as a Condition and the Licensee shall be deemed to be in breach of its Licence where the target levels are not achieved.

39.6 Upon request the Licensee shall provide URCA with a written report on its achievements under the plans, as set out in Condition 39.2.

39.7 The Licensee shall comply with any directions issued by URCA from time to time, regarding any other quality of service indicators and measurement methods for the supply business and shall, as and when required, supply to URCA the results of its measurements of actual performance against any quality of service indicators and measurements so specified.

39.8 URCA may publish or require publication of such information as it considers appropriate.

40 STANDARDS

40.1 Upon request, the Licensee shall file with URCA a schedule of the applicable standards that relate to its supply operations along with the references.

41 SECURITY AND SAFETY SUPPLY

41.1 The Licensee shall make arrangements to keep its customers informed of the postal and email address, website address, telephone number, and any other relevant mode of contact of an enquiry service established and operated for the purposes of receiving reports from any person about any matter or incident that:

- (a) causes danger or requires urgent attention, or is likely to cause danger or require urgent attention, in relation to the transmission, distribution or supply of electricity; or
- (b) affects or is likely to affect the security, availability or quality of service of the Licensee's electricity transmission, distribution or supply system through which the relevant customer is supplied with electricity.

41.2 The enquiry service referred to at Condition 41.1 must be:

- (a) available to receive and process telephone and electronic reports and enquiries at all times on every day of each year; and
- (b) operational on the Commencement Date of this Licence.

41.3 The Licensee may discharge the duty imposed by Condition 41.1 by providing the requisite information to each of its customers prior to the occasion of the customer first receiving services from the Licensee and thereafter:

- (a) either:
 - (i) where bills or statements in respect of charges for the supply of services are rendered to the customer, on a quarterly basis (it being sufficient that the information is included on or with any bill or statement); or
 - (ii) in any other case, on an annual basis; or
 - (iii) by publishing such information on its web site and in such other manner as will, in the opinion of the Licensee, secure adequate publicity for it.

42 PREPARATION, REVIEW OF AND COMPLIANCE WITH CODES OF PRACTICE

42.1 Upon request by URCA the Licensee shall prepare codes of practice setting out the principles and procedures the Licensee will follow in respect of the requirements of the Act and the various matters that affect customers. These include but are not limited to:

- (a) efficient use of energy;
- (b) payment of bills;
- (c) handling customer complaints;
- (d) access to customers' premises;
- (e) connections and disconnections;
- (f) meter reading;
- (g) information on "how to make a complaint or seek assistance";

- (h) contact information for the company;
 - (i) special arrangements for vulnerable customers;
 - (j) how to make appointments for visits to customers' locations;
 - (k) how to read the meter;
 - (l) how to make claims for damage;
 - (m) customer service guarantees; and
 - (n) any other matter URCA deems appropriate.
- 42.2 Notwithstanding Condition 42.1, the Licensee may issue codes of practice on its own volition.
- 42.3 The Licensee may review a code and the manner in which it has been operated with a view to determining whether any modification should be made to that code or to the manner of its operation, and shall do so on its own volition or whenever directed to by URCA.
- 42.4 Pursuant to the review undertaken under Condition 42.3 URCA may, after consultation with the Licensee, approve any amendments or modifications (including deletions) to a code. In addition URCA may issue directions to the Licensee to provide information to URCA or to notify URCA of matters affecting the Licensee's customers where such matters are relevant to the issues addressed by the codes.
- 42.5 The Licensee shall:
- (a) as soon as practicable following the preparation of a code or any revision made to it, send to URCA a copy of the code or such revision in the form approved by URCA;
 - (b) draw to the attention of its customers the existence of the codes and each substantive revision of each of them and how they may inspect or obtain a copy of the codes in their latest form;
 - (c) make a copy of the codes available for inspection by members of the public at each of the Licensees relevant premises during normal opening hours;
 - (d) give or send, at a reasonable charge, a copy of the codes (as from time to time revised) to any person who requests it.
- 42.6 Subject to Condition 42.8, the Licensee shall ensure that it complies with the terms of and the arrangements or procedures (as the case may be) as are contained in or described by each code to which this Condition applies or any revision to such codes approved by URCA.

- 42.7 The Licensee shall provide URCA with all assistance reasonably necessary to enable URCA to monitor the implementation and operation of any code and this assistance shall include permitting URCA access to relevant documentation held by the Licensee.
- 42.8 URCA may (following consultation with the Licensee and such other parties as URCA deems necessary) issue directions relieving the Licensee of any of its obligations under this Condition 42 to such an extent as may be specified in those directions and subject to such terms and conditions as URCA thinks fit.
- 42.9 In this Condition "**relevant premises**" means any premises of or occupied by the Licensee or any associated company or subsidiary undertaking of the Licensee open to customers in the normal course of the Licensee's Licensed Business.

43 JOINT USE OF POLES

- 43.1 The Licensee may enter into any arrangement or contract for the joint use of poles with other Licensees under the Act or any other relevant law so long as such use shall not contravene any other law or violate any safety code or, provide an unsafe working condition for the Licensee's employees or the public. Such arrangements or contracts must be filed with URCA upon request.
- 43.2 The Licensee shall publish a code of practice for use by other Licensees setting out the procedures that are in place for management of these joint-pole arrangements and the standards for use of its poles by these companies.
- 43.3 A copy of the code of practice, along with the scale of charges that may be in effect for the time being must be submitted to URCA as requested by URCA.
- 43.4 The prices which the other Licensees are charged by the Licensee for attachments to its poles shall be fair and reasonable.

46 GRID CODE

- 46.1 The Licensee shall comply with the Grid Code established by the Approving Authority and approved by URCA. URCA may, on reasonable grounds and at the request of the Licensee, issue an order to relieve the Licensee of its obligation to comply with the Grid Code to the extent that it does not adversely affect the safety, reliability and quality of the Licensed Business.

PART F – PRICE CONTROLS MECHANISM AND TARIFFS

51 TARIFF PRINCIPLES

51.1 URCA shall determine the Licensee's rates for services pursuant to URCA's powers under the Act, as amended from time to time and on the principles set out therein.

52 TARIFF REVIEWS

52.1 URCA shall conduct a Tariff Review for the Licensee in accordance with the sections 14 and 38 of the Act.

52.2 The Licensee shall comply with the processes and timelines established by URCA for tariff reviews.

53 SEPARATED ACCOUNTS

53.1 To assist in setting tariffs, the Licensee shall maintain separated accounts for its transmission, distribution and supply services.

53.2 Where so determined by URCA, the Licensee shall within a specified period by URCA:

- (a) prepare and maintain accounting records in a form that enables the activities of any business unit specified by URCA to be separately identifiable; and
- (b) the accounts shall be maintained according to internationally comparable standards and prepared according to rules approved by URCA.

PART G – TRANSITIONAL CONDITION

On the Commencement Date, in order to enable a smooth transition to the full force and effect of this Licence, all rates, tariffs, codes and standards applicable to the Licensee existing and in force prior and up to the grant of this Licence which would normally have effect under the Act shall remain in effect and force until such time as they are logically and practically superseded by the actions taken by URCA under this Licence, the Act or any other relevant law.