



"Leading in Utility Regulation"

SYSTEM OPERATION LICENCE

The Utility Regulatory Authority, in accordance with section 3 of the Electricity Act (as amended) and subject to the Terms and Conditions as per Annex 1 of this Licence, hereby issues a ***System Operation Licence*** to ***[Insert Company Name]*** ***[Insert BRN]***.

Licence Number: ***(insert Licence Number)***

Licensed Activities: **To exercise control over the operations of generating stations; to co-ordinate and direct the flow of electricity onto and over the Total Electricity System; to maintain the security of the Total Electricity System; to manage system\thermal constraints of the transmission and distribution systems; to ensure the efficient and economic operation of the Total Electricity System; and ensure sufficient operating margin.**

Licence Validity up to: ***(insert date)***

Subject to the Terms and Conditions as per ***Annex 1***

Issued in Ebene on this ***(insert day)*** day of ***(insert month and year)***.

Mr LILADHUR GOSSAGNE SEWTOHUL
(Officer in Charge of the Utility Regulatory Authority)

UTILITY REGULATORY AUTHORITY

Annex 1

TERMS AND CONDITIONS

SYSTEM OPERATION LICENCE TERMS & CONDITIONS

Licence Number: (insert)

TABLE OF CONTENTS

CONDITION 1 - DEFINITIONS AND INTERPRETATION 3

CONDITION 2 - LICENSED ACTIVITY..... 8

CONDITION 3 - TERM OF LICENCE 9

CONDITION 4: RESTRICTIONS ON ACTIVITY 9

CONDITION 5 - LICENSEE’S OBLIGATIONS 9

CONDITION 6 - LICENSEE’S OBLIGATIONS REGARDING CRITICAL ELECTRICITY
INFRASTRUCTURE 10

CONDITION 7- ELECTRICITY RESILIENCE AND RESILIENCE REPORTING..... 11

CONDITION 8: INSTALLATION AND EXPANSION OF LICENSEE’S
INFRASTRUCTURE 11

CONDITION 9 - ANNUAL FEE 12

CONDITION 10 - COMMERCIAL AGREEMENTS 12

CONDITION 11: SERVICE LEVEL AGREEMENTS (SLAS) FOR IDENTIFIED SHARED
AND CORPORATE SERVICES 13

CONDITION 12 - LEGAL AND REGULATORY COMPLIANCE 13

CONDITION 13 - REGULATORY ACCOUNTS..... 14

CONDITION 14 - AVAILABILITY OF RESOURCES 14

CONDITION 15 - PROHIBITION OF CROSS-SUBSIDIES 15

CONDITION 16 – SYSTEM OPERATION SERVICE CHARGE 15

CONDITION 17 - OTHER CHARGES 16

CONDITION 18 - REBATES AND PENALTIES 16

CONDITION 19 – FORCE MAJEURE 16

CONDITION 20 - PERFORMANCE STANDARDS AND CODES 17

CONDITION 21- SUSPENSION OF SYSTEM OPERATION SERVICE..... 19

CONDITION 22 - PROVISION OF INFORMATION 19

CONDITION 23- DUTY OF NON-DISCRIMINATION 21

CONDITION 24 – GENERAL OBLIGATIONS OF THE SYSTEM OPERATION
 LICENSEE..... 21

CONDITION 25 - SYSTEM RESTORATION STRATEGY 23

CONDITION 26 - ECONOMIC PURCHASING 24

CONDITION 27- DISPOSAL OF RELEVANT ASSETS 25

CONDITION 28 – ENVIRONMENTAL PRESERVATION 25

CONDITION 29 - HEALTH AND SAFETY 25

CONDITION 30- SUSPENSION of LICENCE 26

CONDITION 31- AMENDMENT AND REVOCATION 27

CONDITION 32 - DISPUTES 28

CONDITION 33-INSURANCE 29

CONDITION 34 - DEVELOPMENT OF THE LICENSEE’S INFRASTRUCTURE..... 29

CONDITION 35 – DEROGATIONS..... 29

CONDITION 36 - CORRESPONDENCE..... 29

CONDITION 37 - WHOLE LICENCE..... 30

CONDITION 1 - DEFINITIONS AND INTERPRETATION

1. In the general conditions unless the context otherwise requires:

“**Act**” means the Electricity Act 2005 (as amended);

“**Affiliate**” in relation to any person means any holding company of such person, any subsidiary of such person or any subsidiary of a holding company of such person, in each case within the meaning of the Companies Act 2001;

“**Authorised**” in relation to a business or activity means authorised by license granted or treated as granted under section 3(2) of the Act or exemption granted under section 3(3) of the Act;

“**Authority**” has the same meaning as in the Act;

“**Change in control**” means the sale of all or substantially all the assets of the Licensee, any merger, consolidation or acquisition of Licensee with, by or into another undertaking, entity or person, or any change in the ownership of more than fifty percent (50%) of the voting capital stock of the Licensee in one or more related transactions;

“**Codes**” means the generation, transmission, distribution and system operation codes collectively or any combination of more than one code as developed and updated by the Authority, from time to time;

“**Commercial Agreements**” means agreements entered between the System Operation Licensee and other licensees for the operation of the Total Electricity System;

“**Critical Electricity Infrastructure**” are those electricity generation, transmission and distribution facilities, necessary for the Republic of Mauritius to function and upon which daily life depends;

“**Customer**” has the same definition as in the Act;

“**Disposal**” in relation to assets means any sale, gift, lease, licence, the grant of any right of possession, loan, security, mortgage, charge or the grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition to a third party and “dispose” shall be construed accordingly;

“**Distribution**” means the construction, operation and maintenance of a distribution system and the sale of electricity to customers.

“**Distribution System Operation Services**” means those services which are provided by the System Operation Licensee for operating the Distribution System and for ensuring the ability of the Distribution System to meet the electricity demand of customers;

“**Distribution System**” has the same meaning as in the National Grid Code;

“**Electricity Storage**” means the conversion of electrical energy into a form of energy that can be stored, the storing of that energy, and the subsequent reconversion of that energy back into electrical energy;

“**Electricity Storage Facility**” means a facility where Electricity Storage occurs;

“**Electricity System Restoration Model**” means the model used by the System Operation Licensee to assess the capabilities of the Total Electricity System and provide a range of credible Restoration Times.

