REGULATION
ON ORGANIZATION AND OPERATION OF ELECTRIC POWER RETAIL SERVICE

Chapter I
GENERAL PROVISIONS

Article 1: Governing scope and applicable subjects

The regulation on organization and operation of the electric power retail service is applied at localities where Power Companies – members of the Vietnam Electricity – manage directly and retail electric power to electricity consumers at areas of proper conditions for implementation of the “Electric power retail service”

Article 2: Organization and Operation of the electric power retail service

Organization and operation of the electric power retail service is carried out under the model of service contracts, and accordingly Power Companies, One-member limited liability Power Companies, Joint Stock Power Companies, Provincial Electricity, District Electricity are to hire Service Providers to carry out some works of the contents of the electric power business management and the low voltage grid operation at communes, wards, and towns.

Article 3: Definitions and abbreviations:

In this Regulation, words and phrases are understood as follows:

1. Service Users are Power Companies, One-member Limited Liability Power Companies, and Joint Stock Power Companies (hereafter called Power Companies). Power Companies may authorize to the Provincial Electricity, the District Electricity, and the Electricity Branch (hereafter called the Electricity) to sign and carry out “electric power retail service” contracts.

2. Service Providers – being legal factors, households, cooperative groups, private enterprises and individuals that have business registration certificates or individuals with sufficient civil acting capacity as stipulated by laws are hired by the Service Users to carry out one or some service works stipulated at Article 7 of this Regulation.

3. A deposit is an amount of VND deposited by the Service Provider at the account (or at his/her saving book) to be blockaded by the Bank (as stipulated by Article 360 of the Civil Law) to guarantee his/her implementation of the contract obligations.
4. A guarantee is that the third person (the guarantor) commits with the entitled party (the guarantee beneficiary) to perform obligations instead of the obligee (the guarantee applicant) if the guarantee applicant does not carry out or mis-carries out his/her obligations by the time limit. The parties may agree among another that the guarantor is to carry out obligations when the guarantee applicant is not able to carry out his/her obligations.

5. A service charge is an amount of VND the Electricity pay to the Service Provider based on their agreement of “methodology for calculating service charges” (Annex of Guidelines on the electric power retail service contract issued enclosure with this Regulation), subject to the volume provided in the month and services performance.

6. Electricity consumers are organizations and individuals that buy electric power for their own use (by signing directly the electric power sales contracts with the Electricity), no re-sales to other organizations and individuals is permitted.

7. EVN: The Vietnam Electricity;

8. MB: Management Board

9. One member Ltd Co.: One-member limited liability company;

10. Retail EPS: Electric power retail service

**Article 4: Conditions for the Service Provider**

The Service Provider is to carry out service works stipulated at the Article 7 of this Regulation. The Service Provider is to ensure conditions as follows:

1. Making deposits or guarantees as stipulated at the Article 5 of this Regulation.

2. Being trained with knowledge on electricity operation management and electricity business management checked and certified by the Electricity.

3. The person who is assigned to provide direct services is to be qualified with secondary school graduation (at delta communes and towns); primary school graduation (at mountainous, remote and island areas).

4. Submitting the Application Form for Service Provider and signing contracts with the Electricity

5. not being staff currently working for the Electricity.

**Article 5: Deposits and guarantees**
1. Deposits (*encouraged applicable*):

a) Deposit limits, depending on conditions and capacity of the Service Provider are defined equal or twice of the electricity invoice value handed over by the Service User to the Service Provider to collect in each period as minimum; and no excess of once or twice of the monthly average electricity invoice value as maximum (of three months before signing service contracts)

b) Basing on the actual electricity turnover increments every 6 months or when the state competent authority adjusts electricity selling prices, the Electricity may adjust deposit limits according to the above mentioned deposit principle. After making the final payment of electricity bills of each period, the Service Provider is to receive electricity bills at the value of 85% of his/her deposit as maximum.

c) Deposits of the Service Provider are kept by the bank as agreed with the Electricity. Deposit procedures are carried out in accordance to the legal regulations on Banking.

d) If the Service Provider violates the contract obligations, during implementation of service provision, the Electricity is entitled to request the deposit-keeping-bank to withdraw a deduction from the primary deposit for the payment duty of the Service Provider stated in the service contract or to compensate losses (if caused by the Service Provider) after bank charges. The Service Provider is to supplement his/her deposit as stipulated at point a) of item 1, Article 5 of this Regulation if the Service Provider wants to continue his/her service providing.

e) Settlement of the deposited assets when the service contract terminates: In case the service contract is fulfilled by two parties, and liquidated with no dispute, and if the two parties do not continue to sign any new contract, the Electricity is to send a request in writing to the Bank to lift the deposit blockade to enable the Service Provider to get his/her deposit back.

