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CONTENTS

Page

GENERAL NOTICE

No. 480 Rules Relating to Redistribution and Resale of Electricity: Electricity Act, 2007 1

General Notice

ELECTRICITY CONTROL BOARD

No. 480

2021

RULES RELATING TO REDISTRIBUTION AND RESALE OF ELECTRICITY: ELECTRICITY ACT, 2007

Under section 3(4) of the Electricity Act, 2007 (Act No. 4 of 2007) and with the prior approval of the Minister, the Electricity Control Board has made the rules set out in the Schedule.

G. HINDA
CHAIRPERSON
BY ORDER OF THE BOARD

SCHEDULE

ARRANGEMENT OF RULES

1. Definitions
2. Objects of rules
3. Determination of supplying licensee
4. Requirements relating to redistributors applying for exemption under Act
5. Registration of redistributors and related matters
6. Metering of resold electricity

7. Resale of electricity where electricity is metered
8. Resale of electricity where electricity is not metered
9. General conditions applicable to resale of electricity
10. General conditions applicable to redistributors and clients
11. Obligations of redistributors and resellers with regard to information and other matters
12. Complaints and disputes
13. Transitional provisions

Definitions

1. In these rules, a word or an expression to which a meaning has been assigned in the Act has that meaning and, unless the context indicates otherwise -

“applicant” means a person who applies to the Board for an exemption from holding a licence under section 18(2) of the Act;

“client” means a person who receives electricity from a redistributor;

“electrical installation” means the entire electrical installation on the premises of a redistributor or client, including all material, equipment and appliances used or intended to be used for or in connection with the provision of electricity to the premises of a redistributor or client, but does not include the metering installation or controlling devices or any part of the connection installed by the supplying licensee;

“farmers electricity utility” means a legal entity which distributes and supplies electricity to farmers in an area over which that entity is licensed to do so under the Act;

“premises” means a portion of land held under a separate grant, deed of transfer or certificate of title or, in the case of unsurveyed land, a portion of land formally or habitually occupied by a person or as demarcated in whichever manner for occupation by a person;

“redistribution” means the conveyance or delivery of electricity by means of a redistribution network, irrespective of who the owner of the redistribution network is, by a person who is not licensed as a distribution licensee in terms of the Act due to -

- (a) the person being exempted under the Act from having to hold a distribution licence;
- (b) the person not yet having applied for exemption as contemplated in rule 13; or
- (c) any other reason including failure by the person to apply for a distribution licence under the Act or the person undertaking unauthorised distribution or redistribution;

“redistribution network” means a distribution power system or an electrical installation, as the case may be, used by the redistributor in order to redistribute electricity to a client or clients;

“redistributor” means a person undertaking redistribution;

“resale” means redistribution under any arrangement whereby the client compensates the redistributor in any manner or form, either in whole or in part;

“reseller” means a redistributor who resells electricity;

“supplying licensee” means the supplying licensee as contemplated in rule 3;

“Technical Rules” means the Technical Rules published in the Government Notice No. 47 of 16 February 2016; and

“the Act” means the Electricity Act, 2007 (Act No. 4 of 2007).

Objects of rules

2. (1) The objects of these rules are to -
 - (a) establish a regulated environment within which redistribution of electricity can take place in order to ensure the efficient conveyance and delivery of electricity under unlicensed circumstances;
 - (b) ensure that the interests of clients, supplying licensees and other electricity licensees operating in the same area as a redistributor or reseller are sufficiently protected as regards pricing, safety and standards on quality of electricity provision and service of electricity so delivered;
 - (c) establish a regulatory environment where redistributors and resellers have the required resources to enable them to satisfy and meet the ongoing needs of their clients;
 - (d) establish an environment where the Board can effectively exercise, monitor and enforce the regulatory oversight of electricity redistribution and reselling including but not limited to -
 - (i) pricing practices;
 - (ii) billing procedures;
 - (iii) standards of service and supply;
 - (iv) the control of monopolistic practices and the elimination of abusive practices;
 - (v) discontinuation of conveyance or delivery of electricity; and
 - (vi) dispute resolution.