“**Fees**” means those fees payable by the Licensee pursuant to section 16(1)(f) of the Act;

“**Financial Year**” has the same meaning as in section 111 of the Constitution;

“**Framework Agreement**” means the agreement, in the form approved by the Authority, by which the agreement is made contractually binding between the parties to that agreement, as amended from time to time with the approval of the Authority

“**Information**” shall include any documents, accounts, estimates, returns or reports, records and any data in verbal, written or electronic form and information in any form or medium whatsoever;

“**Interested party**” means any person who has a recognisable stake (and therefore standing) in system operation;

“**Licensee**” means a person who holds a licence issued by the Authority;

“**National Grid Code**” means the standards of performance governing the operation of the System and all interconnected generating facilities;

“**Operational control**” means the management and operational control of the System Operation Licensee’s assets, and the compliance by the System Operation Licensee with the instructions in the National Grid Code shall not be construed as relinquishment of operational control;

“Participating Interest” means an interest held by an undertaking in the shares of another undertaking which it holds on a long-term basis for the purpose of securing a contribution to its activities by the exercise of control or influence arising from or related to that interest;

“Potential Conflict Party” means any party whose interests might be affected or favoured by the activities and decisions of the System Operation Licensee such that it might reasonably be viewed that the System Operation Licensee (or its personnel) could have a conflict of interest in relation to those activities or those decisions by virtue of a connection or relationship with that party;

“Related Undertaking” means any undertaking of a person, where that person has a Participating Interest;

“Relevant asset” means any asset for the time being forming part of the System Operation Licensee's Infrastructure portfolio, any control centre for use in conjunction therewith and any right, title or interest in land upon which any of the foregoing is situated;

“Restoration Approach” means the method by which the System Operation Licensee will restore the Total Electricity System in the event of a total shutdown or partial shutdown;

“Restoration Services” means services required by the System Operation Licensee and procured by the Single Buyer Licensee to re-energise the Total Electricity System following a total shutdown or partial shutdown;

“Restoration Times” means the time it would take to energise a part or parts of the Total Electricity System following a total shutdown or partial shutdown;

“SLA” means a Service Level Agreement which is a documented agreement of commitment between a service provider and the System Operation Licensee that identifies both the services required and the expected level of service;

“System Operation Business” means the business of the System Operation Licensee in or ancillary to the operation (whether for its own account or that of third parties) of the Total Electricity System and shall include any business in authorising connections to the transmission system or distribution system but shall not include any other business of the System Operation Licensee in the provision of services to or on behalf of any one or more persons;

“Subsidiary” has the same meaning given in the Companies Act 2001;

“**System Operation Code**” means the rules developed by the System Operation Licensee and approved by the Authority to govern the System Operation and the activities relating thereto;

“**System Resilience**” means the ability to avoid, adapt to, and quickly and efficiently recover from potential or actual disturbance in the supply of electricity;

“**Total Electricity System**” means the Transmission System and the Distribution Systems;

“**Transmission**” has the same meaning as in the Act;

“**Transmission business**” means the business of the System Operation Licensee in or ancillary to the transport (whether for its own account or that of third parties) of electricity through the Transmission Licensee’s transmission system and shall include any business in providing connections to the Transmission Licensee’s transmission system but shall not include any other business of the System Operation Licensee in the provision of services to or on behalf of any one or more persons;

“**Transmission System Operation Services**” means those services which are provided by the System Operation Licensee for operating the Transmission System and for ensuring the ability of the Transmission System to meet the demand of the Distribution System in safe and reliable manner;

“**Transmission System**” has the same meaning as in the National Grid Code;

“**User**” has the same meaning as in the National Grid Code;

“**Zero Carbon Total Electricity System**” means a whole electricity system which is compatible with the net zero electricity emissions target, that is, the amount of carbon emissions from the generation of electricity is balanced by taking the same amount of carbon emissions out of the atmosphere.

2. Any words or expressions used in the Act shall, unless the contrary intention appears, have the same meaning when used in these general conditions;
3. Except where the context otherwise requires, any reference to a numbered general condition reference, and reference to a Section is a reference to that Section or Schedule is a reference to the general condition or Schedule bearing that number in this licence, and any reference to a numbered paragraph is a reference to the paragraph bearing that number in the general

conditions or Schedule in which the general conditions apply;

4. These general conditions shall have effect as if in relation to references to a licence holder who is a natural person, the words "**it**", "**its**" and "**which**" there are substituted by the words "**he**", "**him**", "**his**" and "**whom**", and cognate expressions shall be construed accordingly. Except where the context otherwise requires, a reference in a general condition to a paragraph is a reference to a paragraph of that condition and a reference in a paragraph to a sub-paragraph is a reference to a sub-paragraph of that paragraph;
5. In construing the general conditions, the heading or title of any general condition or paragraph shall be disregarded; and
6. Where any obligation under or pursuant to the licence is required to be performed by a specified date or within a specified period, and where the System Operation Licensee has failed so to perform by such date or within such period, such obligation shall continue to be binding and enforceable after the specified date or after the expiry of the specified period (but without prejudice to all rights and remedies available against the System Operation Licensee by reason of the System Operation Licensee's failure to perform by that date or within that period).

CONDITION 2 - LICENSED ACTIVITY

1. This Licence is granted pursuant to section 3 of the Act to authorise the System Operation Licensee to:
 - a) exercise control over the operations of generating stations;
 - b) co-ordinate and direct the flow of electricity onto and over the Total Electricity System, by means of which the transmission and the distribution of electricity takes place;
 - c) maintain the security of the Total Electricity System, including the protection of the system against loss of the largest Generating Station interconnected to the Transmission System;
 - d) manage system\thermal constraints of the transmission and distribution systems; and
 - e) ensure sufficient operating margin within the Republic of Mauritius throughout the term of this licence.