2. Guarantees:

a) Depending on conditions and capacity of the Service Provider, the deposit value is defined as stipulated at point a) of item 1, Article 5 of this Regulation.

b) In order to implement the service contract, depending on conditions and capacity of the Service Provider and the reality of the locality, the Electricity and the Service Provider are to agree the application of guarantee models as stipulated at Article 361, 362 and 363 of the Civil Law.

**Article 6: Payment and service charges**
Service charges are paid and accounted for by the Electricity to the Service Provider as agreed in their signed contract after terminating the service provision.

1. Service charges to pay to the Service Provider consist of:
   a) Charges of the electricity sales service carried out by the Service Provider according to the electricity sales contract signed by the Electricity and electricity consumers.
   b) Charges of the grid operation service carried out by the Service Provider.
   c) Expenses arising beyond the contract for the Service Provider to carry out requirements of the Electricity, including: vehicles, ferry and boat charges, etc (if any). These expenses must not exceed the current regulations of the Ministry of Finance.

2. Defining service charges is to comply with the principle agreed by the two parties based on the combination of the electric power business turnover target with the service performance.

3. Electric power sales service charges are accounted for the cost of production and business by the Electricity. The service volume is not accounted for the general labor target to calculate the unit wage and the salary fund of the electricity production and business block.

4. In case the electric power retail service is not fulfilled as agreed in the service contract due to the Service Provider’s faults, the Electricity is entitled to reduce service charges and request the Service Provider to compensate such losses.

   If the fulfilled service volume exceeds the target agreed in the contract, the Service Provider may be paid a charge increment by the Electricity in cash or in kind (at the service charge adjustment coefficient).

5. The Electricity is to make the payment at 100% of service charges after the Service Provider fulfils his/her service provision and make the final payment of electricity bills to the Electricity.

Chapter II
CONTENTS AND SCOPE TO PROVIDE THE ELECTRIC POWER RETAIL SERVICE

Article 7: Contents of service works
The Electricity hires the Service Provider to carry out the electric power retail service for electricity consumers with one or more specific works as follows:

1. Collecting and submitting electricity charge payments and making final payments of electricity bills;
2. Recording the electricity meter index (electricity consumption volume measured by the electricity meters);
3. Depending on the actual situation, the Electricity may hire the Service Provider to carry out some contents of the customer service and the low voltage grid operation management, including:
   a) Participating in hanging and unhanging electricity meters for electricity consumers;
   b) Participating in checking electricity meters;
   c) Participating in checking electricity consumption based on the electricity sales contracts;
   d) Participating in disseminating safe and economical measures of electricity consumption at areas where the services are provided.
   e) Cooperating with the Electricity and local governments to make clearance for corridors of electricity lines and defend grid assets in the areas where the service is provided.

When carrying out the above mentioned works, the Service Provider is to obey rules of the electric power business process, the technical scale of safe electricity, and the operation management process of the Power Company.

Chapter III
RIGHTS AND OBLIGATIONS OF THE ELECTRICITY AND THE SERVICE PROVIDER

Article 8: Rights of the Electricity
1. The Electricity has the right to select the capable Service Provider to satisfy the best conditions stated in the Article 4 of this Regulation.
2. The Electricity has the right to require the Service Provider to obey rules of electric power operation and business management process of the Power Company.
3. The Electricity has the right to require the Service Provider to carry out service works with the agreed quality, volume and time limit.

4. The Electricity has the right to check and monitor the Service Provider in his/her implementation of provisions agreed in the service contract.

5. In case the Service Provider violates his/her obligations, the Electricity has the right to cancel or unilaterally suspend the contract implementation and require compensations for losses.

6. The Electricity has the right to enjoy legal interests brought by the Service Provider’s performance in the contract implementation process.

**Article 9: Obligations of the Electricity**

1. Organizing training courses for the Service Provider on the safe electricity process, and the electric power operation and business management process in compliance with the contents and scopes of the electric power retail service.

2. Providing related information, documents, and guidelines on necessary labor equipment usage for the Service Provider (Party B) to carry out works agreed in the contract.

3. Handing over electricity bills by the time limit. Paying service charges to the Service Provider according to the signed service contract.

4. Returning to the Service Provider or sending a letter to the Bank for lifting its blockade of deposits or guarantees of the Service Provider when the two parties liquidate the electric power retail service contract without any dispute.

5. Taking responsibilities before the law for selecting and using the Service Provider and for the case when the Service Provider violates laws due to the faults caused by the Electricity.

6. Being responsible for informing electricity household consumers of works related to electricity consumers according to contracted service scopes that are carried out by the Service Provider.

