



**AGREEMENT**  
**PRO-FORMA**  
**For**

**THE PURCHASE AND SALE OF ELECTRICITY**

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## **THIS POWER PURCHASE AGREEMENT**

**is made on the ..... day of ..... 200\_**

### **BETWEEN**

The [XXX COMPANY LIMITED] of P.O. Box [XXX], KAMPALA (hereinafter referred to as “GENCO” which expression shall where the context so admits include its successors in title and assignees) of the one part;

### **AND**

The UGANDA ELECTRICITY TRANSMISSION COMPANY LIMITED, of P.O. Box 7625, KAMPALA (hereinafter referred to as “UETCL” which expression shall where the context so admits include its successors in title and assignees) of the other part;

### **WHEREAS:**

GENCO is empowered under Licence No. [XXX] issued under the Electricity Act Chapter 145 of the Laws of Uganda to engage in the business of generation of electrical energy;

UETCL is empowered and legally authorised under Licence No. [XXXX] to purchase electrical energy;

GENCO is desirous of selling electrical energy to UETCL, and UETCL desires to purchase electrical energy from GENCO

**NOW THEREFORE THIS CONTRACT WITNESSETH** as follows: -

## **1 DEFINITIONS AND INTERPRETATION**

### **1.1 Definitions**

In this Agreement, unless the context otherwise requires, the following words and phrases shall have the meanings given to them below:

“Act”: means the Electricity Act Chapter 145 of the Laws of Uganda, as may be amended from time to time.

“Agreement”: means this Power Purchase Agreement as it may be amended from time to time.

“Annual Contract Volume”: means the volume of energy estimated by GENCO to be delivered to UETCL in the relevant Contract Year.



“Arbitrator”: means an arbitrator appointed in accordance with the dispute resolution procedure set out in Clause 10.

“Authorisation”: means any approval, consent, licence, permit, authorisation or other permission granted or to be granted by a Government Authority required for the enforcement of rights or performance of obligations under this Agreement by a Party;

“Authorised Person”: means, in the case of the GENCO or UETCL, the person nominated from time to time to represent the GENCO or UETCL;

“Billing Period Invoice”: means a monthly invoice from GENCO to UETCL setting forth payments due in accordance with Clause 5;

“Business Day”: means any Day of the week other than a Saturday or Sunday, or public holiday in Uganda;

“Change in Law”: means the occurrence of any of the following after the execution of this Agreement:

- a) The enactment of a new Ugandan law;
- b) The repeal or modification or re-enactment of any existing Ugandan law;
- c) The commencement of any Ugandan law which has not yet entered into effect;
- d) A change in the interpretation or application of any Ugandan law by any Governmental Authority having direct authority for its interpretation or application;
- e) The imposition by a Governmental Authority of a requirement for any Authorisation which did not exist at the date of this Agreement;

which establishes a material increase or material reduction in revenue as a consequence of any requirement for the design, construction, financing, ownership, operation or maintenance of the Project that is materially more restrictive than the most restrictive requirements (i) in effect as of the date of this Agreement (ii) specified in any connection with such application for any Authorisation.

“Check Meter” – means any of the check meters owned, operated and maintained by GENCO at the Interconnection Points to check the Metered Energy. The Check Meter is more specifically identified and described in Schedules 1 and 4.

“Commercial Operation Date”: means the date when GENCO commences delivery of Energy to UETCL.

“Consequential Loss”: means all losses, costs and financial harm not directly (whether or not foreseeable) resulting from any breach by a Party of its obligations hereunder.

“Contract Year”: means the period from 1st January in any year until and including 31st December in the same year, provided: -



- a) The first Contract Year shall be for a period from the Commercial Operation Date until and including the next following 31 December;
- b) The last Contract Year shall be the period from 1st January of the year this Agreement is terminated or expires and including the date on which this Agreement is terminated or expires.

“Day” or “day”: means a period of twenty-four (24) Hours beginning at 0000 Hours on a day and ending at 2400 Hours on that day.

“Delivery Points”: means both the UETCL Delivery Point and the GENCO Delivery Point.

“Dispatch Instruction”: means an instruction given by UETCL to dispatch the generating station forming part of the Project.

“Dispatch Schedule”: means a schedule showing the periods when GENCO’s power station is expected to be dispatched.

“Effective Date”: means the date on which the last of the Conditions Precedents set out under Clause 2 has been satisfied.

“Emergency Conditions”: mean conditions giving rise to an emergency as defined in the Grid Code.

“Energy Charge”: means the amount due to GENCO from UETCL for the delivery of Metered Energy, as more particularly described in Schedule 3.

“Energy”: means electrical energy measured in MWh delivered by GENCO to UETCL.

“ERA”: means the Electricity Regulatory Authority of Uganda established under the Act.

“Event of Default” means an event constituting grounds on which a Party may terminate this Agreement, as set out in Clause 8.

“Financial Close”: means the date on which the initial disbursement is made by the Lenders.

“Force Majeure Event”: means an event constituting Force Majeure as defined under Clause 7.

“GENCO System”: means the electric power network, the lines, equipment and associated protective devices, safety and communication equipment owned by GENCO.

“GENCO” means the XXX Company Limited.

“Governmental Authority”: means any department, authority, instrumentality, agency or other relevant entity from which an Authorisation is to be obtained from time to time and any authority, body or other person having jurisdiction under the Laws of Uganda with respect to GENCO or the Project.



“Grid Code”: means the Electricity (Primary Grid Code) Regulations of 2003, as may be amended from time to time.

“Hour”: means each continuous period of sixty (60) minutes commencing with the first minute of each of the twenty-four (24) denominated hours in any Day;

“IEC Standards”: means the relevant standards published by the International Electro technical Commission of No. 3, Rue de Varembe, P.O. Box 131, CH-1211 Geneva, Switzerland.

“Interconnection Point”: means the location where the GENCO System interconnects with the Umeme System, as shown in Schedule 1.

“Interest Rate”: means the rate of LIBOR plus three percent (3%) per annum.

“Invoice Dispute Notice”: shall have the meaning ascribed thereto in Sub-clause 5.4.

“kV”: means kilovolts or 1,000 volts.

“kW”: means a kilowatt or 1,000 watts.

“kWh”: means one (1) kilowatt hour or one unit.

“Laws of Uganda”: means the laws of Uganda and all orders, rules, regulations and decrees, judgments and notifications made pursuant thereto as such laws, orders, rules, regulations, decrees, judgments and notifications may be modified, vacated or amended from time to time.

“Legal Requirement”: means any requirements established under any statute, law, regulation or other legislation, or any decree, order or directive emanating from any Governmental Authority of the Republic of Uganda, in respect to GENCO and UETCL;

“Lender”: means the banks and other financial institutions party to the financing agreements to the Project.

“LIBOR” means the London Inter-Bank Offered Rate of interest for three-month deposits of Euro-Dollars displayed on page “LIBOR01” of the Reuters Money Rates Service (or any other page that replaces “LIBOR01” for the purpose of displaying the British Bankers Association (“BBA”) interest settlement rates for such deposits of Euro-Dollars in the London Inter-Bank market) on the date of determination, or in the event that the Reuters Money Rates Service, or any successor thereto, no longer provides such information, such other service as may be agreed by the Buyer and the Seller that provides the BBA interest settlement rates for such deposits of Euro-Dollars in the London Inter-Bank market and any other information previously provided on the page “LIBOR01”.