Determination of supplying licensee

3. For the purposes of these rules, a supplying licensee is the licensee who -
 - (a) supplies electricity to the redistributor or to a redistributor from whom such first-mentioned redistributor obtains electricity and includes the distribution licensee to whose distribution power system the redistributor’s redistribution network is connected; or
 - (b) would have supplied electricity as contemplated in paragraph (a) if the relevant redistributor was connected to the nearest distribution power system.
- (2) If it is not possible to determine the supplying licensee by relying on subrule (1), the Board must determine who is the supplying licensee of a redistributor or a class of redistributors.

Requirements relating to redistributors applying for exemption under Act

4. (1) Where an applicant will -

- (a) be connected to the distribution power system of a supplying licensee;
- (b) receive electricity from a supplying licensee; or
- (c) operate in the licence area of a supplying licensee,

the applicant must, prior to the application for exemption, obtain the written opinion, comments or consent of the supplying licensee or supplying licensees.

(2) In the opinion, comments or consent contemplated in subrule (1), a supplying licensee may recommend conditions which the supplying licensee considers necessary for the efficient redistribution of electricity within its licence area or for the protection of its rights and interests.

- (3) An applicant must submit to the Board -
 - (a) a written application for exemption from holding a licence under section 18(2) of the Act; and
 - (b) the opinions, comments and consents contemplated in subrule (1) read with subrule (2).
- (4) If a supplying licensee refuses to give its consent to an applicant -
 - (a) the supplying licensee must provide to that applicant written reasons for the refusal; and
 - (b) the applicant must submit to the Board a written application for exemption from holding a licence under section 18(2) of the Act together with the reasons contemplated in paragraph (a).
- (5) If a supplying licensee fails to provide, to an applicant -
 - (a) any opinion, comment or consent contemplated in subrule (1) read with subrule (2); or
 - (b) a refusal contemplated in subrule (4),

within a period of 20 working days after having been requested to do so, the supplying licensee is considered to have consented to the application and the applicant may proceed with the application in the absence of the opinion, comments, consent or refusal of the supplying licensee, but the applicant must attach to the application proof that the applicant attempted to obtain the required opinion, comments, consent or refusal.

- (6) The Board may -
 - (a) contact a supplying licensee -
 - (i) to verify any matter which in the opinion of the Board requires verification;
 - (ii) to obtain further information or comments from the supplying licensee; or
 - (iii) with regard to any other matter the Board intends to take up with the supplying licensee;

- (b) obtain the opinion or comment of any other person the Board considers relevant to an application for exemption from holding a licence under section 18(2) of the Act.
 - (7) Where a supplying licensee is a local authority or regional council -
 - (a) it must be borne in mind that section 36(7) of the Act applies and thus subrules (1) to (4) apply despite section 55 of the Local Authorities Act, 1992 (Act No. 23 of 1992);
 - (b) that local authority or regional council must in addition to its opinion, comments, consent or refusal, contemplated in subrule (1) read with subrule (2), stipulate -
 - (i) any conditions it considers necessary; or
 - (ii) that it has no conditions to propose.
 - (8) The Board must include all conditions notified under subrule (2) or (7)(b)(i) in its recommendation to the Minister as well as its specific recommendations with regard to all stipulated conditions.
 - (9) If a supplying licensee fails to provide to an applicant any opinion, comment consent contemplated in subrule (1) read with subrule (2) or refuses to give its consent as contemplated in subrule (4), the Board must -
 - (a) note down such failure or refusal to respond together with the reasons given for the failure or refusal by the supplying licensee, if any; and
 - (b) provide its opinion on the failure of the supplying licensee to respond,
- but the application for an exemption from holding a licence under section 18(2) of the Act must proceed regardless of the failure or refusal to respond and the failure or refusal together with the reasons given for it must be taken into consideration by the Minister when making a decision on whether to approve or reject the application.
- (10) A supplying licensee must, for a period of at least five years from the date of request for any opinion, comments and consent for purposes of application for exemption from holding a licence under section 18(2) of the Act -
 - (a) keep the records of all such requests; and
 - (b) on request for the records contemplated in paragraph (a), by the Board, provide copies of the records to the Board.