7. Paying penalties and compensations for the Service Provider when violating its obligations in the signed service contract.

**Article 10: Rights of the Service Provider.**

1. When providing services, the Service Provider has the right to perform under the name of the Electricity in order to carry out electricity sales contracts signed between the Electricity and its electricity consumers. The Service Provider is paid service charges basing on his/her service performance,
properly with rights and obligations of both parties as agreed in the service contract.

2. The Service Provider has the right to participate in training courses on the low voltage grid operation management and electric power business management according to contents and scopes of the electric power retail service implementation.

3. The Service Provider has the right to reflect to the Electricity the electricity supply status and the Electricity’s responsibility of carrying out contents of the electricity sales contract signed with the electricity consumer.

4. The Service Provider has the right to cooperate with the Electricity to check periodically or incidentally the implementation of electricity sales contracts of household consumers in the areas where services are provided.

5. The Service Provider has the right to send petitions to the Electricity about measures to settle timely or stop electricity supply for the following cases:
   a) Electricity equipment and grid are not safe; possibly causing danger to the human and cattle.
   b) The electricity consumer steals or misuses electricity
   c) The electricity consumer delays to pay overdue electricity charges as agreed in the electricity sales with the Electricity.

6. The Service Provider has the right to request the Electricity to pay service charges basing on service performance and to receive payments as agreed in the electric power retail service contract.

7. The Service Provider has the right to cancel or terminate unilaterally the contract if the Electricity violates seriously contract implementation obligations.

8. The Service Provider has the right to do procedures so that the Bank lifts its blockade of deposits or guarantees after liquidating this contract without any dispute.

**Article 11: Obligations of the Service Provider**

1. Carrying out works with volumes, quality, and time limits, at venues and with other agreements stated in the service contract signed with the Electricity.

2. Following rules on the operation management process and on the electric power business process of the Power Company.
3. Prohibiting from entrusting services to other providers.

4. Preserving and using for the right purpose and handing over to the Electricity documents, tools and vehicles to provide services after fulfilling contracted works.

5. Reporting immediately to the Electricity on the shortage of documents, information and low quality equipment to fulfill service works.

6. Carrying out urgent measures to prevent any risk causing severe break-downs of the grid, threatening the human’s and equipment’s safety, without any necessity of waiting for instructions of the Electricity but compulsorily reporting to the Electricity immediately after that.

7. Receiving and transferring requests and complaints of electricity consumers to the Electricity.

8. Recording fully on books as stipulated of the Electricity the status of the electric equipment, grid and electricity consumers within the scope of service provision.

9. Keeping confidential information related to the electricity sector (the Electricity), to electricity consumers and to the electric power retail service that are learnt during service period.

10. Paying penalties and compensations for the Electricity for making damages or missing of electricity bills, labor tools, or other faults causing losses of the Electricity.

11. Prohibiting from performing under the name of the Electricity to carry out works beyond the ones agreed in the electric power retail service contract.

12. Being responsible for the individual’s safety when providing services.

**Article 12: Other agreements**

Besides the above mentioned rights and obligations of each Party, the Electricity and the Service Provider are entitled to make additional agreements on other rights and obligations but not contrary to the laws and this Regulation.

**Chapter IV**

**ELECTRIC POWER RETAIL SERVICE CONTRACT**

**Article 13: Electric power retail service contract**
The implementation of service works agreed between the Electricity and the Service Provider is done via the electric power retail service contract.

The work contents of the electric power retail services are carried out in accordance with the Civil Law, legal regulations and guidelines at the Annex (Contract Form No. 1 and 2) enclosure with this Regulation.

**Article 14: Contents of the electric power retail service contract**

The electric power retail service contract consists of principal contents as follows:

1. Signing date, month, year of the contract; addresses, account numbers and transaction banks of each party (if any); full names of the legal representative of the Electricity and of the Service Provider; tax codes; etc….

2. Scopes and volumes of the service contract: one or some works as stipulated at the Article 7 of this Regulation;

3. Quality requirements of each service work;

4. Measures to ensure the contract implementation: deposits, guarantees;

5. Agreements on service charges, methodology, and payment time limit;

6. Rights and obligations of the Electricity and the Service Provider; responsibilities for contract violations (penalties and loss compensation);

7. Venues of contract implementation: low voltage grid scope and electricity consumers in the contracted service areas;

8. The contract effectiveness (3 years as maximum);

9. Cases of contract termination and liquidation;

10. Settlement of contract disputes;

11. Other agreements (if any).

**Chapter V**

**CHECKING AND PUNISHING VIOLATIONS**

**Article 15: Checking**
1. The Electricity and the Service Provider are both responsible for checking and monitoring each other in the implementation of the works agreed in the service contracts, in order to deliver better services to the electricity consumers/buyers of the Electricity.