“Liquidated Damages” means payments determined in accordance with Sub-clause 5.6.



“Main Meter”: means main meter and associated metering equipment owned, operated and maintained by GENCO at the Interconnection Point and used to measure and record Metered Energy and input at the Interconnection Point. The Main Meter is more particularly identified and described in Schedules 1 and 4.

“Metered Energy”: is comprised of the Peak Metered Energy, the Shoulder Metered Energy and the Off-Peak Metered Energy (expressed in MWh), as recorded by the Main Meter or the Check Meter or estimated and computed in accordance with Schedule 2.

“Metering System”: means the Main Meter and the Check Meter and all associated equipment.

“Month”: means a calendar month.

“Monthly Exchange Rate” shall have the meaning ascribed thereto in Schedule 3.

“MW”: means a megawatt or 1000 kilowatts or 1,000,000 watts.

“MWh”: means one (1) megawatt hour.

“Notice of Intent to Terminate” shall have the meaning ascribed thereto in Sub-clause 8.2.

“Off-Peak Block” means the set of Hours as defined in Schedule 2.

“Off-Peak Energy Charge” means the Energy Charge for the Off-Peak Metered Energy as determined in accordance with Schedule 3.

“Off-Peak Metered Energy” means the energy delivered to UETCL by GENCO at the Interconnection Point in the Off-Peak Block as recorded by the Metering System in accordance with Schedule 2.

“Party”: means any of the signatories to this Agreement and “Parties” shall mean all of them.

“Peak Block” means the set of Hours as defined in Schedule 2.

“Peak Energy Charge” means the Energy Charge for the Peak Metered Energy as determined in accordance with Schedule 3.

“Peak Metered Energy” means the energy delivered to UETCL by GENCO at the Interconnection Point in the Peak Block as recorded by the Metering System in accordance with Schedule 2.

“Power Factor”: means the cosine of an angle whose tangent is a ratio of reactive power to active power.

“Project”: means the development, design, construction, ownership, operation and maintenance of the power station and associated electricity distribution infrastructure.



“Prudent Operating Practice”: means generally accepted industry operating and maintenance practices.

“SCADA” means Supervisory Control And Data Acquisition, in the context of this Agreement being a system capable of remotely retrieving data recorded by the Metering System.

“Schedules”: means the schedules attached to this Agreement and forming an integral part of this Agreement.

“Shoulder Block” means the set of Hours as defined in Schedule 2.

“Shoulder Energy Charge” means the Energy Charge for the Shoulder Metered Energy as determined in accordance with Schedule 3.

“Shoulder Metered Energy” means the energy delivered to UETCL by GENCO at the Interconnection Point in the Shoulder Block as recorded by the Metering System in accordance with Schedule 2.

“Supply Period”: means the period commencing on the first Commercial Operations Date and concluding on the expiration of the Term or the earlier termination of this Agreement.

“Term” has the meaning ascribed thereto in Clause 2.

“Termination Notice” shall have the meaning ascribed thereto in Sub-clause 8.2.

“Tribunal” means the panel of arbitrators as established in accordance with Clause 10.

“UETCL System” means the electric high voltage transmission system, including but not limited to all transmission lines and equipment, transformers and associated equipment, relay and switching equipment and protective devices and safety and communications equipment owned and/or operated by UETCL and required for the performance by UETCL of its obligations under this Agreement.

“UETCL” means the Uganda Electricity Transmission Company Limited

“UG Shilling”: means the currency that is the legal tender of the Republic of Uganda.

“Umeme System”: means the 33kV distribution system including but not limited to all distribution lines and equipment, transformers and associated equipment, relay and switching equipment and protective devices and safety and communications equipment owned and/or operated by Umeme.

“Umeme” means the company registered in Uganda in this name.

“US Dollars” or “US \$”: the lawful currency of the United States of America.





## **1.2 Interpretation**

In this Agreement:

- 1.2.1 References in the singular shall include references in the plural and vice versa, and words denoting natural persons shall include corporations and any other legal entity and vice versa;
- 1.2.2 References to the word “including” are to be construed without limitation;
- 1.2.3 Except to the extent that the context requires reference to a particular Clause, Sub-clause or Schedule shall be references to that Clause, Sub-clause or Schedule in or to this Agreement;
- 1.2.4 Except to the extent that the context requires any reference to “this Agreement” or any other agreement or document is a reference to it as amended, supplemented or notated from time to time and includes a reference to any document which amends, is supplemental to, notates, or is entered into, made or given pursuant to or in accordance with any terms to it;
- 1.2.5 The headings and paragraph numbers are inserted for convenience only and are to be ignored for the purposes of construction;
- 1.2.6 Calculations carried out pursuant to this Agreement will be rounded to two (2) decimal places.
- 1.2.7 The language of negotiation of this Agreement has been English, this Agreement is executed in English, and this English text shall prevail for the purposes of determining the intention of the Parties and in any construction of this Agreement.

## **2 CONDITIONS PRECEDENT AND TERM OF AGREEMENT**

### **2.1 Conditions Precedent**

- 2.1.1 This Agreement shall come into full force and effect on the Effective Date upon: -
  - 2.1.1.1 This Agreement being approved by ERA;
  - 2.1.1.2 Financial Closure of the Project.

### **2.2 Term of Agreement**

- 2.2.1 This Agreement shall continue in full force and effect for [15] years following the Commercial Operation Date, provided that this term may be extended or reduced in accordance with the terms of this Agreement (the “Term”)



- 2.2.2 The Term shall be extended automatically by the aggregate number of Days that all Force Majeure Events, where declared by either Party, were in existence during the Term. During such extensions, the terms of this Agreement shall continue with full force and effect.
- 2.2.3 Unless this Agreement has been terminated prior to such date, not later than two (2) years prior to the end of the Term, at the request of either Party, GENCO and UETCL shall enter into good faith negotiations to establish the terms and conditions under which this Agreement may be extended or renewed.

### **3 DELIVERY OF ENERGY**

#### **3.1 Interconnection**

- 3.1.1 GENCO will build a metered interconnection to the distribution network operated by UMEME at the Interconnection Point as shown in Schedule 1 to this Agreement.
- 3.1.2 The Interconnection Point shall be the point at which GENCO delivers Energy to UETCL and the point at which UETCL accepts Energy from GENCO.
- 3.1.3 GENCO will ensure that its interconnection arrangements and agreements are in accordance with Section 11 and Section 25 of the Grid Code.

#### **3.2 Dispatch of generating facilities**

- 3.2.1 GENCO will provide information to UETCL on the expected Dispatch Schedule for its generating facilities in a format and frequency as may reasonably be requested by UETCL, provided that this schedule so provided shall not be binding on GENCO.
- 3.2.2 In accordance with the information provided under clause 3.2.1, GENCO will have the right to independently dispatch the generating facilities and deliver Energy to the Interconnection Point, subject to Sub-clause 3.2.3.
- 3.2.3 Under Emergency Conditions, including situations where UETCL is obliged to load shed in such a way that influences the operations of GENCO, GENCO will dispatch the generating facilities in accordance to Dispatch Instructions provided by UETCL.