CONDITION 3 - TERM OF LICENCE

1. This System Operation Licence shall enter into force and effect on the **[INSERT DATE]** and expire on the **[INSERT DATE]**.
2. The term of the licence may be renewed subject to the conditions and procedures of the Electricity (Licensing, Registration and Fees) Regulations 2022 (as may be amended), provided the System Operation Licensee makes an application to the Authority on the online platform and provide such information as the Authority may require at latest 3 months before the expiry date.

CONDITION 4: RESTRICTIONS ON ACTIVITY

1. Save as provided by paragraph 2, the System Operation Licensee shall not conduct any business or carry out any activity other than the System Operation Business.
2. The System Operation Licensee shall not own, develop or manage an Electricity Storage Facility. The System Operations Licensee shall operate an Electricity Storage Facility for the purpose of continuity of supply and System Resilience, or energy management and the Electricity Storage Facility shall not be used to buy or sell electricity.

CONDITION 5 - LICENSEE'S OBLIGATIONS

1. In coordinating and directing the flow of electricity onto and over the Total Electricity System, the System Operation Licensee shall ensure that any of the technical levels that apply to the provision of any Transmission or Distribution Systems are not exceeded.

In this respect, the System Operation Licensee shall have a Transmission Framework Agreement and a Distribution Framework Agreement in place with the Transmission Licensee and the Distribution Licensee respectively that sets out the terms between the parties whereby the Transmission System and the Distribution System are to be planned, developed, or operated together with any associated arrangements.

The terms and arrangements are those which provide for matters that include:

- a) the provision of Transmission System Operation Service and Distribution System Operation Service;
- b) the operation, including the configuration, of the Total Electricity System;
- c) the coordination of the planning of Total Electricity System;

- d) the progression of matters necessary to respond to applications for new connections (or modifications of existing connections);
- e) planning for, and coordination of, transmission and distribution outages;
- f) the resolution of disputes;
- g) the exchange of information between the Parties, which information relates to the discharge of their duties under the Act, the Licences and other relevant statutory obligations, and which they are free to disclose;
- h) procedures to enable the System Operation Licensee to obtain relevant information from the Parties to enable it to generate information and analysis about the Total Electricity System; and
- i) procedures for the modification of the Transmission Framework Agreement or the Distribution Framework Agreement.

Nothing in this condition precludes the System Operation Licensee from entering into other terms and arrangements connected with these terms and arrangements, where such other arrangements are consistent or not in conflict with this licence or the Transmission Framework Agreement or the Distribution Framework Agreement or other relevant statutory requirements.

- 2. The System Operation Licensee shall:
 - a) operate the Total Electricity System; and
 - b) coordinate and direct the flow of electricity onto and over the Total Electricity System, in accordance with the Total Electricity System security and quality of supply standard as in force at the relevant time, together with the Framework Agreement, the Grid Code or such other standard of planning and operation as the Authority may approve from time to time, and with which the licensee may be required to comply.

CONDITION 6 - LICENSEE'S OBLIGATIONS REGARDING CRITICAL ELECTRICITY INFRASTRUCTURE

- 1. This condition is to ensure that the System Operation Licensee develops, reviews and applies methodologies that supports the identification of critical electricity infrastructure as the Authority may request.
- 2. The System Operation Licensee shall give a reasoned opinion and comment on the application of the methodology in the identification of sites, systems and assets that are critical electricity infrastructure existing in:
 - a) the Transmission System;

Licence Number: (insert)

- b) the Distribution System;
 - c) the Generating Stations; and
 - d) any other part of the system that the licensee considers would be appropriate to provide reasoned opinion and comment.
3. The Authority shall ensure that the critical electricity infrastructure is protected from national security threats.

CONDITION 7- ELECTRICITY RESILIENCE AND RESILIENCE REPORTING

1. The System Operation Licensee shall provide to the Authority information and analysis on any risk or threat that the licensee has identified, where such a risk or threat may, in the licensee's view, compromise or detrimentally impact the safety, security or resilience of any significant part of the Total Electricity System.
2. The System Operation Licensee shall advise the Authority on any mitigations and remediations the System Operation Licensee considers could be applied to:
- a) improve the Total Electricity System resilience; or
 - b) manage risks or threats identified in accordance with paragraph 1, including any advice on products, services and regulatory changes.
3. The System Operation Licensee shall provide an annual report on the Total Electricity System resilience to the Authority by 31 December of each year. The report shall include:
- a) the System Operation Licensee's view on emerging risks and threats:
 - i) within 5 years; and
 - ii) beyond 10 years,in relation to the Total Electricity System and the Generating Stations;
 - b) an assessment by the System Operation Licensee of the likelihood and potential impact of risks and threats identified under (a); and
 - c) any advice on mitigations that the System Operation Licensee views would limit and address the impact of risks and threats identified under paragraph (a).

CONDITION 8: INSTALLATION AND EXPANSION OF LICENSEE'S INFRASTRUCTURE

1. The System Operation Licensee shall install, finance, own, repair, modify, replace, rehabilitate, operate and maintain the system operation infrastructure as necessary to
- Licence Number: (insert)*

provide electricity service that complies with this Licence and applicable law.

2. The System Operation Licensee shall obtain the prior approval of the Authority for its system operation expansion plans and for any major investments or purchases necessary to implement such plans, in the manner prescribed by this Licence and applicable law.
3. Based on the approvals of paragraph 2 of this condition, the System Operation Licensee shall carry out the expansion of the system operation infrastructure so as to provide reliable electricity service throughout the Republic of Mauritius.

CONDITION 9 - ANNUAL FEE

1. The System Operation Licensee shall pay the Authority an Annual Fee as prescribed in the Schedule of the Electricity (Licensing, Registration and Fees) Regulations 2022 (as may be amended), in respect of the period that the System Operation Licensee holds this Licence.
2. The final amounts determined in accordance with paragraph 1 of this Condition shall be paid by the System Operation Licensee to the Authority in one instalment being due for payment by 31st July in each financial year based on the peak electricity demand in MW of the latest financial year, provided that if the Authority has not given notice of the amount, at least 15 days before the payment date stated above, the System Operation Licensee shall pay the amount due within 30 days from the actual giving of notice by the Authority to the System Operation Licensee (whenever notice is given).
3. When the System Operation Licensee fails to pay the amount determined in accordance with paragraph 1 of this Condition within 30 days of the due date set out in paragraph 2 of this Condition, it shall pay simple interest on the amount at the rate which is from time to time equivalent to the base rate plus 1% of the Bank of Mauritius or, if there is no such base rate, such base rate as the Authority may designate for the purposes hereof.