2. The Vietnam Electricity and the Power Company have the right to check the Service Provider’s operations related to service works hired by the Electricity.

3. The Electricity, the Service Provider and electricity consumers are to cooperate and check the implementation of electricity sales contracts signed by the Electricity and the electricity consumer.

**Article 16: Punishing violations**

Related subjects are to be punished, if they violate provisions of this Regulation, according to legal stipulations and regulations of the Vietnam Electricity.

**Chapter VI**

**IMPLEMENTATION PROVISION**

**Article 17: Implementation effectiveness**

This Regulation comes into effect since the signing date and replaces the provisional Regulation on “Organization and operation of the rural electric power retail service” issued enclosure to the Decision No. 335/EVN/HDQT/KD&DNT of October 10, 2003 of the Management Board of the Vietnam Electricity.

**Article 18: Implementation responsibility**

1. Within 60 days since the effective date of this Regulation, the Power Company and the Electricity have responsibilities to inform and invite organizations and individuals who have signed electric power retail service contracts according to the Regulation issued enclosure to the Decision No. 335/EVN/HDQT/KD&DNT to liquidate and terminate such contracts and in parallel agree to sign new rural electric power retail service contracts according to provisions of this Regulation.

2. The Chief Executive Officer of the Vietnam Electricity directs functional sections and related agencies to implement this Regulation./.
CONTRAC FORM 1
(For the contracts between the Electricity and individuals)

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ELECTRIC POWER RETAIL CONTRACT
Number:..........CTDL........./DL........./HDDL date….month….year

- Pursuant to the Civil Law of June 14, 2005
- Pursuant to the Electricity Law of December 3, 2004
- Based on the needs and capacities of the two parties;

Today, on (date) …. (month)……,(year) at …………………... , we comprises of:

I. THE SERVICE USER: The Power Company......(hereafter called Party A)
- Address : ...................................................................................................;
- Phone: ................; Fax: .........................................................................;
- Account number : .................; At Transaction Bank: .........................;
- Tax code : ..................................................................................................;
- Represented by Mr/ Mrs................................................;
- Job title : .........................................................................................;

According to the authorization of The Director of the ……..(name) Power
Company (Decision No. ……… of (month) ….. (date), ….. (year)

II. THE SERVICE PROVIDER: Mr. (Mrs.): ………. (hereafter called Party B).
- Current address: ................................................................. ;
- Permanent Registered Address: ......................................................;
- Identity card No.: ............................... ; Issued on: ........... ; at: ............ ;
- Phone: ..............................; Fax: ..........................................................;

CONTRCT FORM 2
ELECTRIC POWER RETAIL CONTRACT

No. : ............ CTĐL ....... / ĐL ........ / HĐĐL of ………tháng ………(date), ……… (year)

- Pursuant to the Civil Law of June 14, 2005;
- Pursuant to the Electricity Law of December 3, 2004;
- Based on needs and capacities of the two Parties;

Today, on ………(month) ………(date), ………(year), at…………, we comprises of:

I. THE SERVICE USER: …. Power Company (hereafter called Party A)
- Address: ............................................................................................................;
- Phone: ...............; Fax: ....................................................................................;
- Account number:………..; At transaction bank: ………………………………………;
- Tax code : ..........................................................................................................
- Represented by Mr. (Mrs.): ……………………………………………………………;
- Job Title: ............................................................................................................

According to the authorization of The Director of the ……..(name) Power Company (Decision No. ……… of (month) ……… (date), ……… (year)

II. THE SERVICE PROVIDER : ……………………… (hereafter called Party B).
- Address: ............................................................................................................;
- Phone: ……………….; Fax: ....................................................................................;
- Account number: …………….; At transaction bank: …………………………………;
- Tax code : ............................................................................................................
- Represented by Mr. (Mrs.) ……………………………………………………………;

Establishment Certificate (Decision) No.: ………(month) ……… (date), ………(year) of ………(month) ……… (date), ……… (year);
Party A and Party B agree to sign the contract with the following provisions:

Article 1: Content of service works:

1. Party A hires and Party B agrees to provide the electric power retail service with these following specific works:

   a. Recording the electricity meter index (electricity consumption volume measured by the electricity meters) according to the customer inventory handed over by Party A and subject to its schedule;

   b. Collecting and submitting electricity charge payments as well as making final payments of electricity bills according to the customer inventory handed over by Party A and subject to its schedule;

   c) Other service works:

      - Participating ...........................................................

      - Coordinating ........................................................

      - ........................................................................

   The area where Party B carries out service works is: ...............(commune/ward/town),.............. District, ........province (city).............