Registration of redistributors and related matters

- 5.** (1) A redistributor may not commence redistribution activities unless the redistributor is registered with a supplying licensee in a manner set out in these rules.
- (2) Despite subrule (1), a redistributor may commence redistribution activities without being registered with a supplying licensee, only if the redistributor -
 - (a) is exempted, by the Board from having to register as a redistributor, as contemplated in subrule (6); and
 - (b) complies with all the other requirements applicable to redistributors and resellers under these rules.

- (3) For purposes of registration with a supplying licensee -
- (a) a redistributor must -
- (i) complete a registration form provided by the supplying licensee for that purpose; and
- (ii) submit to the supplying licensee any additional information which the supplying licensee may require for the registration;
- (b) the Board may specify the minimum information requirements which the Board considers necessary; and
- (c) the registration may, in the discretion of the supplying licensee, be completed in writing or online via the internet on the official website of the supplying licensee or in any other manner which the supplying licensee considers appropriate.
- (4) Except for the information a supplying licensee considers confidential, whether out of own accord or on application by the relevant redistributor, the supplying licensee may make any -
- (a) information received under this rule; or
- (b) statistics concerning the information under paragraph (a),

available to any person in a format the supplying licensee considers appropriate.

- (5) The Board may, after consultation with relevant supplying licensees, by notice in -
- (a) the *Gazette*; and
- (b) at least two newspapers circulated widely in Namibia,

exempt any person or category of persons from the requirement to register as a redistributor under these rules, but the exemption from having to register as a redistributor does not relieve such person or category of persons from having to comply with the requirements applicable to redistributors and resellers in terms of these rules.

(6) The Board must, in writing, give notice of an exemption contemplated in subrule (5) to the relevant supplying licensee or in the case of a category of persons being exempted, all distribution and supply licensees.

(7) The Board may request a supplying licensee to provide to the Board a copy of any information held by that licensee regarding registered redistributors.

(8) A person who contravenes subrule (1) commits an offence and on conviction is liable to a fine not exceeding N\$ 16 000 or to imprisonment for a period not exceeding two years or to both such fine and such imprisonment.

Metering of resold electricity

6. (1) A reseller who resells electricity to a client which electricity is to be used for commercial purposes, or to a client occupying premises or part of premises used for commercial purposes, must meter such electricity.

(2) All other resellers may charge for electricity delivered to a client by means of separately metering such electricity or in a manner contemplated in rule 8.

Resale of electricity where electricity is metered

7. (1) Where the resale of electricity is metered, the metering and billing may be done on a pre-paid or post-paid basis.

(2) Where a reseller installs a meter, the meter or type of meter must, before its installation, be approved in writing by the supplying licensee.

(3) Where a reseller implements a billing or vending system -

(a) the billing or vending system must be designed and operated in a manner that ensures that no conflict exists or can potentially arise between the system and the billing or vending system applied by the supplying licensee; and

(b) among other things, a voucher, invoice or token created by the vending or billing system must clearly indicate that electricity is sold by the reseller and not by the supplying licensee.

(4) The billing periods of a reseller using a post-paid billing system must be the same as the billing periods of the supplying licensee.

(5) A reseller who meters electricity delivered to a client must, at the request of the client, furnish the client with information which is necessary to enable the client to determine whether the electricity accounts received are correct and compliant with these rules.

(6) A reseller who meters electricity delivered to a client must provide a billing service which provides the following billing information:

(a) the name and relevant premises of the client;

(b) the name of the reseller;

(c) the billing date and, if applicable, the billing period;

(d) the meter number or meter identification;

(e) all charges applied including all applicable levies specifying the nature of the charge and the relevant tariff;

(f) the relevant number of units purchased or consumed; and

(g) any other information considered relevant by the reseller or required by standards, rules or regulations made under the Act.

(7) The requirements and specifications applicable to a meter installed or to be installed by a reseller must be the same as those applying to the supplying licensee.

(8) The tariff rates and tariff structure according to which electricity is resold must be identical to the tariff rates approved by the Board and the tariff structure that would have been applicable had the client been supplied with electricity by the supplying licensee and for the purposes of this subrule, rule 9(2) applies with the necessary changes.

(9) The Board may, upon application by a person or out of own accord, approve a deviation from subrule (8) if the Board considers it appropriate to do so.