#### **3.3 Quality of supply**

GENCO shall deliver Energy in accordance with the quality of supply standards of Sections 8 and 11 of the Grid Code as they apply to embedded generation, excepting any standards that the ERA may have provided exemption from.



## **4 METERING**

### **4.1 Meter installation and sealing**

- 4.1.1 GENCO shall install, own and maintain the Main and Check Meters at the Interconnection Point.
- 4.1.2 The Main and Check Meters shall have the functional capability to determine the Metered Energy quantities as set out in Schedule 2 to this Agreement.
- 4.1.3 GENCO undertakes to provide to UETCL access to the Main and Check Meters for the installation of any SCADA monitoring equipment that UETCL may at their expense install.
- 4.1.4 The Metering System shall be jointly sealed. Each party shall own its seals. These seals shall be broken only jointly by GENCO and UETCL. A Party shall give at least twenty-four (24) hours advance notice to the other Party of the breaking of seals on any part of the Metering System. If the other Party when served with the notice does not appear, the Party wishing to break the seals may proceed but shall provide signed explanation to the other Party within forty-eight (48) hours of such breaking of the seals.
- 4.1.5 The seals shall not be removed by any of the Parties without consent of the other Party, which consent shall not be unreasonably withheld by a Party. Both Parties undertake not to tamper or otherwise interfere with any part of the Metering System in any way.

### **4.2 Meter reading**

- 4.2.1 The Main and Check Meters shall be read monthly by GENCO in accordance with Schedule 2.
- 4.2.2 The monthly meter readings shall be used to determine the monthly Metered Energy quantities in accordance with Schedule 2.

### **4.3 Meter Testing**

- 4.3.1 GENCO shall initially test the Main and Check Meters at the Interconnection Point for accuracy in accordance with Schedule 4 at least fifteen (15) days prior to either delivering or receiving Energy through such Interconnection Point.
- 4.3.2 GENCO shall have the Main and Check Meters tested in accordance with the requirements of Schedule 4 and, if necessary, re-calibrated at least once every twenty-four Months or whenever either Party has reason to believe that the equipment is no longer performing within the standards of accuracy prescribed and has given notice to the other Party of such concern. GENCO shall on reasonable notice to UETCL arrange a suitable date for the Main or Check Meters to be tested. Testing and re-



calibration shall be carried out in the presence of both Parties' duly Authorised Person or Persons appointed in writing.

- 4.3.3 After completion of any testing in accordance with Sub-clause 4.3.2, GENCO shall prepare and promptly submit to UETCL a statement which shall be a record of the results of the testing, and the extent to which the Meters were performing outside the limits of accuracy prescribed under Schedule 4;
- 4.3.4 The Metered Energy supplied by GENCO to UETCL shall be measured using readings of the Main Meter unless such meter is found to be malfunctioning or performing outside the limits of accuracy specified in Schedule 4. In such event, the procedure specified in Schedule 2 shall be used to determine the Metered Energy.
- 4.3.5 If, at any time, it is determined by the Parties, as a consequence of a test or as is otherwise manifest, that the Main Meter or Check Meter should be replaced, then GENCO shall replace the Main Meter or Check Meter as the case may be.

## **5 SALE AND PURCHASE OF ENERGY**

### **5.1 Delivery and Purchase of Energy**

- 5.1.1 Not later than 60 Days prior to the first Day of any Contract Year GENCO shall notify UETCL of the Annual Contract Volume for the following Contract Year, which shall not be greater than [XXX] GWh.
- 5.1.2 With effect from the Commercial Operation Date and subject to and in accordance with this Agreement:
  - 5.1.2.1 GENCO shall each Contract Year during the Supply Period deliver Energy to UETCL at the Interconnection Point; and
  - 5.1.2.2 UETCL shall each Contract Year during the Supply Period accept Energy delivered by GENCO and shall pay GENCO the charges ascertained and calculated in accordance with this Agreement.
- 5.1.3 The quantities of Energy sold and purchased under this Agreement shall be metered in accordance with Clause 4 and determined in accordance with Schedule 2 to this Agreement.

### **5.2 Invoices for Energy delivered**

- 5.2.1 UETCL shall pay GENCO:
  - 5.2.1.1 The Energy Charge for Metered Energy delivered to UETCL at the Interconnection Point determined in accordance with Schedule 3 to this Agreement; and



- 5.2.1.2 Any Liquidated Damages as determined in accordance with Sub-clause 5.6; and
- 5.2.1.3 an amount equal to the Value Added Tax as legally imposed upon GENCO by any Governmental Authority in Uganda and which are due and payable by GENCO on sales of Energy.
- 5.2.2 Subsequent to the Commercial Operation Date, GENCO shall prepare and submit to UETCL an invoice no later than the [10th] Day of each Month following any Month during which Metered Energy is supplied to UETCL, and that invoice (the “Billing Period Invoice”) showing all intermediate calculations shall state:
  - 5.2.2.1 the Metered Energy quantities, comprising the Energy delivered by GENCO to UETCL, determined in accordance with Schedule 2 to this Agreement;
  - 5.2.2.2 the Energy Charge, determined in accordance with Schedule 3 to this Agreement;
  - 5.2.2.3 any other sums payable by UETCL to GENCO under this Agreement then due.
- 5.2.3 The Billing Period Invoice shall be sent to UETCL initially by facsimile or email followed by a hard copy.

### **5.3 Method of Payment**

- 5.3.1 UETCL shall make payment in UG Shillings, not later than [sixty (60) Days] following the delivery of the Billing Period Invoice, by direct bank transfer to a nominated bank account notified to UETCL by GENCO in such invoice.
- 5.3.2 Subject to Sub-clause 5.4, GENCO shall be entitled, without prejudice to any other right, relief or remedy, to receive interest on any payment properly due to it, and not made within the time for such payment at the Interest Rate computed from the due date of the invoice.

### **5.4 Disputed Payments**

- 5.4.1 If any sum or part of any sum stated in a Billing Period Invoice or other invoice (as the case may be), is in good faith disputed by UETCL, then UETCL shall:
  - 5.4.1.1 Promptly issue to the other GENCO a written notice (“Invoice Dispute Notice”) specifying exactly what it is disputing within the invoice and thereafter pay any undisputed sum in accordance with Sub-clause 5.3.
  - 5.4.1.2 Pay such amount as is agreed or determined payable in respect of the disputed sum within sixty (60) days of -



- i) the date on which the Parties resolve the disputed sum; or
- ii) the date of determination if the Parties fail to reach agreement, and the matter has been referred for arbitration in accordance with Clause 10.

5.4.1.3 Unless it is so determined that payment should be made in accordance with Clause 10, when making payment of the amount agreed or determined, pay interest on that amount at the Interest Rate divided by twelve compounded monthly, from and including the due date of the Billing Period Invoice or any other invoice (as the case may be) up to but excluding the date of payment.

5.4.2 If UETCL disputes any amount specified in any Billing Period Invoice presented by GENCO more than three (3) times in any period of nine (9) consecutive Months, and to the extent that the disputes are found to be valid by GENCO or by an Arbitrator, then the Parties shall meet at the request of either Party to discuss and resolve the causes of the persistent billing errors.