Article 2: Measures to ensure the contract implementation:

Measures to ensure the contract implementation are: ........(deposits or guarantees), in details as follows: (choosing 1 from 2 measures: deposits or guarantees to put into the contract)

Deposit (or guarantee) limits, according to the principle stipulated in point a) of item 1, Article 5 of the Regulation on organization of the electric power retail service: “ Deposit (or guarantee) limits depending on conditions and capacity of the Service Providers are defined as equal or twice of the electricity invoice value handed over by the service user to the service provider to collect in each period as minimum and no excess of once or twice of the monthly average electricity invoice value (of three months before signing service contract) as maximum.

2. For the deposit case:

   a) Party B commits to make the deposit in VND at the account (or his/her saving book) blockaded at and by the ............... Bank, according to item 3 of Article 3 of the Regulation on organization and operation of the electricity power retail service to ensure his/her contract implementation. The deposit amount is the
same as the one in the deposit verification certificate of the bank enclosed to this contract.

b) Party A sends a letter to the Bank, requesting the Bank to blockade the primary value of the Party B’s deposit at that Bank; Party B withdraws the interest of the deposit according to the agreement with the Bank. After Party B makes the deposit, the deposit verification certificate of the Bank is the enclosure to this Contract.

c) In the contract implementation process, if Party B violates his/her obligation to make late final payment of electricity bills and electricity charges, or delays payments of compensations and penalties as agreed at this contract for……..days or more, Party A is entitled to require the Bank (where Party B makes his/her deposits) to pay the amount unpaid by Party B after bank charges. In order to continue the service provision, Party B is to supplement his/her deposits stated at item 1 of this Article 2.

d) Party B receives electricity bills with the total value equal to 85% of the primary deposit to collect in each period.

e) Every six months or when the government competent agency adjusts electricity selling prices, Party A may adjust the deposit limit. If Party B has not yet carried out his/her deposit adjustment by the due date informed by Party A, Party B is still to ensure to meet the time limit of collecting and submitting electricity charge payments at the proportion agreed in the Contract and to pay all arising travel expenses.

2. For the guarantee case:

a) The original guarantee certificate for the payment obligation of Party B is handed over to Party A if Party B has not carried out or mis-carried out his/her obligations sated in this Contract by the time limit.

b) The guarantee limits is stated at the guarantee certificate attached with this Contract.

c) Party B receives electricity bills with the total value of 85% of the guarantee deposit to collect in each period.

d) While carrying out services, if Party B violates his/her obligation by delaying final payments of electricity bills and electricity charges as scheduled by Party A or delaying payments of compensations and/or penalties as agreed in this Contract for ……. days or more, Party A is entitled to request the Guarantor to make such payments on behalf of Party B. In order to continue the service contract, Party B is to send a new guarantee certificate with the above agreed guarantee limits. The guarantee certificate is to be enclosed to this contract.
e) Every six months or when government competent agency adjusts electricity selling prices, Party A may adjust the guarantee limits. If Party B has not carried out his/her guarantee adjustment by the due date informed by Party A, Party A is to adjust the number of electricity bills handed over to Party B each period as agreed above and Party B is to ensure to meet the time limits of collecting and submitting electricity charge payments at the proportion agreed in this Contract.

**Article 3: Service charges and payment methods.**

1. Service charges paid by Party A to Party B (according to the guidelines on methodology for calculating service charges for the electric power retail service Provider at the enclosed annex) consist of:

   a) Service charges for Party B to carry out the electric power retail service including: recording the electricity meter index (electricity consumption volume measured by the electricity meter); collecting and submitting electricity charge payments and making final payments of electricity bills.

   b) Additional to service charges for Party B to carry out some contents of the customer service and the low voltage grid operation management are comprised of:........

   c) Party B’s expenses arising beyond the contract to carry out Part A’s requirements include: vehicles, ferry and boat charges, etc., if such expenses do not exceed limits stipulated in the current regulations of the Ministry of Finance.

2. The above mentioned service charges are agreed by Party A and Party B based on the combination of volume and quantity or actual service works carried out in the month.

3. Service charges are paid in *(cash or transfer)* in.....times each month: the first advance on the ……..(date) every month is equal to 50% the monthly average service charges, and the second payment is paid latest after .....days since the date Party B fulfils all service works of the month.

4. Place of service charge payment is at:...........(for in-cash payment method)

5. In case the service works are not fulfilled as agreed due to Party B’s faults, Party A is entitled to reduce charges and request for compensations for such losses.

