

LEGAL NOTICE NO. 92

THE ENERGY ACT

(No. 12 of 2006)

IN EXERCISE of the powers conferred by sections 78 and 79 of the Energy Act, 2006, the Minister for Energy makes the following Order:—

**THE ENERGY (RURAL ELECTRIFICATION PROGRAMME
FUND) ORDER, 2008**

Citation and
commencement.

1. This Order may be cited as the Energy (Rural Electrification Programme Fund) Order, 2008, and shall come into operation on 1st July, 2008.

2. In this Order, unless the context otherwise requires—
- “Authority” means the Rural Electrification Authority established under section 69 of the Act;
- “Board” means the Board of Directors of the Authority established under section 68 of the Act;
- “Fund” means the Rural Electrification Fund established by paragraph 5;
- “levy” means the Rural Electrification Programme Levy imposed under paragraph 3; and
- “licensed distributor” means a person licensed by the Energy Regulatory Commission in accordance with the requirements of section 27 of the Act.
3. There is imposed a levy to be known as the Rural Electrification Programme Levy which shall comprise five per centum of all electricity consumed in the country.
4. (1) A licensed distributor shall be a remitter for purposes of collecting the levy.
- (2) A licensed distributor shall, on or before the last day of each month, remit to the Authority, the amount received by way of the levy during the immediately preceding month.
- (3) A licensed distributor shall maintain or cause to be maintained a monthly record of the sales of electrical energy and levy received in respect thereof and make available for inspection by the Authority in accordance with paragraph 12.
- (4) If a licensed distributor fails to remit any amount due and payable by way of the levy on or before the date prescribed in subparagraph (2) a sum equal to three per centum of the amount shall be added to the amount due for each month or part thereof during which any amount due remains unpaid.
5. There is established a Fund to be known as the Rural Electrification Programme Fund.
6. The object and purpose for which the Fund is established shall be to finance provision of electricity to—
- (a) rural areas; and
- (b) other areas considered economically unviable for electrification by licensees:
7. The sources of the Fund are as provided under section 79 (2) of the Act.
8. The Authority shall open a special account into which all monies due to the Fund shall be paid.
9. There shall be paid out of the Fund such monies as the Board may, from time to time, approve for purposes of the programme and for the design, construction, equipment for rural electrification projects, to
- Interpretation.
- Imposition of levy.
- Collection of levy.
- Establishment of the Fund.
- Object and purpose of the Fund.
- Source of the Fund.
- Establishment of an account.
- Payments out of the Fund.

a licensed distributor or to such other contractor as the Board may consider appropriate for the area in which the project is carried out.

Annual approval
of budget.

10. The activities or undertakings financed by the Fund shall be on the basis of annual work programmes and cost estimates which shall be prepared by the Authority and approved by the Board.

Surplus funds.

11. All receipts, savings and accruals to the Fund and the balance of the Fund at the end of each financial year shall be retained for the purposes for which the Fund was established.

Administration
of the Fund.

12. The Authority shall—

- (a) administer the Fund;
- (b) inspect the records of the sales of electrical energy and levy maintained by a licensed distributor in accordance with paragraph 4(3);
- (c) keep books of account and other books and records in relation to the Fund of all the various activities and undertakings financed from the Fund; and
- (d) cause regular audits of such books and records to be undertaken.

Revocation of
L.N. 96/1998.

13. The Electric Power (Rural Electrification Programme Levy) Order, 1998 is revoked.

Dated the 26th June, 2008.

KIRAITU MURUNGI,
Minister for Energy.