5.4.3 If UETCL disputes any amount specified in any Billing Period Invoice presented by the GENCO more than three (3) times in any period of nine (9) months and such disputes are found to be invalid by GENCO or by an Arbitrator, then UETCL shall be liable to pay all the direct costs incurred by GENCO which may accrue as a result of such disputed Billing Period Invoice.

## 5.5 No Set-off

All payment by UETCL to GENCO under this Agreement shall be made without deduction or withholding (except to the extent required by law) on account of any other amount, whether by way of set-off or otherwise, unless deductible under the express provisions of this Agreement or pursuant to a valid Court Order, provided that nothing in Sub-clause 5.5 shall prevent GENCO from bringing an action in respect of any contractual dispute.

## 5.6 Liquidated Damages

5.6.1 If GENCO is prevented from delivering Energy to UETCL as a result of a failure of the UETCL System, UETCL shall pay GENCO Liquidated Damages; Provided that Liquidated Damages shall not be payable where the failure of the UETCL is due to scheduled maintenance.

5.6.2 For the purpose of this Agreement, failure of the UETCL System due to scheduled maintenance shall be limited to [872] hours per Contract Year.

5.6.3 Liquidated Damages for a Month payable by UETCL shall be determined as the average Energy Charge of the preceding three Billing Period Invoices, divided by seven hundred and thirty (730), multiplied by the number of Hours that the UETCL System failed in the Month.



- 5.6.4 The Target Availability for GENCO is [ninety percent (90%)].
- 5.6.5 Availability of the GENCO generator in any year shall be determined as the ratio of the hours during the year when the generator was available to generate to the potential number of operating hours. The potential number of operating hours shall be the number of hours in the year less the number of hours during which the generator was not available due to hydrological constraints.
- 5.6.6 If the availability of the GENCO generator is below the Target Availability in any calendar year; GENCO shall pay UETCL Liquidated Damages.
- 5.6.7 Liquidated Damages payable by GENCO shall be calculated as the product of the lost output due to availability below the Target Availability and the average Transmission Margin, where the Transmission Margin is calculated as the revenue requirement of UETCL for the year as approved by ERA, excluding the cost of power purchases, divided by UETCL's bulk electricity sales for the year.

## **6 UNDERTAKINGS AND WARRANTIES OF THE PARTIES**

### **6.1 Undertakings of each Party**

Each Party undertakes that

- 6.1.1 it shall comply with all the applicable Legal Requirements, and
- 6.1.2 will hold and maintain in good order and validity, and renew and comply with, all Authorisations required for the performance of their obligations under this Agreement.

### **6.2 Warranties of each Party**

Each Party represents and warrants that

- 6.2.1 It is a limited liability company duly organized and validly existing under the laws of Uganda and has all requisite legal power and authority to execute this Agreement and to carry out the terms, conditions and provisions herein contained;
- 6.2.2 All Authorisations required for the execution, delivery and performance by it of this Agreement and the transactions contemplated herein have been taken and are in full force and effect, or have been applied for through the due process required by the relevant Governmental Authority;
- 6.2.3 This Agreement constitutes its valid, legal and binding obligations, enforceable in accordance with the terms hereof except where the



enforceability may be limited by applicable laws affecting creditors' rights generally;

- 6.2.4 There are no actions, suits or proceedings pending or, to its knowledge, threatened, against or affecting it before any court or administrative body or arbitral tribunal that might materially adversely affect its ability to meet and carry out its obligations under this Agreement;
- 6.2.5 The execution, delivery and performance of this Agreement have been duly authorised by all requisite corporate action, and will not contravene any provision of, or constitute a default under any other agreement or instrument to which it is a party or by which its property may be bound; and
- 6.2.6 It has all necessary legal power and authority to perform its obligations under this Agreement.

### **6.3 Insurance and taxes**

- 6.3.1 Each Party shall take out and maintain adequate insurance cover as are customary, desirable and consistent with Prudent Operating Practice and Legal Requirements.
- 6.3.2 Each Party shall furnish to the other copies of insurance policies effecting the insurance referred to in this Sub-clause 6.3 and from time to time, any Party may request the other Party to provide proof that all relevant premiums have been paid and that the relevant policy or policies remain in existence.
- 6.3.3 Each party shall be responsible for payment of royalties, taxes, fees, or assessments levied against its property, leasehold rights or other assets or profits by any Governmental Authority as may be provided for by the Laws of Uganda, and shall settle such levies without attempting to recover them from the other Party except through the Energy Charges determined in accordance with Schedule 3.

## **7 FORCE MAJEURE**

### **7.1 Definition of Force Majeure**

- 7.1.1 For the purposes of this Agreement "Force Majeure" means any event or circumstance which affects a Party and which is not within the reasonable control (directly or indirectly) of such Party (acting in accordance with Prudent Operating Practice) and which results in or causes such Party to fail to perform any obligation under this Agreement;
- 7.1.2 Events or circumstances which, subject as aforesaid, may constitute Force Majeure shall include but shall not be limited to: -





- 7.1.2.1 an act of war whether declared or undeclared, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, civil commotion, political act or campaign of terrorism, sabotage or vandalism;
  - 7.1.2.2 strikes, works to rule or go-slows that extend beyond the facilities of either Party, are widespread or nationwide, or that are of a political nature;
  - 7.1.2.3 an epidemic or plague that extend beyond the affected Party's organization and are widespread or nationwide;
  - 7.1.2.4 a Change in Law;
  - 7.1.2.5 an act of God including but not limited to fire, earthquakes, volcanic activities, flood, storms, drought, landslide, cyclone or typhoons, tornados or other unforeseen event;
  - 7.1.2.6 an explosion or chemical contamination;
  - 7.1.2.7 an act or omission of any contractor or supplier of UETCL or GENCO which would have been a Force Majeure Event had the contractor or supplier been a party to this Agreement; and
  - 7.1.2.8 a failure of the UETCL System or of the GENCO System caused by an event that would constitute Force Majeure for the purposes of this Agreement.
- 7.1.3 Events or circumstances which may constitute Force Majeure shall not include: -
- 7.1.3.1 lack of funds due to any commercial, economic or financial reason such as, but not limited to, a Party's inability to make a profit or achieve a satisfactory rate of return due to the provisions of this Agreement or changes in market conditions (although the inability to use available funds, due to any reason set out in Sub-clause 7.1.2 above, shall be regarded as Force Majeure);
  - 7.1.3.2 late delivery of machinery or other materials or a delay in the performance by any contractor or supplier (except where such late delivery or delay is itself attributable to a Force Majeure Event);
  - 7.1.3.3 normal wear and tear or random flaws in materials and equipment or breakdown in equipment;
  - 7.1.3.4 hazards, including but not limited to lightning or the growth of trees, which can be reasonably anticipated in normal utility operations and planned for as part of Prudent Operating Practice.