**Article 4: Rights and obligations of Party A**

1. Rights of Party A:

   a) Party A has the right to request Party B to follow rules of the electric power operation and business process of the Power Company.
b) Party A has the right to request Party B to carry out the service works agreed at Article 1 with the right volume, quality and time limits of Party A’s processes and rules.

c) Party A has the right to check and monitor Party B’s implementation of provisions agreed in the service contract.

d) Party A has the right to enjoy legal interests brought by Party B’s performance in the contract implementation process.

2. Obligations of Party A:

a) Organizing training courses and examinations on the process and rules on electric power operation and business and related legal regulations for Party B;

b) Providing related documents and information and guidelines on using necessary labor equipment for Party B to carry out service works agreed in this Contract;

c) Checking periodically the low voltage grid (if Party A hires Party B to manage the low voltage grid operation and states it at item c) of Article 1 of this Contract), and the measuring system;

d) Fixing schedules for recording the electricity meter index. In special and necessary cases, Party A may re-schedule but facilitate Party B and electricity household consumers to collect and pay electricity charges.

e) Handing over electricity bills by time limits. Party A is to be responsible for expenses of any faults caused by invoicing. Making final payments of electricity bills with Party B, paying service charges to Party B as agreed at Article 3 of this contract.

f) Sending official letters to the Bank to lift deposit blockage or terminate guarantees after the two Parties liquidate this contract without any dispute.

Article 5: Rights and obligations of Party B

1. Rights of Party B:

a) Party B has the right to participate in training courses on the low voltage grid operation and electric power business management organized by Party A according to the contents and scopes of service works agreed at Article 1 of this Contract.

b) Party B has the right to request Party B to provide related documents and information and guidelines on usage of necessary tools to carry out the service works agreed at Article 1.
c) Party B has the right to cooperate with Party B to check periodically or accidentally the implementation of electricity sales contract of household consumers in areas where the services are provided

d) Party B has the right to request Party A to pay service charges basing on his/her performance of services agreed at Article 3 of this Contract

e) Party B has the right to request Party A to do procedures with the Bank to lift deposit blockades or terminate guarantees after liquidating this contract without any dispute.

2. Obligations of Party B:

a) Organizing the implementation of work contents agreed at Article 1. Party B is prohibited from carrying out other works beyond the work contents agreed at Article 1 of this contract without Party A’s agreements.

b) Recognizing and obeying current processes and regulations of Party A: the Regulation on organization and operation of the electric power retail service issued enclosure to the Decision No.228/QD-EVN-HDQT of April 14, 2008 of the EVN Management Board, the process of electric power business and customer communication; following strictly Party A’s operational and technical management process and mechanism of the low voltage grid; being responsible for the safety of individuals carrying out the work contents hired by Party A; receiving and transferring requests, comments and complaints of electric consumers to Party A.

c) Following the schedule to record the electricity meter index, recording exact indices of all electricity meters listed by Party A. Informing in time for Party A when discovering unusual phenomena of electricity consumption of customers or electricity meters’ errors.

d) Following the schedule and regulations of Party A on receipt and delivery of electricity bills, electricity charge collection and payment and final payments of electricity bills.

e) Submitting fully electricity charge collections by the time scheduled by Party A. Party B is not entitled to use collected electricity charges for other purposes.

f) Being prohibited from entrusting other individuals or organizations to carry out service works without Party A’s approvals;Preserving and handing over all Party A’s documents after fulfilling service works.

i) Cooperating with Party A when Party A requests to check periodically or accidentally the electricity sales contract implementation of electricity consumers in the service provision list.
k) Informing in time to Party A of measures to handle the following cases:

- Electricity equipment and grid are not safe; possibly cause danger to the human and cattle.
- Electricity consumers change their electricity consumption purposes or have cheating behaviors or electricity steals
- Electricity consumers do not pay electricity charges after 3 informing times and 15 days after the first informing time.

l) Carrying out urgent measures to prevent any danger causing severe breakdown of the grid, threatening safety of the human and equipment, without necessity of waiting for Party A’s instruction if that wait causes damages and losses for Party A, but it is compulsory to report to Party A right after that.

**Article 6: Loss Compensations and penalties for contract violations:**

1. Party A is responsible for compensating Party B in the following cases: late payment of service charges as agreed at item 3 of Article 3 of this contract, the compensation amount is equal to interest incomes of the late payment amount, i.e the late payment amount multiples with the highest lending interest rate of the Bank (of Party A’s account) and multiple with the number of late payment days from the payment date to the date when Party A is to make payment to Party B.