- (10) If the Board approves a deviation as contemplated in subrule (9) -
- (a) the Board must ensure that the approved deviation is -
- (i) recorded in the register contemplated in regulation 8 of the Electricity Regulations: Administrative published in Government Notice No. 13 of 16 February 2011; and
- (ii) displayed on the official website of the Board; and
- (b) the approved deviation remains in force until it is amended by the Board.

(11) A deviation contemplated in subrule (9) can be specific, can be made applicable generally or can be applied to an identified category or categories of resellers, clients or circumstances.

(12) If there is a conflict between tariffs stipulated under this rule and a tariff or tariffs specified in a condition imposed on a person exempted from having to hold a distribution licence as contemplated in section 18(11) or 34(1) of the Act and the person is a reseller, the tariff or tariffs specified in the condition prevail.

(13) A person who contravenes or fails to comply with subrule (3), (5), (6) or (8) commits an offence and on conviction is liable to a fine not exceeding N\$16 000 or to imprisonment for a period not exceeding two years or both such fine and such imprisonment.

Resale of electricity where electricity is not metered

- 8.** (1) A reseller who does not meter electricity resold may charge for electricity -
- (a) by means of an agreed or fixed residential rental amount which includes charges for electricity but the rental amount must not vary according to the amount of electricity used;
- (b) by means of a charge for electricity which is separate from the rental amount referred to in paragraph (a) on the basis of an agreed amount or charge for electricity whether fixed or not;
- (c) by means of an apportionment of the cost of electricity between -
- (i) more than one client; or
- (ii) the reseller, if the reseller also uses electricity from the same supply as the client or clients, and client or clients,
- of the reseller based on criteria specified by the Board by notice in the *Gazette*;
- (d) by means of any consideration from the client including, but not limited, to goods and services;
- (e) as contemplated in subrule (2).

(2) Where a reseller wishes to obtain compensation for electricity delivered to a client without metering the electricity and under circumstances not provided for in subrule (1), the reseller must first obtain the written approval of the Board which approval the Board may give in a specific instance or with regard to general categories identified for this purposes by the Board but if the Board gives approval with regard to general categories, the Board must give notice of the approval -

- (a) in the *Gazette*;
- (b) in at least two newspapers circulated widely in Namibia;
- (c) on its official website; and
- (d) to the relevant supplying licensee or licensees, and, for an approval applicable to general categories, to all distribution and supply licensees.

(3) Where subrule (1)(c) applies, the reseller must make use of objective and fair criteria which may include space occupied, activities conducted, number of persons occupying premises to which electricity is delivered and common comparative usage or usages which may include passage lighting, lifts and escalators, security lighting and air-conditioning.

(4) The Board may, upon request by any person or out of its own accord, investigate any electricity charges within the scope of this rule in order to -

- (a) determine the actual charge paid by a client for electricity delivered under this rule; or
- (b) attach a value to the electricity charges,

and may for this purpose apply similar methodologies in similar calculation as the Board may consider appropriate in order to establish compliance with rule 9(1).

(5) Where the Board, subsequent to an investigation under subrule (4), finds that a reseller is charging an amount in excess of what is envisaged by rule 9(1), the Board may, after consultation with the reseller and client or clients involved, instruct the reseller as to the form of compensation which will ensure compliance with rule 9(1) and a reseller must comply with the instruction.

(6) A reseller who does not meter electricity delivered to a client must, at the request of the client for information relating to the electricity charge, furnish the client with information which is at the disposal of the reseller and is necessary to enable the client to determine whether the payment for electricity made to the reseller is compliant with these rules.

(7) A person who contravenes or fails to comply with subrule (2) or (6) commits an offence and, on conviction, is liable to a fine not exceeding N\$16 000 or to imprisonment for a period of not exceeding two years or both such fine and such imprisonment.

General conditions applicable to resale of electricity

9. (1) Subject to rules 7(8) and 8, the value at which, and the conditions under which, electricity is resold may not be less favourable to the client than those that would have been payable and applicable had the client been supplied with electricity by the supplying licensee.