## **7.2 In case of an event of Force Majeure**

- 7.2.1 If a Party ("the affected Party") is prevented from or delayed in performing an obligation hereunder by reason of Force Majeure the affected Party shall:
- 7.2.1.1 be relieved from the requirement to perform that obligation;
  - 7.2.1.2 promptly notify the other Party of the occurrences of the event within ninety six (96) hours giving full particulars and satisfactory evidence in support of its claim; and in the event of a break down of communication rendering it not reasonably practicable to give notice of Force Majeure within the period specified above, the Party claiming Force Majeure may give such notice as soon as possible, but not later than twenty four (24) hours of reinstatement of communication; and
  - 7.2.1.3 use all reasonable endeavours to overcome the consequences of the event and where the Force Majeure Event has been eliminated or no longer affects a Party, the obligations in this Agreement shall recommence forthwith, and the applicable period for the performance of the obligation shall be extended by a period equal to the duration of the Force Majeure Event.
- 7.2.2 The declaration of Force Majeure shall not relieve any Party from the requirement to make any payment when due.
- 7.2.3 If either Party is prevented, hindered or delayed in the performance of material obligations under this Agreement by reason of Force Majeure occurring after the Commercial Operation Date, then provided the affected Party has complied with its obligations under this Clause 7, the Term shall be extended by a period in time equal to the period during which the affected Party was so prevented, hindered or delayed, in accordance with Clause 2.

## **8 TERMINATION**

### **8.1 Event of Default**

- 8.1.1 Each of the following events shall be a GENCO Event of Default which, if not cured within the time permitted in this Clause shall give rise to the right on the part of UETCL to terminate this agreement:
- 8.1.1.1 Failure by GENCO to achieve the Commercial Operation Date within [three (3) years] from the date of this Agreement or as otherwise agreed between the Parties;
  - 8.1.1.2 Assignment by GENCO of this agreement to a third party in violation of the approval requirements of Sub-clause 11.5;



- 8.1.1.3 Any material breach by GENCO of this Agreement which is not remedied within one hundred and eighty (180) days following notice by UETCL stating that a material breach of this Agreement has occurred and identifying the breach in question;
- 8.1.1.4 The filing of a petition of bankruptcy of GENCO.
- 8.1.2 Each of the following shall be UETCL Event of Default which, if not cured within the time permitted shall give rise to the right on the part of GENCO to terminate this agreement:
  - 8.1.2.1 Failure by UETCL to make a payment in full of any amount due to GENCO under this Agreement within one hundred and eighty (180) days of its due date, or failure to pay a disputed amount within one hundred and twenty (120) days of resolution of the dispute;
  - 8.1.2.2 Assignment by UETCL of this agreement to a third party in violation of the approval requirements of Sub-clause 11.5;
  - 8.1.2.3 Any material breach by UETCL of this Agreement which is not remedied within one hundred and eighty (180) days following notice by GENCO stating that a material breach of this Agreement has occurred and identifying the breach in question;
  - 8.1.2.4 The filing of a petition of bankruptcy of UETCL.
- 8.1.3 The provisions of this Clause 8 shall be the sole and exclusive grounds on which the Parties may terminate this Agreement save for a circumstance of Force Majeure that has occurred and shall continue for a period of one hundred and eighty two (182) days from the issue of the notice of occurrence of Force Majeure Event by the Party, then, any Party shall be entitled to serve upon the other twenty-eight (28) days' notice to terminate this Agreement. If at expiry of such period of twenty-eight (28) days Force Majeure shall still continue this Agreement shall terminate.

## 8.2 Termination Notices

- 8.2.1 Upon occurrence of a UETCL Event of Default or a GENCO Event of Default, as the case may be, that is not cured within the applicable period (if any) for cure, the non-defaulting party may, at its option, initiate termination of this Agreement by delivering a written notice ("Notice of Intent to Terminate") of its intent to terminate this Agreement to the defaulting party. The Notice of Intent to Terminate shall specify in reasonable detail the UETCL Event of Default or the GENCO Event of Default, as the case may be, giving rise to the Notice of Intent to Terminate.
- 8.2.2 Following the giving of a Notice of Intent to Terminate, the Parties shall consult for a period of forty five (45) days in case of a failure by either



party to make payments or provide security when due, and ninety (90) days with respect to any other Event of Default (or such longer period as the Parties mutually may agree), as to what steps shall be taken with a view to mitigating the consequences of the relevant event taking into account all prevailing circumstances. During the period following delivery of the Notice of Intent to Terminate, the party in default may continue to undertake efforts to cure the default, and if the default is cured at anytime prior to the delivery of a Termination Notice in accordance with Sub-clause 8.2.3, then the non-defaulting Party shall have no right terminate this Agreement in respect of such cured default.

- 8.2.3 Upon expiration of the consultation period described in Sub-clause 8.2.2, if any, and unless the Parties shall have otherwise agreed or unless the UETCL Event of Default or GENCO Event of Default giving rise to the Notice of Intent to Terminate shall have been remedied the Party having given the Notice of Intent to Terminate may terminate this Agreement by delivering a Termination Notice to the other Party, whereupon this Agreement shall immediately terminate

### **8.3 Payments in the Event of Termination**

Any Party shall be liable to and shall indemnify the other Parties for the loss or damage directly and foreseeable suffered by the other Parties as a result of termination of this Agreement due to that Party's Event of Default. Provided that the loss or damage suffered by either Party if disputed by the other Party shall have been determined by an Arbitrator in accordance with the dispute resolution procedure under Clause 10. Provided further that the loss determined by the Arbitrator does not exceed [US\$ 500,000] in any given year.

### **8.4 Antecedent Rights**

The termination of this Agreement shall be without limitation of or prejudice to any other relief, remedy or antecedent right of either Party under or in connection with this Agreement.

### **8.5 Survival**

In the event of the termination of this Agreement then for a period of two (2) years following termination the provisions of this Agreement:

- i) as they relate to the payment of any sum due or any sum which may become payable by one Party to the other;
- ii) as they relate to confidentiality; and
- iii) as they relate to the disputes resolution procedure under Clause 10;

shall survive termination and continue to have effect in the terms of this Agreement (save in respect of any continuing arbitration commenced prior to the lapse of such two (2) year period this Agreement shall survive solely in respect of the matter in arbitration).



## **8.6 Limitation of Liability**

- 8.6.1 Subject to Sub-clause 5.6 and Sub-clause 8.5 neither UETCL nor GENCO shall be liable to the other for the other's Consequential Loss.
- 8.6.2 Nothing in this Sub-clause 8.6 shall relieve either Party from any express obligation under this Agreement to make a payment to the other Party when due including the payment of Liquidated Damages pursuant to Sub-clause 5.6.

## **9 CONFIDENTIALITY**

### **9.1 General Restriction**

Subject to the exceptions provided in Sub-clause 9.2, neither of the Parties to this Agreement shall, at any time, whether before or after the termination of this Agreement, without the prior consent of the other Party, divulge or suffer or permit its officers, employees, agents or contractors to divulge to any person (other than to any of its or their respective officers or employees who require the same to enable them properly to carry out their duties or to its or their respective banks or financiers of the Parties) any of the contents of this Agreement or any commercially confidential information relating to the negotiations concerning the same which may come to a Party's knowledge in the course of such negotiations concerning the operations, contracts, commercial or financial arrangements or affairs of the other Party.