2. Party B is responsible for compensating Party A in the following cases:

   a) Late payments of electricity charges as scheduled by Party A, the compensation amount is equal to interest incomes of the late payment amount, i.e the late payment amount multiples with the highest lending interest rate of the Bank (of Party A’s account) and then multiples with the number of late payment days from the payment date to the date when the Party A is to make payment to Party B.

   b) Losing electricity bills and (or) losing electricity payment amounts: the compensation is the total amount stated the electricity bills and (or) the lost amounts and having to compensate according to item 1 of this Article.

   c) Mis-recording the electricity meter index (electricity consumption volume measured by electricity meters), causing losses to Party A: the compensation amount is as the actual losses

   d) Party A suffers losses or compensates electricity consumers or other third Party, and/ or pay penalties to the state managing agencies due to Party B’s faults: the compensation amount is equal to the loss and/or equal to compensation or penalty expenses made by Party A.
e) If Party B terminates the contract unilaterally (except cases agreed at Article 9 of this Contract), Party B is to pay the compensation amount equal to the invoice value to be collected by Party B in a month multiplying with the highest lending interest rate of the Bank (that keep Party A’s account).

f) Causing break-down of the grid; causing damages to working equipments or electric equipments of Party A, the compensation amount is equal to the expenses for break-down settlement or compensation value for damages.

3. Party A is to pay the penalty equal to 8% of the compensation amount for violating the contract obligations (i.e the obligation value of the contract violation) if Party A violates cases listed at item 1 of this Article.

4. Party B is to pay penalties for violating the contract obligations:

a) The penalty is equal to 8% of the compensation amount for violation cases stated at point a) and d) of item 2 of this Article.

b) The penalty is equal to 8% of the wrong calculated amount due to mis-recording the electricity meter index.

5. Time limits for payments of compensations and penalties: the violator is to make payments of compensations or penalties to the violatee within 10 day since the date of minutes on defining compensation or penalty value

**Article 7: Other agreements (if any)**

.......................................................... ..........................................................

.......................................................... ..........................................................

.......................................................... ..........................................................

**Article 8: Settling disputes**

The two Parties commit to implement strictly provisions signed in this Contract. In case of arising disputes, the two Parties are to negotiate for settlement. In case the two Parties cannot self-settle those disputes, they are entitled to sue at the People Court.

**Article 9: Cases of unilateral termination of the contract**

1. Party A has the right to terminate unilaterally its contract implementation in the following cases:

a) Party B colludes with customers to the make measuring system operation incorrect under any forms or to mis-record the electricity meter index. Besides the contract termination, Party B is to be punished by the law.
b) Party B carries out collection and submission of electricity charge payments under …..% continuously for ….. months;

c) Party B delays his/her submission of electricity and telecommunication charges payments after ……days continuously in ….. months.

d) If continuous implementation of the contract is to Party A’s disadvantage, Party A is to inform to Party B 15 days in advance.

2. Party B is entitled to terminate unilaterally his contract implementation in case Party A delays payment of service charges ….days later than the time limit agreed at item 3 of article 3 of this contract

3. If any of the two Parties is not able to implement the contract due to force majeure (natural disasters, fires, severe diseases, etc), that Party is to send a written letter to the other Party, requesting for the contract termination within 15 days since the starting date of the event. The two parties have the obligation to liquidate the contract within 15 days since the termination date of the contract

**Article 10: Implementation provision**

1. This contract comes into effect since the signing date and valid for …..years *(for the cases of deposits or guarantee certificates before signing the contract)*

2. This contract comes into effect since the certifying date of the bank for the deposits (or guarantees) and valid for …years *(for the cases of deposits or guarantees after signing the contract)*

3. Annexes of this Contract are the integral part of this Contract.

4. In the implementation period, if any Party has the need to terminate, revise, supplement or extend the contract, the Party is to inform the other Party 30 days in advance for mutual settlement. The termination, revision, supplement or extension of the contract comes into effect only when the two Parties agree in writing

5. The contract is made into ….. original copies, … copies kept by one Party with equal value.

**REPRESENTATIVE A                       REPRESENTATIVE B**
ANNEX OF THE CONTRACT

METHODOLOGY FOR CALCULATING SERVICE CHARGES FOR THE ELECTRICITY POWER RETAIL SERVICE PROVIDER

I. SERVICE CHARGES

The monthly service charge is paid by the Electricity for the implementation of service works stated at Article 1 of the electric power retail service contract does not exceed the value defined as follows:

\[
TDV = Ct \times Vdg \times Kht \times Hdc
\]

*In which:*
- **TDV**: Monthly service charge to be received by the Service Provider.
- **Ct**: Total electricity meters handed over by the Electricity to the Service Provider to manage in the month.
- **Vdg**: Unit price of service labor per electricity meter (unit: VND/electricity meter/month);
- **Kht**: Service work completion coefficient;
- **Hdc**: Adjustment coefficient from 0.7 to 1.2, depending on contents and areas where services are provided, are adjusted by the Electricity properly in the contract implementation process to ensure the equity and balance among service providers in the area.

