ZERA
ZIMBABWE ENERGY REGULATORY AUTHORITY

APPLICATION FOR AN ELECTRICITY DISTRIBUTION LICENCE

Form EL3

Please send the completed form to:

ZIMBABWE ENERGY REGULATORY AUTHORITY
14th Floor Century Towers
45 Samora Machel Avenue P.O Box
CY 308 Causeway **HARARE**

Tel: +263-4-780010, 253461
Fax: 263-4-250696
E-Mail: admin@zera.co.zw
Website: www.zera.co.zw

Application must be submitted in triplicate plus 1CD/r soft copy and application must be accompanied by an application fee of RTGS$20 000.00 plus 15% VAT

Tick the appropriate box below

NEW LICENCE APPLICATION		FIRST DEEMED LICENCE APPLICATION		RENEWAL OF LICENCE APPLICATION BY LICENCEE/ DEEMED LICENCEE	

N.B. An applicant applying for the renewal of its licence is required only to record in this application any significant changes of particulars recorded in its original or preceding applications.

APPLICATION FORM FOR THE ISSUE OF A DISTRIBUTION LICENCE BY THE ZIMBABWE ENERGY REGULATORY AUTHORITY (ZERA) IN TERMS OF THE ELECTRICITY ACT (CHAPTER 13:19 OF 2002)

1. Introduction

This document is intended to provide guidance to persons wishing to apply to the Zimbabwe Energy Regulatory Authority (ZERA) for a distribution licence in terms of the Electricity Act (Chapter13:19) number 4 of 2002 for the provision of electricity services.

Section 40 (1) of the Act requires that no person shall in Zimbabwe operate an electricity undertaking that generates, transmits, distributes or supplies electricity without an appropriate licence issued under the Act.

The Act defines three categories of licences namely generation, transmission and bulk supply and the distribution and retail licences.

The distribution and retail licence authorizes the licencee to construct, operate and maintain a distribution system and facilities, including any of the following services as may be specified in the licence:

- the connection of customers for the purpose of receiving a supply of electricity,
- the installation, maintenance and reading of meters, billing and collection,
- such other distribution service as may be prescribed for the purposes of this section.

Applicants are reminded that it is an offense under the Act (Section 60) to make any statement which he knows is false or does not have reasonable grounds to believe to be true before the Authority. Provision of false, misleading or incomplete information would go directly to the question of the suitability of an applicant to hold a licence.

2. Basis of the form

The application form is issued in terms of section 46 of the Act that requires that an application for a licence shall be made to the Authority in the form and manner prescribed.

3. Use of the form

Applicants should provide the requested information in the spaces provided and where necessary provide further information. The form can be filled electronically.

4. Prior reading

It is advised that applicants familiarize themselves with the provisions of the ACT and the Zimbabwe Distribution Code before filling in the form.

LICENCE APPLICATION FORM

1. Identity of the applicant

Name of applicant	
Legal form of applicant	
Physical address	
Postal address	
Telephone number	
Fax number	
Contact person	
Contact person s e-mail address	
Contact person s phone number	

Attach where applicable – company registration details, memorandum of association, lease agreements.

2. State operational voltage (state the operational voltage to be used by applicant)

Voltage required	**Tick the appropriate voltage level**
132 kV	
88 kV	
66 kV	
33 kV	
11 kV	
LV	

3. Line length

Voltage required	**km**
132 kV	
88 kV	
66 kV	
33 kV	
11 kV	
LV	

(Please attach a map and single line diagram showing the existing lines)

4. Customer numbers applicant wants to supply.

Nature of customer	**Current Number**	**Projected new connections**				
	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Domestic - Urban						
Domestic - Rural						
Commercial - Urban						
Commercial - Rural						
Farming						
Industrial - Rural						
Industrial – Urban						
Mining – Rural						
Mining - Urban						

5. Electrification rates (state your current electrification rate as stipulated below)

   - National
   - Urban
   - Rural

6. Projected electrification rates in the next five years on annual basis and as outlined below:

   - National
   - Urban
   - Rural

7. Number of connections using utility driven renewable energy technologies for the next five years (Please also provide your corporate renewable energy policy)

8. Outline your strategies to achieve the electrification targets (you may include your distribution master plan for each Region)