(2) For the purposes of subrule (1), the following conditions apply:

- (a) if there is only one supplying licensee who supplies electricity to the reseller, or the person from whom the reseller obtains or could obtain its electricity, and such licensee is a -
 - (i) local authority council;
 - (ii) regional council;

- (iii) farmers electricity utility; or
- (iv) distribution licensee that is supplying electricity in the area of a local authority council, regional council or farmers electricity utility in terms of an agreement between the distribution licensee and the local authority council, regional council or farmers electricity utility,

the electricity tariffs and distribution and supply conditions applying to such supplying licensee apply;

- (b) if the supplying licensee is a regional electricity distribution company, the electricity tariffs and distribution and supply conditions applying in the local authority council or regional council area in which the client is located apply; and
- (c) if it is not clear who the relevant supplying licensee is or which of the electricity tariffs and distribution and supply conditions of the supplying licensee apply, the electricity tariffs and distribution and supply conditions as may be determined by the Board which determination can be specific or general apply.

(3) If the Board makes a determination under subrule (2)(c) -

(a) the Board must ensure that the determination is -

- (i) recorded in the register contemplated in regulation 8 of the Electricity Regulations: Administrative published in Government Notice No. 13 of 16 February 2011; and
- (ii) displayed on the official website of the Board; and

(b) the determination remains in force until it is amended by the Board.

(4) A reseller may not add any additional cost including any cost for meter reading, vending, billing and compliance services and then recover the cost from the client.

(5) A reseller must familiarise himself, herself or itself with the tariffs of the supplying licensee which are approved by the Board and must have the applicable tariffs at his, her or its disposal at all times.

(6) A reseller must provide and explain the tariffs referred to in subrule (5) to the clients of the reseller and provide the clients, in writing, with the applicable tariff and tariff structure.

(7) A person who contravenes or fails to comply with subrule (1), (4) or (6) commits an offence and, on conviction, is liable to a fine not exceeding N\$16 000 or to imprisonment for a period of not exceeding two years or both such fine and such imprisonment.

General conditions applicable to redistributors and clients

10. (1) Where the redistribution network of a redistributor is physically connected to the distribution power system of a supplying licensee it is subject to inspection and approval by the supplying licensee and for purposes of the inspection the redistributor must give the supplying licensee access to the redistribution network and information relating to it as the supplying licensee may require.

(2) A redistributor is responsible for the safe design, installation, maintenance and operation of its redistribution network and must comply with all applicable legal requirements.

(3) A supplying licensee contemplated in this rule may agree to the waiving of the requirement of subrule (2) or parts, thereby accepting responsibility for the safety of the redistributor's redistribution network on such conditions as may be agreed between the licensee, the redistributor and the Board.

(4) A redistributor must design and install its redistribution network in compliance with the connection requirements of the supplying licensee as well as with all applicable laws and regulations, and must apply the same material, design and construction standards as those used by the supplying licensee for similar networks.

(5) A redistributor must employ or contract -

(a) personnel with suitable qualifications, experience and skills to safely work on and operate its redistribution network; or

(b) a competent person, in the event of rule 33 of the Technical Rules applying.

(6) The personnel or competent person, contemplated in subrule (5), must comply with all applicable laws containing requirements for working on such a redistribution network and as may be applicable to the voltage levels and complexity of such redistribution network.

(7) A person who performs installation, alteration, repair or maintenance work on a redistribution network must be registered with a supplying licensee to perform that work, if registration to perform that work is a requirement for the supplying licensee in its licence area.

(8) A redistributor whose redistribution network includes any part of such network operating at medium voltage or high voltage must operate and maintain the redistribution network in such a manner that the redistributor complies with all applicable requirements as if it had been licensed.

(9) A redistributor must provide every client of the redistributor with an emergency telephone or cell phone number where the client can contact the redistributor at all times in case of power failure or emergency.

(10) The redistributor must respond to power failures or emergencies in a manner that is, under circumstances, appropriate, timeous and effective in addressing the failure or emergency.

(11) In the event of a power failure, a client must contact the redistributor who redistributes to that client and not the supplying licensee and a redistributor must inform all its clients of this rule.

(12) Subject to rule 27(2) of the Technical Rules, if applicable, the redistribution network of a redistributor may not extend from one premises to another without the prior written approval of the supplying licensee.