CONDITION 10 - COMMERCIAL AGREEMENTS

1. The System Operation Licensee shall be entitled to enter into Commercial Agreements that are required to conduct the licensed activity.
2. The System Operation Licensee shall submit a copy of the agreements to the Authority for approval.
3. The Authority shall approve the agreements in paragraphs 2 and 3 of this Condition if they comply with the requirements of the Act.

4. The System Operation Licensee shall not amend any agreement entered into pursuant to this Condition or enter into another agreement amending such as agreement without obtaining the prior written approval of the Authority.
5. The System Operation Licensee shall comply with the relevant provisions of any and all specified agreements entered into pursuant to this Condition.

CONDITION 11: SERVICE LEVEL AGREEMENTS (SLAS) FOR IDENTIFIED SHARED AND CORPORATE SERVICES

1. Where corporate or other services are provided to the System Operation Licensee from elsewhere within the System Operation Licensee's organisation, these services shall be provided under Service Level Agreements (SLAs) negotiated between the System Operation Licensee and the appropriate other parts of the System Operation Licensee's organisation. Each SLA shall include cost transfer arrangements that comply with the guidelines established by the Authority for the allocation of such costs and arrangements for the protection of information.
2. The System Operation Licensee shall, within 3 months of the date of this License, enter into SLAs with the relevant corporate service provider departments of the System Operation Licensee's organisation for the continued provision of the services such as human resources, finance, legal Services, procurement and logistics, internal auditing, information and communication technology, buildings infrastructure developments, etc.
3. Currently the System Operation Licensee occupies part of the System Operation Licensee's organisation buildings which may be occupied by other licensees. Access control arrangements to the System Operation Infrastructure and the System Operation Licensee's organisation buildings shall be initiated such that only members of the System Operation Licensee's staff and visitors under the direct supervision of members of the System Operation Licensee's staff have access to these areas. In addition, consideration shall be given to facilities management services associated with these buildings (security, cleaning, telephone, power supply etc).

CONDITION 12 - LEGAL AND REGULATORY COMPLIANCE

1. The System Operation Licensee shall not embark in unfair and anti-competitive practices in the electricity services industry.
2. The System Operation Licensee shall comply with directives from the Authority pertaining

to the implementation of policy of Government relating to electricity services.

3. The System Operation Licensee shall comply with all laws, regulations, codes and standards of the Republic of Mauritius in so far as they are applicable to the licensed activity.
4. The System Operation Licensee shall not enter into any agreement that would breach any such law, regulation, code, standard or the General Terms and Conditions of the Licence.
5. The Authority may issue directions relieving the System Operation Licensee of its obligation under the Licence in respect of such parts of the relevant National Grid Code and to such extent and subject to such conditions as may be specified in those directions.
6. The System Operation Licensee shall give officers of the Authority or any person or persons duly authorised by the Authority access to the System Operation Licensee's Infrastructure for the purposes of inspection under the Act.

CONDITION 13 - REGULATORY ACCOUNTS

1. The System Operation Licensee shall keep separate regulatory accounts and prepare separate financial statement in respect of the System Operation Business for each financial year.
2. The accounts shall be kept in accordance with the International Public Sector Accounting Standards, and in accordance with any requirement which applies to the System Operation Licensee's financial statements under the Financial Reporting Act 2004.
3. The System Operation Licensee, when conducting his business activity in addition to the provision of an electricity service, shall keep separate accounts for those distinct activities.
4. For regulatory accounting, the System Operation Licensee shall present and submit the necessary information in the required format as requested by the Authority.

CONDITION 14 - AVAILABILITY OF RESOURCES

1. The System Operation Licensee shall at all times act in a manner to ensure that it has available to it such resources, including (without limitation) management and financial resources, personnel, fixed and moveable assets, rights, licence, consents and facilities, on such terms and with all such rights, and shall ensure that it is at all times able:

(a) to properly and efficiently carry on the System Operation Business; and

Licence Number: (insert)

(b) to comply in all respects with its obligations under this licence and such obligations under the Act as apply to the System Operation Business including, without limitation, its duty to operate an efficient, co-ordinated and economical system of the Total Electricity System.

2. The System Operation Licensee shall immediately inform the Authority in writing if circumstances exist that justify the reasonable expectation that the System Operation Licensee may not have sufficient resources available to conduct its licensed System Operation Business for a period of 1 month.
3. A notification provided by the System Operation Licensee to the Authority under paragraph 2 shall include a description of the factors which have led to the licensee making that notification.

CONDITION 15 - PROHIBITION OF CROSS-SUBSIDIES

1. Unless authorised by the Authority, the System Operation Licensee shall ensure that the business licensed by this licence does not give any subsidy or cross-subsidy (direct or indirect) to, nor receive any subsidy or cross-subsidy (direct or indirect) from, any other business of the System Operation Licensee and/or any Affiliate or related enterprise of the System Operation Licensee and/or any other person.

CONDITION 16 – SYSTEM OPERATION SERVICE CHARGE

1. The System Operation Licensee has the right to charge and collect a service charge(s) as remuneration for its services under this Licence from the Transmission Licensee and the Distribution Licensee.
2. Any service charge shall be calculated in accordance with a methodology approved by the Authority.
3. In setting service charge in terms of paragraph 2 of this Condition, the System Operation Licensee shall ensure that the service charged at any time to the Transmission Licensee and the Distribution Licensee covers the cost of activities of the System Operation Licensee under Condition 4 of this Licence.
4. The System Operation Licensee shall bill and collect for its services in the manner approved by the Authority.