9. Energy sales and projections (Please state the key assumptions made to derive your projections)

		Projections				
Customer class	Current Year	Year 1	Year 2	Year 3	Year 4	Year 5
Domestic						
Industrial						
Mining						
Commercial						
Agricultural						

10. State your system losses (technical and non technical)

11. Outline your strategies for loss reduction and projected losses in the next five years

Strategy Objective	**Losses Reduction**				
	Year 1	Year 2	Year 3	Year 4	Year 5

12. State your system load factor

13. Outline your strategies for the improvement of the system load factor and projections of the system load factor in the next five years

Strategy Objective	**Improvement in Load Factor**				
	Year 1	Year 2	Year 3	Year 4	Year 5

14. Outline energy savings you intend to achieve using demand side management and energy efficiency techniques

Strategy Objective	**Energy Savings**				
	Year 1	Year 2	Year 3	Year 4	Year 5

Strategy Objective	**Demand Reduction**				
	Year 1	Year 2	Year 3	Year 4	Year 5

15. Outline the techniques you intend to use and the level of financing set aside for demand side management and energy efficiency activities

16. Existing distribution lines constraints and investment required in the next five years (state the proposed investments on the distribution lines, indicating the constraints to be addressed, level of investments and financing mechanisms.

Line by Voltage level	Length of line in km	Constraint(s) to be addressed	Investment required		Years project is to be	Financing mechanism
			Local Currency	Foreign Currency		

17. Existing main distribution substations constraints and investment required in the next five years (state the proposed investments on the main distribution substations indicating the constraints to be addressed, level of investments and financing mechanisms.

Substation	Constraint(s) to be addressed	Investment required		Years project is to be	Financing mechanism
		Local Currency	Foreign Currency		

18. Distribution line expansion plans (state your distribution expansion plans, stating the purpose of expansion, the length of the proposed lines, investment required and funding mechanism)

Line by voltage level	Length of line in km	Purpose of line	Investment required		Years project is to be	Financing mechanism
			Local Currency	Foreign Currency		

19. Substations expansion plans (state your main distribution substation plans, stating the purpose of the projects investment required and funding mechanism)

Substation	Constraint(s) to be addressed	Investment required		Years project is to be	Financing mechanism
		Local Currency	Foreign Currency		

20. Other investments to improve the safe and efficient operations of the distribution network

Project	Constraint(s) to be addressed	Investment required		Years project is to be	Financing mechanism
		Local Currency	Foreign Currency		

21. State the envisaged maximum and minimum voltages in normal and emergency conditions

	Normal Conditions		**Emergency Conditions**	
Nominal Voltage (kV)	**Maximum (KV)**	**Minimum (KV)**	**Maximum (KV)**	**Minimum (KV)**
132				
110				
88				
66				
33				
11				
LV				

22. State your line loading limits that shall not be exceeded in steady state operation of the distribution and sub-transmission systems for different maximum conductor temperatures and line designs.

23. State your reserve requirements for the sub-transmission system operated by the distribution licencee for single outage condition as follows:

- Sub-transmission substation
- Sub-transmission lines

24. State the minimum way leaves for your proposed distribution system (normal, at road crossing and rail crossing)

25. State the minimum line clearances for your proposed distribution system by voltage level

26. State the fault clearance times you envisage to comply by different voltage levels

27. Provide the minimum protections schemes you plan to implement for your distribution system components

28. <u>Operations information</u>

a. Provide power purchase supply agreements with transmission company
b. Provide pricing arrangements with transmission company c.
Provide your safety manuals and templates and/or other documentation to address employee and public safety issues
d. Provide your customer service charter
e. customer standards documents detailing customer handling procedures
f. procedures for dealing with special-needs customers e.g. blind, elderly, disabled and severely ill
g. procedures for applying for an electricity service
h. procedures for information dissemination to customers
i. Provide documentation regarding your test procedures for maintenance (the information provided should include issues to be tested and compliance standards)
j. Provide information on envisaged:

- provision, and maintenance of metering equipment
- modalities for collection of metering data
- accuracy of all equipment used in the process of electricity metering
- testing procedures to be adhered to
- storage for metering data
- competencies and standards of performance and
- metering demarcations with generators and distributors

29. Technical capabilities

Applicants must show that they have the technical capacity to comply with the conditions of the licence they are applying for and any associated codes and guidelines as published at the time.