(13) The electrical installation of a client is subject to and must comply with the same standards and requirements as are applicable to the electrical installation of a customer of the supplying licensee and must comply with the requirements applicable to electrical installations under the Act.

(14) A person who contravenes or fails to comply with subrule (4), (5), (6), (7), (8), (9), (10) or (12) commits an offence and, on conviction, is liable to a fine not exceeding N\$16 000 or to imprisonment for a period of not exceeding two years or both such fine and such imprisonment.

Obligations of redistributors and resellers with regard to information and other matters

11. (1) The Board may request a reseller to submit, to the Board for inspection, the records of the reseller or a client relating to the resale of electricity and the income derived by the reseller from the resale.

(2) A supplying licensee may request a reseller to submit, to the supplying licensee for inspection, the records of the reseller or a client relating to the resale of electricity and the income derived by the reseller from the resale.

(3) Where meters have been installed by the reseller, the reseller must cause the meters to be tested to the satisfaction of the Board or the supplying licensee and the reseller bears the costs for testing the meters.

(4) If the Board or the supplying licensee finds any meter to be defective, the Board or supplying licensee, as the case may be, may demand from the reseller that such meter be repaired or replaced and the reseller bears the costs for such repair or replacement.

(5) A supplying licensee or the Board may request any relevant information from a redistributor as the licensee or the Board may require in connection with the redistribution activity including, but not limited to, information relating to the operation and maintenance of the redistribution network, and that redistributor must supply the information to the licensee or Board upon the request to do so.

(6) Where a redistributor refuses or fails to provide information required by a supplying licensee under subrule (5), such licensee may submit a request for such information to the Board in writing and the Board may in its discretion obtain such information from such redistributor and supply it to the supplying licensee.

(7) A person who contravenes or fails to comply with subrule (1), (2), (3) or (4) commits an offence and, on conviction, is liable to a fine not exceeding N\$ 16 000 or to imprisonment for a period of not exceeding two years or both such fine and such imprisonment.

Complaints and disputes

12. (1) Any complaint regarding redistribution or reselling may be submitted in writing to the Board for investigation.

(2) If there is a dispute regarding redistribution or reselling the dispute may be referred to the Board for mediation as contemplated in section 3(2)(c) of the Act.

Transitional provisions

13. (1) A redistributor who is not exempted under section 18(3) of the Act must, within 30 days after the commencement of these rules, apply for an electricity distribution licence or for exemption under the Act.

(2) A reseller must ensure that its charges or compensation received for the delivery of electricity complies with these rules within six months after the commencement of these rules, but the Board may extend that period with further periods of not more than six months each as the Board considers appropriate.

(3) Unless exempted under subrule (5) of rule 5, a redistributor must within 12 months after the commencement of these rules, register with the supplying licensee in the manner set out in these rules, but the Board may extend that period with further periods of not more than six months

each as the Board considers necessary and subrules (2) and (3) of that rule apply in the same manner to that registration.

(4) A supplying licensee who may reasonably expect to have customers who are redistributors must, within 60 days after the commencement of these rules, in writing, notify all its customers of the requirements for redistributors to register with the supplying licensee as set out in these rules.

(5) A notice contemplated in subrule (4) must include, but is not limited to, information on how a redistributor required to register is defined, and where, how and by when such registration must be completed with the supplying licensee.

(6) A supplying licensee must, within 60 days after the commencement of these rules, in writing, notify all its customers who may qualify as redistributors and to whom the supplying licensee supplies electricity at medium voltage or high voltage of the requirements under the Act for such customers to obtain a licence or apply for an exemption from the requirement to obtain such licence.

(7) The Board must give notice of an extension granted under subrule (2) or (3) in the *Gazette* and in at least two newspapers circulated widely in Namibia as well as on its official website.

(8) A -

(a) redistributor who contravenes or fails to comply with subrule (1), (3) or (4);

(b) reseller who contravenes or fails to comply with subrule (2); or

(c) supplying licensee who contravenes or fails to comply with subrule (6),

commits an offence and on conviction is liable to a fine not exceeding N\$16 000 or imprisonment for a period not exceeding two years or both such fine and such imprisonment.