CONDITION 17 - OTHER CHARGES

1. Subject to applicable law, the System Operation Licensee has the right to charge the Distribution Licensee or the Transmission Licensee through the Authority for a service charge adjustment or special charge to the extent that it incurs additional costs or expenses other than in the ordinary course of its business or which are not otherwise reflected in Condition 16 (“**Special Charge**”).
2. Special Charges recoverable by the System Operation Licensee may include additional costs or expenses resulting from (i) any change in the laws of the Republic of Mauritius which requires the System Operation Licensee to conduct its operations in a manner different from that provided in the Licence, or (ii) an Uncontrollable Event as defined in Condition 19. Any such adjustment or charge shall be without prejudice to any other adjustment or charge to which the System Operation Licensee may be entitled pursuant to applicable law but shall not result in any duplicative recovery of costs by the System Operation Licensee.

CONDITION 18 - REBATES AND PENALTIES

1. In the event that the System Operation Licensee fails to comply with the Total Electricity System security and quality of supply standard established by the Authority, the System Operation Licensee shall be required to provide a rebate of all or a portion of the relevant service charge(s) collected by the System Operation Licensee if and to the extent provided under the applicable law.
2. The Authority shall be responsible for monitoring compliance by the System Operation Licensee with the requirement to provide the rebates pursuant to paragraph 1 of this condition. In the event that the System Operation Licensee fails to provide a rebate required pursuant to paragraph 1 of this condition, the Authority shall be entitled to impose penalties on the System Operation Licensee in accordance with paragraph 3 of this condition.
3. In the event that the System Operation Licensee fails to comply with the obligations in this licence, the System Operation Licensee shall be subject to imposition of penalties in accordance with the applicable law.

CONDITION 19 – FORCE MAJEURE

1. The System Operation Licensee shall not be liable for its total or partial failure to perform any obligation under this Licence to the extent that such failure is a consequence of a force majeure (as defined by applicable law) or any other event or circumstance or combination of events or circumstances that the Authority finds to be beyond the reasonable control of

Licence Number: (insert)

the System Operation Licensee (“**Force Majeure**”).

2. The System Operation Licensee’s obligations hereunder shall be suspended to the extent necessary as a result of the Force Majeure and during the time such Force Majeure continues; provided, however, as a condition precedent for the suspension of the obligations, the System Operation Licensee shall notify the Authority, with confirmation in writing, as promptly as possible and in accordance with the System Operation Code.
3. Notwithstanding the above provisions, the occurrence of a Force Majeure shall not excuse the System Operation Licensee from making any payments required of it by law in a timely manner.

CONDITION 20 - PERFORMANCE STANDARDS AND CODES

1. The System Operation Licensee shall prepare codes and performance standards covering all material aspects of its Licensed activities and shall submit such codes and standards to the Authority for its approval.
2. Within 90 days following issue of the Licence, the System Operation licensee shall submit a Total Electricity System security and quality of supply standard to the Authority for approval. The Standard shall set out the criteria by which system availability, security and service quality of the Total Electricity System may be measured.
3. The System Operation Licensee shall conduct the System Operation Business in a manner which it reasonably considers to be best calculated to comply with the National Grid Code and achieve the standards of performance set out from time to time in publications made by the Authority pursuant to section 21(2) of the Act.
4. The System Operation Licensee shall periodically review (including upon the request of the Authority) the System Operation Code and its implementation. Following any such review, the System Operation Licensee shall send to the Authority:
 - (a) a report on the outcome of such review;
 - (b) any proposed revisions to the System Operation Code from time to time as the System Operation Licensee (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives referred to in the present condition; and
 - (c) any written representations or objections from the other Licensees (including any proposals by such licensees for revisions to the System Operation Code not accepted by the System Operation Licensee in the course of the review) arising during the consultation

process and subsequently maintained.

5. Revisions to the System Operation Code proposed by the System Operation Licensee and sent to the Authority pursuant to this Condition shall be determined by the Authority.
6. The System Operation Licensee shall keep and maintain such records concerning its implementation and compliance with the System Operation Code and ensure that these are in accordance with such guidelines as the Authority shall from time to time have given to the System Operation Licensee and are, in the opinion of the Authority, sufficient to enable the Authority to assess whether the System Operation Licensee is performing the obligation imposed upon these matters and the System Operation Licensee shall furnish to the Authority such records (or such of these as the Authority may require) in such manner and at such times as the Authority may require.
7. The Authority may from time to time (following consultation with the System Operation Licensee) issue directions relieving the System Operation Licensee of its obligations to implement or comply with, or to enforce against any other person any provision of, the System Operation Code in respect of such parts of the System Operation License to such extent as may be specified in the directions.
8. The System Operation Code shall be reviewed by the Authority not later than 24 months after coming into force of this licence and the Authority's approval of the System Operation Code as revised shall be sought not later than 24 months after the System Operation Licence comes into effect. Such dates may be extended by the Authority in directions issued to the System Operation Licensee for the purposes of this Condition.
9. The System Operation Licensee shall comply with regulations made under the Act, standards and codes developed under paragraph 1 of this Condition and applicable of law.
10. The System Operation Licensee shall submit operational reports to the Authority in respect of the performance and details of the Total Electricity System. The System Operation Licensee shall prepare standardised reporting templates of the operational reports for approval by the Authority. The following information to be included in the operational reports, at the minimum:
 - a. Total Electricity System Performance statistics;
 - b. Generator availability and outages;
 - c. Grid maintenance;
 - d. Network availability and outages;
 - e. General system performance such as minutes lost, system frequency and frequency,

deviations (security and quality of service); and
f. Incident investigations and analysis.

11. The System Operation Licensee shall publish on its website, reports demonstrating its performance in carrying out the System Operation Business.
12. The System Operation Licensee shall use reasonable endeavours to put in place arrangements that enable a diverse range of stakeholders to provide regular and coordinated feedback on the System Operation Licensee's performance carrying out the System Operation Business.
13. At the end of each assessment period (to be defined by the Authority), the Authority will publish its views of the licensee's performance over that assessment period.

CONDITION 21- SUSPENSION OF SYSTEM OPERATION SERVICE

1. The System Operation Licensee shall be entitled to suspend its services or any part thereof only in accordance with the applicable law and shall be required to restore service following any interruption as soon as practicable.