In order to demonstrate technical capacity to the Authority, applicants should provide among others –

(i) details of their experience in and knowledge of the electricity industry
(ii) summary of the skills and experience of the senior managers and key personnel and their relevance to meeting the requirements of the licence. Technical expertise in complaints handling, monitoring and testing services, operations and maintenance of systems to be demonstrated.
(iii) If applicant is to rely on another entity to provide skills a summary of the relationship between the entity and the applicant including formal agreements to provide services, duration of agreement and a summary of evidence that the contracted entity has the necessary skills, experience and technical capacity has to be provided together with the application. Applicant has to attach relevant contracts and other documents as proof.

30. Financial projections and security

The applicant is required to submit (where possible) :

i) Audited financial statements for the previous three years
ii) Budgeted financial statements for the next three years showing total revenues (per project) to be earned, costs to be incurred and sales based on realistic and clearly defined assumptions
iii) Estimates of net annual cash flows for the following 3 years
iv) Current profit and loss statements, balance sheets and any other information and any other information that can demonstrate an acceptable credit rating.
v) Declaration from the Chief Executive Officer stating that the Officer is not aware of any factor that would affect the applicant s ability to securely finance the activities to be performed under the proposed licence
vi) A written declaration from an independent auditor or financial advisor stating that
    a. the applicant has not been deregistered, wound or dissolved, is not under external administration
    b. that they are not aware of any factor that would affect the applicant s ability to securely finance the activities to be performed under the licence
    c. that the applicant s current financial commitments are appropriate to the applicant s size and reserves

vii) A comprehensive business plan including strategic direction, objectives, opportunities in the market, forecast results, impact of differing assumptions or scenarios on the applicant s financial position. ′

viii) Long – and /or short-term credit rating from a reputable organization

31. Equity structure of the applicant

If the company is a wholly owned subsidiary of another company or one of a group of related companies provide :

(i) details of the ownership structure of the group, including proportions of equity held
(ii) details of the contractual arrangements that define relationships within the group – shared resources, guarantees, revenue flows, obligations
(iii) consolidated audited financial statements for the group

Summary information about the parent company and the ownership structure of the related companies should be provided. Any breach of statutory or legal obligation of any of the directors, principal owners and principal officers should be made known to the Authority.

In the table below show shareholding of the company:

Name of shareholder	% shares held	Full address of shareholder
1.		
2		
3.		

32. Previous applications

Provide :

(i) Details of any offences or successful prosecutions in Zimbabwe
(ii) Details of any licence currently held by the applicant or company related to the applicant in Zimbabwe
(iii) Revocations/suspensions of previous licences
(iv) Details of any previous unsuccessful utility licence applications by applicant or company related to applicant including reasons for refusal

33. Human Resources

Provide the following information.

Number of managerial employees	
Number of non-managerial employees	
Number of technical employees	
Number of non-technical employees	
Total	

Attach the following:

a) Organizational chart showing the key positions, the status of the positions in terms of manning levels and key functions of each position
b) Training policy and program, relevant industry policies

34. Names and addresses of key personnel of the applicant

Applicant needs to reveal in the application the names of the key personnel who make important decisions in the organization. Such people include Chief Executive officer, directors, company secretary

Name of person	
Position held	
Physical Address	
Telephone	

Name of person	
Position held	
Physical Address	
Telephone	

Additional information

It is very important for the applicant to provide as much information as possible. The applicant can therefore provide further information if they feel that such information will help in the consideration of the application by the Zimbabwe Energy Regulatory Authority (ZERA). The applicant should also demonstrate that their operations are in compliance with other laws of the land such as investment regulations, environmental laws and other relevant statutes.

Declaration

We, ...and ..... declare that we have personally reviewed the above statements and that they are true and correct and complete in all material aspects. We further declare that the information was prepared and compiled under our supervision and control and that we are authorized by the applicant to submit this application on its behalf. We declare that we have a positive duty to ascertain the accuracy and completeness of this information. If issued with the licence we will abide by all provisions of the Electricity Act and all statutory regulations, codes and standards that will be from time to time issued by the Authority.

Dated this .....day of .....200 .....at .....

Signature : .....

Title : .....

Signature : .....

Title : .....

Company stamp :