### **9.2 Exceptions**

- 9.2.1 The restrictions imposed by Sub-clause 9.1 shall not apply to the disclosure of any information: -
- 9.2.1.1 which now or hereafter comes into the public domain otherwise than as a result of a breach of this Agreement or the undertaking of confidentiality;
  - 9.2.1.2 which is obtainable with no more than reasonable diligence from sources other than the Parties hereto;
  - 9.2.1.3 which is required by law or appropriate regulatory/constitutional authority to be disclosed to any person who is authorized by law to receive the same;
  - 9.2.1.4 which is on or comes into the possession of the receiving Party prior to the aforesaid publication or disclosure and which was or is not obtained under any obligation of confidentiality;
  - 9.2.1.5 which was or is obtained from a third party who is free to divulge the same and which was or is not obtained under any obligation of confidentiality.



- 9.2.2 A Party may disclose the confidential information subject to obtaining confidential undertakings to keep the same confidential in terms not less strict than those imposed under this Agreement to:
- 9.2.2.1 a court, Arbitrator or administrative tribunal in the course of proceedings before the court, Arbitrator or tribunal to which the disclosing Party is a Party;
  - 9.2.2.2 Appropriate agencies or Ministries of the Government of Uganda.
  - 9.2.2.3 the lenders or to any consultants, banks, financiers or advisers to the disclosing Party (including their respective managements and Board of Directors), or
  - 9.2.2.4 any recognized exchange upon which the share capital of the Party making the disclosure is proposed to be from time to time listed or dealt in; and
  - 9.2.2.5 any insurers of either Party.

## **10 DISPUTE RESOLUTION**

### **10.1 Mutual Discussion**

- 10.1.1 If any dispute or difference of any kind whatsoever shall arise between the Parties in connection with or arising out of this Agreement, the Parties shall attempt to amicably settle such dispute in the first instance within thirty (30) days or within an agreed time frame by mutual discussion.
- 10.1.2 Upon completion of such thirty (30) day period, or such additional period as may be agreed, either Party may request that the dispute be settled in accordance with Sub-clause 10.2.

### **10.2 Arbitration (international option)**

- 10.2.1 All and any disputes or differences arising out of or in connection with this Agreement, which are not first resolved amicably between the Parties in accordance with Sub-clause 10.1, shall be finally settled by arbitration in accordance with the Arbitration Rules of the United Nations Commission on International Trade Law (“the UNCITRAL Rules”) as at present in force.
- 10.2.2 Unless the parties agree differently, the following shall apply. The number of arbitrators comprising the Tribunal shall be three. Appointing authority according to article 6 in the UNCITRAL rules shall be the President for the time being of the London Court of International Arbitration. The place of arbitration shall be Kampala, Uganda. The language of arbitration and any award shall be rendered in English. The



rights and obligations of the Board and the Company shall be determined in accordance with Ugandan Law. The arbitration proceedings shall be conducted in accordance with the laws of the venue where the arbitration proceedings shall be held.

10.2.3 The decision of the Tribunal shall be final and binding upon the Parties and shall not be subject to appeal.

10.2.4 In all matters not expressly provided for in the UNCITRAL Arbitration Rules, the Tribunal shall act in accordance with the spirit of the UNCITRAL Arbitration Rules.

### **10.3 Arbitration (Ugandan option)**

10.3.1 All and any disputes or differences arising out of or in connection with this Agreement, which are not first resolved amicably between the Parties in accordance with Sub-clause 10.1, shall be finally settled by arbitration in accordance with the Arbitration and Reconciliation Act Chapter 4 of the laws of Uganda.

10.3.2 Unless the parties agree differently, the following shall apply. The number of arbitrators comprising the Tribunal shall be three. The place of arbitration shall be Kampala, Uganda. The language of arbitration and any award shall be rendered in English. The rights and obligations of the Board and the Company shall be determined in accordance with Ugandan Law. The arbitration proceedings shall be conducted in accordance with the laws of the venue where the arbitration proceedings shall be held.

10.3.3 The decision of the Tribunal shall be final and binding upon the Parties and shall not be subject to appeal.

10.3.4 In all matters not expressly provided for in the Arbitration and Reconciliation Act, the Tribunal shall act in accordance with the spirit of the Arbitration and Reconciliation Act.

## **11 MISCELLANEOUS PROVISIONS**

### **11.1 Notices**

11.1.1 Except for communication in accordance with operating and dispatch procedures any certificates, notices or written instructions to be given under this Agreement shall be served by sending the same by post, courier, facsimile or leaving the same at the following addresses and marked for the attention of the persons specified in this Sub-clause 11.1:

#### **If to GENCO**

For the Attention of: The Company Secretary  
XXX Company Limited



Postal address: PO Box XXX, Kampala, Uganda  
Physical address: XXX  
Telephone: XXX  
Facsimile No. XXX

#### **If to UETCL**

For the Attention of: The Managing Director  
Uganda Electricity Transmission Company  
Limited

Postal address: PO Box 7625, Kampala, Uganda  
Physical address: XXX  
Telephone: XXX  
Facsimile No. XXX

11.1.2 Any Party may change its nominated address/addresses or facsimile number by prior notice to the other Parties. Notices given by registered post shall be effective upon the earlier of (i) actual receipt, and (ii) seven (7) Days after mailing. Notices given by leaving them with the addressee shall only be valid if the addressee or a responsible officer of the addressee acknowledges receipt in writing. Notices given by facsimile shall be deemed to have been received where there is confirmation of uninterrupted transmission by a transmission report and where there has been no telephonic communication by the recipient to the sender (to be confirmed in writing) that the facsimile has not been received in legible form:

11.1.2.1 by 1500 Hours on the Day of sending if sent on a Business Day between 0900 Hours and 1500 Hours; and

11.1.2.2 by 1000 Hours on the next following Business Day if sent after 1500 Hours on a Business Day but before 0900 Hours on the next Business Day.

## **11.2 Amendments**

This Agreement may only be amended or varied by the written agreement of each Party.

## **11.3 Waiver**

No waiver or failure by a Party to insist on the strict performance of this Agreement or to act in respect of the default or defaults of the other party and no





acceptance of payment or performance during the continuance of any such default or defaults shall preclude any right, relief or remedy under or in connection with this Agreement available to the non defaulting Party and may not be relied on by the defaulting Party as a consent to that default or those defaults or its or their repetition.

#### **11.4 Successors**

This Agreement shall bind and endure to the benefit of the Parties and their respective successors and permitted assigns.

#### **11.5 Assignment, Transfer of Interest and Changes in Ownership**

11.5.1 Neither Party may assign or otherwise transfer all or any of its rights, benefits or obligations hereunder without the other Party's prior written consent, provided such consent is not to be unreasonably withheld or delayed, if the Party seeking assignment can satisfy the other Party of such proposed assignee's financial, technical and legal status and ability to observe and perform this Agreement, Provided however that the Party wishing to assign has given notice to that effect to the other Party and such notice shall have given sufficient information to show the status and ability of the proposed assignee to carry out the terms of this Agreement.

11.5.2 No assignment pursuant to this Sub-clause 11.5 shall have effect unless and until the assigning Party has:

11.5.2.1 procured the proposed assignee to covenant directly with the other Party in a form reasonably satisfactory to such Party to observe and perform all the terms and conditions of this Agreement;

11.5.2.2 and has provided to the other Party a certified copy of the assignment (excluding consideration paid or payable for such assignment).