CONDITION 22 - PROVISION OF INFORMATION

1. The System Operation Licensee shall identify any confidential data and confidential information it holds that, in its opinion, should not be disclosed or otherwise be accessible to persons other than the licensee's employees, agents, contractors and advisors (other than as set out in paragraph 4 of this Condition).
2. Unless the Authority otherwise consents, the System Operation Licensee shall ensure that appropriate protections are in place to secure that any information identified under paragraph 1 is not directly or indirectly disclosed to, solicited or used by any person who is not required to have access to that confidential data and confidential information.
3. The System Operation Licensee shall ensure that appropriate protections are in place to secure that any confidential data and confidential information under paragraph 1 cannot be disclosed to or otherwise accessed by persons engaged in the management or operation of any Potential Conflict Party except where the Authority has provided consent under paragraph 2.
4. Paragraphs 2 and 3 shall not apply to the disclosure or access of information identified in paragraph 1:

- a. where the System Operation Licensee is specifically required to do so under a condition of this licence;
 - b. where the System Operation Licensee has obtained prior written consent from the provider of the information for such disclosure, provided that the extent of such disclosure is consistent with the consent obtained; and
 - c. where authorised in advance in writing by the Authority.
5. The System Operation Licensee shall establish and maintain a code of conduct governing the identification, disclosure and use of data and information identified in accordance with paragraph 1. The System Operation Licensee shall produce the code of conduct in a form approved by the Authority. The requirement under this paragraph may be satisfied through actions taken by the licensee before or after this licence condition comes into effect.
 6. Subject to paragraphs 7 and 8 of this Condition, the System Operation Licensee shall furnish to the Authority, in such manner and at such times as the Authority may reasonably require, such information and shall provide and furnish to it such reports as the Authority may reasonably require or as may be necessary for the purpose of performing the functions conferred on it by or under the Act.
 7. The System Operation Licensee shall, if so, requested by the Authority, give reasoned comments on the accuracy and text of any information or advice (so far as relating to its activities as holder of a System Operation licence) which the Authority proposes to publish pursuant to the exercise of its duties and functions under section 26 of the Utility Regulatory Act (as amended).
 8. This condition shall not require the System Operation Licensee to produce any documents or give any information which it could not be compelled to produce or give in evidence in civil proceedings before a court.
 9. The System Operation Licensee shall not destroy, tamper, or conceal any information book, accounts, or other document likely to be required in relation to a request made by the Authority.
 10. The power of the Authority to call for information under paragraph 6 of this Condition is in addition to the power of the Authority to call for information under or pursuant to any other condition. There shall be a presumption that the provision of information in accordance with any other condition is sufficient for the purposes of that condition, but that presumption shall be rebutted, if the Authority states in writing that in its opinion such further information is, or is likely to be, necessary to enable it to exercise functions under

the condition in question.

CONDITION 23- DUTY OF NON-DISCRIMINATION

1. In the carrying out of its functions under this Licence, the System Operation Licensee shall not discriminate unfairly between generation licensees or persons or classes of persons, or between users or classes of users, particularly in favour of its subsidiaries, associated or affiliated undertakings, joint ventures or shareholders.
:
2. The System Operation Licensee shall conduct its System Operation Business in the manner best calculated to ensure that none of
 - (a) the System Operation Licensee or its Affiliate or its Related Undertaking;
 - (b) any user of the Total Electricity System;
 - (c) the Distribution Licensee; or
 - (d) the Transmission Licensee,

obtains an unfair commercial advantage including any advantage from a preferential or discriminatory arrangement.

CONDITION 24 – GENERAL OBLIGATIONS OF THE SYSTEM OPERATION LICENSEE

1. In carrying out its responsibilities in relation to operating the Total Electricity System, in accordance with the conditions of this licence, the System Operation licensee shall use its best endeavours to promote economic and efficient overall expenditure with respect to actions taken to operate the Total Electricity System, including by:
 - a. having effective systems and processes in place to understand and respond to the Total Electricity System's operational requirements in a secure and efficient manner, based on all relevant information the System Operation Licensee had available to it at the time;
 - b. coordinating with and exchanging necessary information with the Transmission Licensee and the Distribution Licensee to understand the impact the System Operation Licensee's operational decisions have across the Total Electricity System and to promote the optimal use of resources;
 - c. considering the impact any action would have on the Total Electricity System; and

- d. optimising the timing of transmission outages and distribution outages under the outage plan on the Total Electricity System.
2. Through developing its future capabilities in relation to operating the Total Electricity System, the System Operation Licensee shall use its best endeavours to establish the systems, skills and processes it needs to support the transition to a Zero Carbon Total Electricity System, including developing the capability to operate the Total Electricity System securely and efficiently during periods where the electricity producers provide a carbon free energy mix.
 3. In order to promote the coordinated development of the energy system, in accordance with the conditions of this licence, the System Operation Licensee shall:
 - (a) coordinate and cooperate with the Transmission Licensee and the Distribution Licensee to identify actions and processes that advance the efficient and economic operation of the networks;
 - (b) use its best endeavours to implement actions and processes identified and proposed through its activities under paragraph 3 (a);
 - (c) exchange all necessary information and coordinate with the Distribution Licensee and the Transmission Licensee as necessary to facilitate the effective development of the Total Electricity System;
 - (d) propose and support the System Operation Code that promotes the code objectives in a timely manner;
 - (e) coordinate connection applications for access to the Total Electricity System in a fair, consistent and timely manner;
 - (f) participate with the Single Buyer Licensee, the Transmission Licensee, the Distribution Licensee and other interested parties to identify, develop and deliver network planning solutions that are needed to meet the needs of the future whole system and which facilitate a secure and efficient transition to a Zero Carbon Total Electricity System. These solutions should include, but are not limited to, solutions that cost effectively alleviate the need to upgrade or replace electricity network capacity;
 - (g) take steps to move to a Total Electricity System resilience function, alongside strategic coordination and preparation for emergencies; and
 - (h) provide guidance, information and analysis to persons involved in the electricity sector where the System Operation Licensee believes this would be consistent with the System Operation Licensee's duties.

