



مكتب التنظيم و الرقابة
Regulation & Supervision Bureau

Consent to TRANSCO for the Transmission and Despatch of Power and Water outside the Emirate of Abu Dhabi from the F1 and F2 Facilities

Consent

20 March 2011

ED/L03/063

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water, wastewater and electricity sector of the Emirate of Abu Dhabi

Document	Approved by	Recipients of controlled
ED/L03/063	Director General	TRANSCO Bureau

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Abu Dhabi Transmission and Despatch Company
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Abu Dhabi

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1. Introduction

1.1 TRANSCO has requested that the Bureau issues its Consent (pursuant to Condition 2, paragraph 2 of the Licence) to the transmission and despatch of power and water outside the Emirate of Abu Dhabi from the F1 and F2 facilities.

2. Definitions

2.1 Terms used in this Consent shall (unless defined herein or the context otherwise requires) have the same meaning as ascribed to them in Law No (2) or the Licence.

“**Bureau**” means the Regulation and Supervision Bureau for the Water, Wastewater and Electricity Sector in the Emirate of Abu Dhabi as established under Law No (2).

“**Consent**” means this consent granted by the Bureau to TRANSCO for the transmission and despatch by TRANSCO of power and water outside the Emirate of Abu Dhabi from the F1 and F2 facilities, including any amendments from time to time.

“**Consented Activities**” means the activities covered by this Consent.

“**ESWPC**” means the Emirates Sembcorp Water and Power Company.

“**F1**” means the facility located at Qidfa, Fujairah, at which ESWPC has a licence from the Bureau to desalinate water and generate electricity.

“**F2**” means the facility located at Qidfa, Fujairah, at which FAPCO has a licence from the Bureau to desalinate water and generate electricity.

“**FAPCO**” means the Fujairah Asia Power Company.

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“**Law No (2)**” means Law No (2) of 1998 concerning the Regulation of the Water and Electricity Sector in the Emirate of Abu Dhabi, as amended.

“**Licence**” means the power and water transmission and despatch licence, number ED/L01/005, granted by the Bureau to TRANSCO, as modified from time to time.

“**Licensed Activities**” means the activities permitted to be carried out by TRANSCO pursuant to the terms of the Licence.

“**TRANSCO**” means the Abu Dhabi Transmission and Despatch Company.

“**Water Quality Regulations**” means the Water Quality Regulations currently in force issued by the Bureau under Article 62 of Law No (2), as amended from time to time.

3. Consent

3.1 The Bureau hereby grants this Consent to TRANSCO pursuant to Condition 2, paragraph 2 of the Licence for the transmission and despatch of power and water outside the Emirate of Abu Dhabi from the F1 and F2 facilities.

4. Conditions of Consent

4.1 This Consent is subject to the following conditions:

(a) TRANSCO shall continue to comply with all the requirements of Law No (2) and the Licence in respect of its Licensed Activities, activities ancillary thereto, and any other activity for which TRANSCO has obtained the Bureau’s consent pursuant to Condition 2, paragraph 2 of the Licence.

The Consented Activities must not in any way adversely affect the operations and costs of TRANSCO’s Licensed Activities.

To the extent that the Consented Activities impact upon the Licensed Activities, TRANSCO shall at all times give priority to its Licensed Activities, such matters to include (but not being limited to) economic despatch and system security.

In particular attention is drawn to the Conditions in part three, division three of Law No (2) which must not be compromised under any circumstances.

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- (b) TRANSCO shall, in relation to the Consented Activities, comply with all the requirements of Condition 8 (“Separate accounts for separate businesses”) of the Licence as if the Consented Activities were “Separate Businesses” as defined in the Licence.

TRANSCO shall accordingly submit to the Bureau in a timely manner all the accounting statements and information, including the audited Separate Business Accounts, as required by Condition 8 of the Licence for the Consented Activities.

Separate Business Accounts in this case means both (i) a separation into licensed and unlicensed activities and (ii) a separation within each such activity into water and electricity accounts.

TRANSCO shall put in place all the required information and accounting systems and shall ensure the separation and allocation of all direct and indirect costs and income between the Consented Activities and the Licensed Activities on a transparent, reasonable and verifiable basis, separately for power and water.

The allocation between licensed and unlicensed activities of TRANSCO’s transmission assets and other costs associated with the Consented Activities will be subject to the approval of the Bureau.

- (c) TRANSCO shall enter into appropriate connection agreements with ESWPC and FAPCO, with such agreements subject to review by the Bureau at any time.
- (d) TRANSCO shall not transmit power or water to any party outside the Emirate of Abu Dhabi unless it has entered into (i) an appropriate connection agreement and (ii) an appropriate use-of-system agreement with each such party. Such agreements shall be subject to review by the Bureau at any time.
- (e) TRANSCO shall within 30 days after the date that each new supply is commissioned or energised, supply the Bureau with the name and address of the new power and/or water connection point located outside the Emirate of Abu Dhabi, and the quantity of power and/or water so transmitted, together

with projection of the anticipated power and/or water transmitted quantity in each of the present and following five calendar years.

- (f) TRANSCO shall supply any information relating to the Consented Activities requested by the Bureau as soon as practicable but in any case not later than 30 days after the Bureau's request for such information.
- (g) In undertaking the Consented Activities, TRANSCO shall comply with Condition 4 ("Health and safety") of its Licence as if such activities were Licensed Activities.
- (h) TRANSCO shall take all reasonable measures, insofar as it is within its powers to do so, to ensure that any water despatched and transmitted pursuant to this Consent complies with the Water Quality Regulations.
- (i) This Consent shall not relieve TRANSCO or any other party from the requirements of any authority having jurisdiction over the said entities in relation to the Consented Activities.

5. Duration of Consent

- 5.1 This Consent shall, in respect of the transmission and despatch of power and water outside the Emirate of Abu Dhabi from the F1 and F2 facilities, remain valid up to 31 December 2015.
- 5.2 Not less than 30 days prior to the expiry of this Consent as specified in paragraph 5.1, TRANSCO must write to the Bureau to either:
 - (a) request an extension of the relevant period; or
 - (b) confirm that the activities to which the Consent applies are no longer being carried out by TRANSCO.

6. Modification and Revocation

- 6.1 This Consent is subject to modification or revocation by the Bureau at any time with 30 days prior written notice to TRANSCO.

GRANTED for and on behalf of the Bureau by:




NICHOLAS CARTER
Director General

Dated this 20th day of March 2011

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