11.5.3 Notwithstanding the foregoing provisions, for the purpose of financing the Project, it is expressly acknowledged that GENCO intends to obtain such financing for the Project from Lenders, GENCO may assign to, or grant a security interest in favour of, the Lenders of all of its rights and interests under or pursuant to this Agreement. GENCO shall notify UETCL of the creation of such security over its rights and interests under this Agreement at least 30 days prior to the execution of any such assignment or security interest.

#### **11.6 Severability**

11.6.1 If any provision or part of a provision of this Agreement or its application to any party is invalid or cannot be enforced, then all other provisions of this Agreement will be construed, insofar as possible, to be valid and enforceable or in manner which enables them to continue to have full force and effect, and the invalid or unenforceable part shall be severed



from this Agreement with a view to maintaining, to the fullest extent possible, the validity and enforceability of all other provisions of this Agreement.

11.6.2 If for any reason whatsoever any provision of this Agreement is or becomes invalid, illegal or unenforceable, or is declared by any court of competent jurisdiction or any Governmental Authority to be invalid, illegal or unenforceable or if such Governmental Authority:

11.6.2.1 refuses or formally indicates an intention to refuse authorization of, or exemption to, any of the provisions of or arrangements contained in this Agreement (in the case of a refusal either by way of outright refusal or by way of requirement that this Agreement be amended or any of its provisions be deleted or that a party give an undertaking or accept a condition as to future conduct); or

11.6.2.2 formally indicates that to continue to operate any provisions of this Agreement may expose the Parties to sanctions under any law, order, enactment or regulation, or requests any Party to give undertakings or to accept conditions as to future conduct in order that such Party may not be subject to such sanctions; then in all cases, whether initially or at the end of any earlier period or periods of exemption, the Parties will negotiate in good faith with a view to agreeing one or more provisions which may be substituted for such invalid, unenforceable or illegal provisions which substitute provisions are satisfactory to all relevant Competent Authorities and produce as nearly as is practicable in all the circumstances the appropriate balance of the commercial interests of the Parties.

### **11.7 No Partnership**

This Agreement shall not be interpreted or construed to create an association, joint venture, agency relationship or partnership between the Parties or to impose any partnership or agency obligation or liability upon either Party. No Party shall have any right, power or authority to enter into any agreement or undertaking for, or to act on behalf of, or to act as or be an agent or representative of, or to otherwise bind, any other Party.

### **11.8 Further Assurance**

Each Party agrees to execute and deliver all such further instruments and do and perform all such further acts and things as shall be necessary for the carrying out of the provisions of this Agreement.

### **11.9 Entirety of Agreement**

This Agreement constitutes the entire agreement between the Parties in relation to the sale and purchase of Energy at the Interconnection Point and all prior



representations, negotiations and undertakings shall be excluded from any construction of this Agreement.

#### **11.10 Counterparts**

This Agreement shall be executed in three counterparts by the Parties hereto and when executed and delivered all the counterparts shall together constitute one and the same instrument.

#### **11.11 Sovereign Immunity**

If any Party may in any jurisdiction claim for itself or its assets or revenues immunity from suit, execution, attachment (whether in aid of execution, before judgment or otherwise) or other legal process and if in any such jurisdiction there may be attributed to it or its assets or revenues such immunity (whether or not claims), then that party agrees not to claim and irrevocably waives such immunity to the full extent permitted by the laws of such jurisdiction.

#### **11.12 Governing Law**

This Agreement shall be governed by and construed in accordance with the Laws of Uganda.



IN WITNESS whereof the Parties or their duly authorized representative have executed this Agreement on the day, month and year first above mentioned.

The Common Seal of THE XXX  
COMPANY LIMITED is hereto affixed in  
the presence of:

---

MANAGING DIRECTOR

---

COMPANY SECRETARY

The Common Seal of THE UGANDA  
ELECTRICITY TRANSMISSION  
COMPANY LIMITED is hereunto affixed in  
the presence of:

---

MANAGING DIRECTOR

---

COMPANY SECRETARY



## **12 SCHEDULE 1: INTERCONNECTION FACILITIES**

Map showing location of generation facilities and location of Interconnection Point.

Single line diagrams of the Interconnection Point at including the Main Meter, and Check Meter and showing the location of the Metering Point in each case.



## 13 SCHEDULE 2: DETERMINATION OF METERED QUANTITIES

### 13.1 Reading of Meters

- 13.1.1 The Main Meter and the Check Meters at the Interconnection Point, shall be read at 12:00 on the last Day of each successive Month (or such other Day as may be mutually agreed upon by the Parties). GENCO shall read the Main and Check Meters during normal business hours and shall notify UETCL at least forty-eight (48) hours in advance of the time of reading in order to afford UETCL the opportunity to be present during the reading. GENCO shall provide a copy of the readings to UETCL either by fax, courier or other appropriate means, and shall keep a log of the readings at the Interconnection Point and in the GENCO offices.
- 13.1.2 The readings of the Main Meter shall be used in the preparation of all invoices unless the Main Meter was not in service for a portion of the Month in question as a result of maintenance, repairs or testing, or is otherwise known to be inaccurate or functioning improperly. In such event, the following procedures will be followed in the stated order:
- 13.1.2.1 The readings of the Check meter shall be utilised to calculate the correct Metered Energy quantities, unless a test of such Check Meter as required by either Party, reveals that the Check Meter is inaccurate by more than two-tenths of a percent ( $\pm 0.2\%$ ), or is otherwise functioning improperly.
- 13.1.2.2 If the Check Meter is found to be inaccurate by more than two-tenths of a percent ( $\pm 0.2\%$ ) or is otherwise functioning improperly, then GENCO and UETCL shall jointly prepare an estimate of the correct reading on the basis of all available information and such guidelines as may have been agreed to for the handling of such matters;
- 13.1.3 In the event that the readings of either the Main or Check meter have been relied upon for the preparation of invoices and such meter is subsequently found to have been inaccurate or otherwise functioning improperly, the invoices which relied upon the erroneous meter shall be corrected for the inaccurate readings by reference to a meter whose readings were known to be accurate within plus or minus two-tenths of one percent ( $\pm 0.2\%$ ) for the period during which the meter was inaccurate, if such period can be determined. In the event no there is no alternative meter whose reading can be relied upon, the erroneous readings shall be corrected by the error in excess of two-tenths of one percent ( $\pm 0.2\%$ ) determined by testing of the erroneous meter. If the period of inaccuracy cannot be accurately determined, it shall be deemed to be half the period between the date the meter was found to be inaccurate and the date of the last meter reading accepted by the Parties as accurate, or three months, whichever is the shorter period. In no event,



however, shall any such adjustment be made for any period prior to the date on which the subject meter was last tested and found to be accurate within plus or minus two-tenths of one percent ( $\pm 0.2\%$ ) and not otherwise functioning improperly.