**Methodology for defining criteria:**

1. **Unit Price of service labor per electricity meter (Vdg):**

Unit price of service labor per electricity meter is the service charges calculated for an electricity meter in a month according to work contents signed by the Electricity and the Service Provider. It is calculated as follows:

\[
Vdg = \frac{TL_{minNN} \times Hcb}{26} \times Ndm
\]

*In which:*
• TL\text{minNN} (VND/ month): minimum wages stipulated by the Government in each period, currently VND 540,000 per month. When the Government adjusts minimum wages, the new ones are applied.

• Hcb: Average coefficients of work-based hierarchy correlative with the work contents handed over to the Electricity to the Service Provider.

• 26: number of regular working days in a month

• Ndm: Total service charges norm per electricity meter in the month according to the volume of work contents handed over by the Electricity to the Service Provider in the electric power retail service contract, consisting of main works as follows:
  - Recording the electricity meter index;
  - Collecting and submitting electricity charges payments of household consumers;
  - Making final payments of electricity bills (of 50% work volume)

The Vietnam Electricity is to consider to adjust the service charge norm per electricity meter (Ndm) and the average coefficient of work-based hierarchy (Hcb) based on the common labor norm (Tsp) approved by the Ministry of Labor, Invalid and Social Affairs. This adjustment aims to ensure the principle: the labor capacity increase speed is always higher than wages increase speed.

At present, the total service charge norm per electricity meter in the month (Ndm) and the average coefficient of work-based hierarchy (Hcb) are defined for specific areas and stipulated as follows:

<table>
<thead>
<tr>
<th>No.</th>
<th>Work contents</th>
<th>Average coefficient of work-based hierarchy (Hcb)</th>
<th>Service charge norm per electricity meter per month (N_{dm})</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td>Town or ward areas</td>
</tr>
<tr>
<td>1</td>
<td>Recording the electricity meter index</td>
<td>3,01</td>
<td>0,0062</td>
</tr>
<tr>
<td>2</td>
<td>Collecting and submitting electricity charge payment of household consumers</td>
<td>3,01</td>
<td>0,0122</td>
</tr>
<tr>
<td>3</td>
<td>Making final payments of electricity bills</td>
<td>3,01</td>
<td>0,0011</td>
</tr>
<tr>
<td></td>
<td>Total</td>
<td>3,01</td>
<td>0,0195</td>
</tr>
</tbody>
</table>

2. Work completion coefficient (Kht):

The work completion coefficient of the Service Provider is defined as follows:
\[ K = \frac{C_{th}}{C_{pth}} \]

*In which:*

- **C\(_{th}\):** The actual work volume carried out in the month by the Service Provider (as for recording the electricity meter index: \( C_{th} \) is the number of electricity meters whose indices are recorded exactly in the month; as for collecting electricity charges: \( C_{th} \) is the number of electricity bills the Service Provider has collected and submitted electricity payments in the month).

- **C\(_{pth}\):** The work volume to be carried out in the month by the Service Provider (as for recording the electricity meter index: \( C_{pth} \) is the number of electricity meters transferred to the Service Provider to record electricity indices in the month; as for collecting electricity charges: \( C_{pth} \) is the number of electricity bills handed over to the Service Provider to collect in the month).

**II. ADDITIONALS TO SERVICE CHARGES**

As for other works stated at item 1 of Article 3 of the Regulation on organization and operation of the electric power retail service, service charges for this work volume are calculated as follows:

\[
T_{pt} = \frac{TLminNN \times Hdc \times Hcb}{26} \times Nc
\]

*In which:*

- **\( T_{pt} \) (VND):** The additional amount of the month received by the Service Provider when participating in other works besides the main work contents agreed in the contract, at the request of the Electricity.

- **TLminNN (VND/ month):** The common minimum wages stipulated by the Government, currently VND 540,000 per month. When the Government adjusts the minimum wages, the new ones are applied.

- **Hdc:** Adjustment coefficient is from 0.5 to 1.0, depending on work types (simple labor or complicated labor) the Electricity hires the Service Provider to carry out some work contents of the customer service and the low voltage grid operation management.
• **Heb:** The Average coefficient of work-based hierarchy correlative with work contents handed over by the Electricity to the Service Provider. The average coefficient of work-based hierarchy is defined as 3.01.

• **Nc** (*working days*): Total additional working days for other work volumes carried out by the Service Provider with the Electricity in the month, at the request of the Electricity. The total additional working days are calculated based on the actual working days of the Service Provider to participate with the Electricity in the month and recorded by the Electricity.

• **26:** number of regular working days in the month