CONDITION 25 - SYSTEM RESTORATION STRATEGY

1. Within 90 days following issue of the System Operation Licence and thereafter at 12 monthly intervals (unless otherwise directed by the Authority), the System Operation Licensee shall submit a System Restoration Strategy as per the System Operation Code to the Authority for approval.
2. Prior to submission of the System Restoration Strategy to the Authority, the System Operation Licensee shall consult the Authority and other licensees on its proposed System Restoration Strategy for not less than 30 days.
3. The System Restoration Strategy shall include, but need not be limited to:
 - (a) the strategy for the provision of system restoration, which is to be applied for the next calendar year, for the two calendar years after that and for subsequent calendar years. This shall include a Restoration Approach to ensure that the System Restoration Strategy is capable of being complied with at all times during a calendar year, and identification of technologies and approaches for the provision of Restoration Services;
 - (b) a description of how the System Operation Licensee will monitor its ability to comply with the System Restoration Strategy at all times during a calendar year;
 - (c) ex-ante modelling of Restoration Times for the subsequent calendar year using credible projections of the required Total Electricity System data, as well as ex-post modelling of Restoration Times using actual Total Electricity System data from the previous calendar year; and
 - (d) sufficient details of the methodology, assumptions and data used by the System Operation Licensee to reflect the capabilities of the Total Electricity System during the subsequent calendar year to allow other Licensees to assess and provide comment on how well the System Operation Licensee is representing the capabilities of the Total Electricity System within the Electricity System Restoration Model.
4. The submission of the Restoration Strategy shall be accompanied by a report from an independent auditor of internationally recognised standing, appointed by the System Operation Licensee. This report shall provide an assessment of the System Operation Licensee's Electricity System Restoration Model, which shall include, but need not be limited to, an ex-ante assessment of how well that model's input data, technical

assumptions, and calculations will represent the capabilities and characteristics of the Total Electricity System during the subsequent calendar year.

5. Except where the Authority directs otherwise, before seeking any revision of the approved System Restoration Strategy, the System Operation Licensee shall:
 - a. send a copy of the proposed revisions to the Authority;
 - b. consult other licensees on the proposed revisions and allow them a period of not less than 30 days in which to make representations to the System Operation Licensee;
 - c. submit to the Authority within 30 days of the close of the consultation period referred to in paragraph (b) a report setting out:
 - i the revisions originally proposed;
 - ii the representations (if any) made to the System Operation Licensee; and
 - iii any changes to the revisions
6. Following receipt of a revision under paragraph 5(c), the Authority may direct the System Operation Licensee to make the revision, where the Authority is satisfied that the revision is consistent with the System Operation Licensee's obligations.

CONDITION 26 - ECONOMIC PURCHASING

1. The System Operation Licensee may make investments or purchase goods and services, provided that any such investment or purchase is for the purpose of any activity authorised or required by this Licence and meets all requirements of applicable law.
2. Any agreements for any investment or purchase shall be entered into pursuant to an open, competitive process to the extent required under applicable law.
3. The System Operation Licensee shall provide notice to the Authority of any major investment or purchase at least thirty days prior to the relevant agreement(s) becoming binding on the System Operation Licensee.
4. A major investment or purchase shall be deemed to be a transaction or a connected series of transactions with an aggregate transaction value exceeding MUR 100 million.

CONDITION 27- DISPOSAL OF RELEVANT ASSETS

1. The System Operation Licensee shall be obliged to obtain prior written consent from the Authority for the disposal of or relinquishment of operational control over any relevant equipment, immovable property or other asset required to perform the licensed activity unless:
 - (a) the Authority has given prior general consent in written to the disposal of or a relinquishment of operational control over relevant assets of a specified description; and
 - (b) it is obliged by law or final order of a competent court to dispose of the relevant asset or part of its System Operation Business.
2. For the purpose of requesting consent from the Authority under paragraph 1, the System Operation Licensee shall give to the Authority not less than two months' prior written notice of its intention to undertake an asset disposal or relinquish operational control over any Relevant Asset.
3. The Authority may request further information relating to such asset or the circumstances of such intended asset disposal or relinquishment of control or to the intentions in regard thereto of the person proposing to acquire such asset or operational control over such asset.

CONDITION 28 – ENVIRONMENTAL PRESERVATION

1. The System Operation Licensee shall comply with and adhere to applicable national environmental standards and practices during the term of this Licence to protect and preserve the environment.
2. The System Operation Licensee shall promote the conservation of resources.

CONDITION 29 - HEALTH AND SAFETY

1. The System Operation Licensee shall take all reasonable steps to promote the health and safety of employees and shall consult with appropriate representatives of employees for the purpose of establishing and maintaining an appropriate machinery or forum for the joint consideration of matters of mutual concern in respect of health and safety of those employees. The System Operation Licensee shall comply with all occupational health and safety laws of the Republic of Mauritius.

2. The System Operation Licensee shall own and operate the System Operation infrastructure and carry out a regular and continuous program of maintenance of the System Operation infrastructure in such a manner as to ensure their safe and efficient operation in accordance with applicable law.