### **13.2 Determination of Energy quantities**

The meter readings shall be used to determine the following monthly energy quantities:

- 13.2.1 The Peak Metered Energy for the month will be the increase in meter reading for the Peak Block since the meter reading of the previous month;
- 13.2.2 The Shoulder Metered Energy for the month will be the increase in meter reading for the Shoulder Block since the meter reading of the previous month;
- 13.2.3 The Off-Peak Metered Energy for the month will be the increase in meter reading for the Off-Peak Block since the meter reading of the previous month.

### **13.3 Definition of TOU Blocks**

- 13.3.1 The Peak Block shall be between 18:00 and 23:00 every day of the week.
- 13.3.2 The Shoulder Block shall be between 05:00 and 18:00 every day of the week.
- 13.3.3 The Off-Peak Block shall be between 23:00 and 05:00 every day of the week.



## 14 SCHEDULE 3: DETERMINATION OF PAYMENTS

### 14.1 Energy Prices

Energy prices are expressed in US Dollar per MWh and are specified for three time-of-use blocks as defined in Schedule 2, and for two periods, each period being a set of Years. The set of power prices are shown below.

	Period 1: XXX to XXX	Period 2: XXX to XXX
Peak Price		
Shoulder Price		
Off-peak Price		

### 14.2 Exchange rate

The exchange rate to be used for determination of the monthly Energy Charge (the "Monthly Exchange rate") shall be the average of the official buying and selling exchange rate of the US Dollar to the UG Shilling posted by the Bank of Uganda on the last working day of the month.

### 14.3 Energy Charge

- 14.3.1 The Peak energy charge shall be calculated as the product of the prevailing Peak Price in US Dollars per MWh and the Peak Metered Energy for the month in MWh.
- 14.3.2 The Shoulder energy charge shall be calculated as the product of the prevailing Shoulder Price in US Dollars per MWh and the Shoulder Metered Energy for the month in MWh.
- 14.3.3 The Off-peak Energy Charge shall be calculated as the product of the prevailing Off-peak Price in US Dollars per MWh and the Off-peak Metered Energy for the month in MWh.
- 14.3.4 The Energy Charge for a specific Month shall be calculated as the equivalent in UG Shillings of the sum of the Peak Energy Charge, the Shoulder Energy Charge and the Off-Peak Energy Charge for that Month; multiplied by the Monthly Exchange rate for that Month.





## 15 SCHEDULE 4: METER SPECIFICATIONS

### 15.1 Metering System Requirements

15.1.1 The Main/Check meter system to be installed, owned and maintained by GENCO at the Interconnection Point shall each consist of a single set of three current transformers and potential transformers feeding both a primary and a backup three phase four wire metering instrument. The system shall be designed such that the overall error of the installation, (including instrument transformers, wiring, and metering instruments) shall be no greater than 1% for power flows through the metering installation between 600kW and 6000kW. Both the Main and Check Meters shall be selected to have rated error no greater than 0.2% over the equivalent load range. Both Main and Check Meters shall be electronic time of use (TOU) meters which accumulate data separately for at least three time blocks with programmable beginning and ending times and holiday/weekend discrimination. Each meter shall be capable of separately accumulating and presenting on the register display the following data for the Peak Block, Shoulder Block and Off-Peak Block:

15.1.1.1 Net kWh from the GENCO system

15.1.1.2 Net kVArh from the GENCO system

15.1.2 The metering system shall be described clearly in appropriate drawings to be provided to both Parties. The current and voltage transformers will measure current and voltage as near as practicable to point at which the Interconnection Facility connects with the Umeme distribution system, as shown in Schedule 1. Both the Main and Check Meters shall be installed in weatherproof enclosures which shall include test switches and shorting blocks to allow removal of either meter instrument without taking the other out of service. The Main and Check Meters may be installed in a single enclosure or in separate enclosures, but the enclosure shall be so arranged that both meters can be read without disturbing the seals on the enclosure(s).

### 15.2 Testing

15.2.1 All testing and calibration of the Main and Check Meter instruments shall be carried out by qualified personnel using test equipment with a rated error of 0.1% or better, and which has been calibrated according to a procedure and against instruments traceable to a national standard within the preceding forty eight (48) months. Meters shall be tested at full rated test current, and at 10% of full rated test current at power factors of 50% lag, 50% lead and 100%. A written test report shall be prepared for all tests showing the calibration history of the test instruments, the as-found, and as-left conditions of the Main and Check Meters which shall be supplied to both Parties.



- 15.2.2 Current and voltage transformers shall be tested for ratio and phase angle errors following manufacture at an accredited testing station. Test certificates issued by the testing station will be issued independently to both parties

### 15.3 Instruments

- 15.3.1 All instruments shall be of the flush mounting type and shall be fitted with non-reflecting glass according to the relevant IEC Standards.
- 15.3.2 All instruments and apparatus shall be capable of carrying their full load currents without undue heating. They shall not be damaged by the passage of fault currents within the rating of the associated switchgear through the primaries of their corresponding instrument transformers. All instruments and apparatus shall be back connected, and all cases shall be earthed. Means shall be provided for zero adjustment of instruments without dismantling.
- 15.3.3 All voltage circuits to instruments shall be protected by a fuse/MCB in each unearthed phase of the circuit placed as close as practicable to the instrument transformer terminals, or where instruments are direct-connected, as close as practicable to the main connection. All power factor indicators shall have the star point of their current coils brought out to a separate terminal, which shall be connected to the star point of the instrument transformer secondary windings.
- 3.4 Instrument scales shall be submitted for the approval of UETCL.

### 15.4 Integrating Meters

- 15.4.1 Power losses: The losses in each voltage and current circuits shall be measured under reference conditions to prove compliance with Tables IV and V of IEC Standard 60521.
- 15.4.2 Heating and Dielectric Tests: Tests shall be carried out to establish compliance with the requirements of Sub-clauses 6.4 and 6.5 of IEC Standard 60521.
- 15.4.3 Accuracy: Under the conditions set out in IEC Standard 60521 and after having been energized for the appropriate period stated therein, the meters shall be listed to establish that the actual percentage error values fall within the limits as set out in Schedule 2. The mean temperature coefficient shall be determined for the reference temperature and shall be within the limits set out in IEC Standard 60521. Test evidence shall be furnished to demonstrate that adjustments to the rotation speed can be made in accordance with IEC Standard 60521.
- 15.4.4 Starting and running with no-load: The rotor shall start and continue to run at current values corresponding to 0.4% of basic current and shall complete at least one revolution at this current value. With no current in the current coil(s) and when energized at any voltage between 80% and



110% of the reference voltage, the rotor shall not make a complete revolution within one hour.

- 15.4.5 Insulation test: The meters shall be tested at a voltage of 2 kV for a period of one minute between all live terminals and earth.
- 15.4.6 The kWh meters shall be of square or rectangular form and shall be installed in the cubicles mutually agreed upon. The method of mounting of the meters on the panels shall be the same as for the usual instruments. The form of the meters shall be flush with the face. They shall be programmable solid-state type and of 0.2 accuracy class and be supplied with a MD indicators and a contact for submitting impulses to the SCADA system.
- 15.4.7 The kWh integrating meters shall comply with the requirements of IEC Standard 60521 Class 0.2 meters unless otherwise approved by UETCL. These meters should be read direct without multiplying factors for kWh and maximum demand indicators and shall be provided with a means of transmitting readings to the System Control Centre.