CONDITION 30- SUSPENSION OF LICENCE

1. The Authority may, at any time, suspend the Licence by giving not less than 14 days' notice in writing to the System Operation Licensee –
 - (a) if any amount payable under Condition 9 (Annual Fee) is unpaid 30 days after it has become due and remains unpaid for a period of 30 days after the Authority has given the System Operation Licensee notice that the payment is overdue – provided that no such notice shall be given earlier than the sixteenth day after the day on which the amount payable becomes due;
 - (b) if the System Operation Licensee fails to comply with an order (within the meaning of section 38 of the Act) and such failure is not rectified to the satisfaction of the Authority within three months after the Authority has given notice in writing of such failure to the System Operation Licensee – provided that no such notice shall be given by the Authority before the proceedings are finally determined;
 - (c) if the Licensee fails to pay any financial penalty (within the meaning of sections 36, 38, 40 or 44 of the Act) by the date for such payment and such payment is not made within 3 months after the Authority has given notice in writing of such failure by the System Operation Licensee – provided no such notice shall be given before any proceedings are finally determined;
 - (d) if the System Operation Licensee fails to pay any amount due to the Authority payable as part of an award or any costs determined as part of an interim award howsoever payable by the due date specified in either such award; or
 - (e) if the System Operation Licensee fails to conduct the licensed activity in accordance with the terms and conditions of the Licence, the provisions of the Act and any regulatory instruments thereunder and does not immediately take all appropriate means to remedy the failure.
2. Without prejudice to paragraph 1, the Authority may forthwith suspend the licence on any ground specified in paragraph 1 where –
 - (a) the Authority considers that it is in the public interest to do so; and

- (b) the urgency of the matter so requires.
3. A suspension effected under paragraph 2 shall lapse after 21 days unless –
- (a) the suspension has been revoked prior to that period; or
 - (b) a notice has been served under paragraph 1 during that period.

CONDITION 31- AMENDMENT AND REVOCATION

1. The Authority may, at any time, on a complaint by any interested party or on its own initiative, amend the terms of, or revoke the Licence by giving not less than 14 days' notice (24 hours' notice in the case of a revocation under paragraph (e) of this Condition) in writing to the System Operation Licensee stating the reasons for which it proposes to do so and to allow the System Operation Licensee to make any written representations to object to the proposal –
- (a) if the System Operation Licensee agrees in writing with the Authority that the Licence should be amended or revoked;
 - (b) if any amount payable under Condition 9 (Annual Fee) is unpaid 30 days after it has become due and remains unpaid for a period of 90 days after the Authority has given the System Operation Licensee notice that the payment is overdue – provided that no such notice shall be given earlier than the sixteenth day after the day on which the amount payable becomes due;
 - (c) if the System Operation Licensee fails –
 - (i) to comply with an order (within the meaning of section 38 of the Act) and such failure is not rectified to the satisfaction of the Authority within 3 months after the Authority has given notice in writing of such failure to the System Operation Licensee – provided that no such notice shall be given by the Authority before the proceedings are finally determined;
 - (ii) to pay any financial penalty (within the meaning of sections 36, 38, 40 or 44 of the Act) by the date for such payment and such payment is not made within 3 months after the Authority has given notice in writing of such failure by the System Operation Licensee – provided no such notice shall be given before any proceedings are finally determined; or
 - (iii) to pay any amount due to the Authority payable as part of an award or any costs determined as part of an interim award howsoever payable by more than 90 days following the due date specified in such award.

(d) If the Transmission Framework Agreement or the Distribution Framework Agreement is terminated.

(e) if the System Operation Licensee –

(i) contravenes the Act;

(ii) has ceased to carry on the activities in Condition 4;

(iii) has repeatedly failed to provide the service for which it has been licensed;

(iv) fails to conduct the licensed activity in compliance with the terms and conditions of the Licence, the provisions of the Act and any regulatory instruments thereunder, without remedying such failure within a reasonable period of time and fails to remedy such failure within a reasonable period of time; or

(v) has submitted false information when making its application for the Licence.

(f) if the System Operation Licensee –

(i) is unable to pay its debts (within the meaning of Part II of the Insolvency Act 2009);

(ii) passes a resolution for Voluntary Winding Up (within the meaning of Part III of the Insolvency Act 2009); or

(iii) is subject to Winding Up by a court of competent jurisdiction (within the meaning of section 401 of the Insolvency Act 2009).

CONDITION 32 - DISPUTES

1. Any dispute pertaining to this licence or the System Operation Licensee's performance in this licence may be resolved amicably between representatives of the System Operation Licensee and the Authority.
2. Any disputes between the System Operation Licensee and any other licensee which is not resolved amicably may be referred by the System Operation Licensee to the Authority.
3. If a dispute in paragraph (1) is not resolved within 30 business days amicably, the dispute may be referred to an expert acceptable to the System Operation Licensee and the Authority. The expert shall give his decision within 30 (thirty) business days after having received all information from both parties.

CONDITION 33 - INSURANCE

The System Operation Licensee shall maintain with financially sound and reputable insurers, insurance and reinsurance with respect to its System Operation Business that is adequate in relation to the standard in the electricity industry.

CONDITION 34 - DEVELOPMENT OF THE LICENSEE'S INFRASTRUCTURE

1. The System Operation Licensee shall, no later than such date as the Authority may specify in writing, and thereafter whenever requested to do so by the Authority, draw up and submit to the Authority for its approval a business plan for five (5) years. This business plan shall contain an investment plan for the System Operation Licensee's infrastructure expansion, projected performance levels, cost reduction plan and project financial position.
2. The System Operation Licensee shall implement the approved business plan and annually revise the plan to seek the approval of the Authority.

CONDITION 35 – DEROGATIONS

1. The System Operation Licensee may apply to the Authority for a derogation relieving the System Operation Licensee of its obligations under this License to such an extent, for such period of time, and subject to such conditions as may be specified by the Authority by direction after consulting the System Operation Licensee.

CONDITION 36 - CORRESPONDENCE

1. Any correspondence or notice to be given under any of these terms and conditions by both parties shall be in writing and shall be deemed to have been properly served if hand-delivered or sent by registered post at the address set out below or such other address which may be from time to time specified in writing to each other -

System Operation Licensee:

The Director
(insert name of company)
(insert address)
 Telephone: **(insert no)**
 Email: **(insert email address)**

Authority:

Chief Executive Officer
 The Utility Regulatory Authority
 One Exchange Square
 Level 8, Tower A, Wall Street

Licence Number: (insert)

Ebene Cybercity, Mauritius
Telephone: +230 454 8070/454 8079

2. Any notice given under the provisions of paragraph (1) shall be deemed to have been duly served and received -
 - (a) at the actual time of delivery, if delivered personally;
 - (b) **seven (7) working days** subsequent to the date of postage, if sent by registered post.

CONDITION 37 - WHOLE LICENCE

1. This License constitutes the entire license and supersedes all prior understandings and agreements between the System Operation Licensee and the Authority.