3.18 Connection of infrastructure KMIC/ESE

The Investor shall apply for power energization after electricity installation has been completed. The same procedure is applied for telecommunication, water and sewage system installations and connection to KMIC common system.

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| Water supply | | | | | |
|  | a | **Water connection charge** | | | |
|  | **Peak water demand**  **(cu-m/ha/24 hours)** | | | **Charge—Net of any tax**  **(in USD)** |
| 0 – 60 | | | 10,000 |
| > 60 – 120 | | | 50,000 |
| > 120 – 180 | | | 100,000 |
| > 180 | | | To be discussed |
| **Note** | | | | |
|  | 1 | Cost for installation of new pipelines and/or connection is exclusive. | | |
| 2 | For the first year, the Investor shall notify water usage forecast of the first five years after start of operations. | | |
| 3 | For each year, the investor shall notify water usage forecast for next two fiscal years before end of September of each year. | | |
| **Water supply capacity**: | | | | |
| Current: | | | 20 cu-m/day per 10,000 square-meters  (6,000 cu-m/day for entire KMIC Industrial Zone) | |
|  | Additional: | | | 42,000 cu-m/day for entire Industrial Zone  (On completion of water pipeline) | |

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|  | b | Water usage charge | |
|  | **Actual water consumption (cu-m/ha/24 hours)** | **Charge (Net of any tax)**  **(In USD)** |
| 0 – 60 | 0.60 per cu-m |
| > 60 – 120 | 0.70 per cu-m |
| > 120 - 180 | 0.80 per cu-m |
| > 180 | To be discussed. |

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| Sewage treatment | |
|  | Sewage Treatment Charge shall be based on 85% of monthly water consumption volume. The rate shall be USD 0.60 per cubic meter (Net of any tax). |

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| Electricity supply | | | | |
|  | a | **Power connection** | | |
|  | The service-user shall pay charge for the use of electricity to the service-provider before or on connecting with the common power supply system. For this, the service-user shall submit application to Desk 6: Construction. In addition to the service-provider, the service-user shall pay related entities such as:  — Electricity Supply Enterprise (ESE)  — Yangon Electricity Supply Corporation (YESC) and  — Mandalay Electricity Supply Corporation (MESC)  the due charges and fees. After settling all the payments, the service-user can connect to the common power supply system. | | |
| b | **Power connection charge** | | |
|  | The power connection charge varies depending on the power demand of each service-user’s transformer. | | |
| **Power demand**  **(kVA/ha)** | | **Charge**  **(Net of any tax) (In USD)** |
| 0 – 200 | | 10,000 |
| > 200 – 400 | | 50,000 |
| > 400 – 800 | | 100,000 |
| > 800 – 1,200 | | 160,000 |
| > 1,200 – 1,600 | | 220,000 |
| > 1,600 | | To be discussed later |
|  | |  |
|  |  | If the power demand of the service-user’s transformer increases in future, he shall pay additional connection charge according to the tariff prevailing at that time. | | |
| **Notes:** | | |
| 1 | For the first year, the service-user is to inform KMIC of peak power demand forecast for the first five years after commencement of operation. | |
| 2 | The service-user shall notify KMIC of peak power demand forecast for the next two fiscal years before the end of September each year. (Fiscal year: October 1 – September 30) | |
| c | **Electricity charge** | | |
|  | The service-user shall pay the service-provider:  1 electricity unit charge  2 Horse Power charge (capacity charge), and  3 any other charges (electricity charge in a collective term), depending on consumption volume each month, according to the tariff of—  (a) Electricity Supply Enterprise (ESE)  (b) Yangon Electricity Supply Corporation (YESC) and  (c) Mandalay Electricity Supply Corporation (MESC)  The current electricity charge of the above three entities—subject to change—is mentioned as follows: | | |
| **Actual electricity consump- tion (kWh/month)** | | **Electricity unit charge**  **(In MMK/kWh)** |
| 0 – 500 | | 75 |
| > 500 – 10,000 | | 100 |
| > 10,000 – 50,000 | | 125 |
| > 50,000 – 200,000 | | 150 |
| > 200,000 – 300,000 | | 125 |
| 0 – 500 | | 75 |
| d | **Administration fee for power supply** | | |
|  | The service-user shall pay the service-provider an equivalence of 3.5% of the monthly electricity charge as Administration Fee for power supply (Net of any tax) | | |

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| **Telecommunication fees:** | | |
|  |  | USD (Net of any tax) |
| Telecom connection charge | 8,000 / core |
| Telecom admin & maintenance charge | 800 core / month |

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END OF PROCEDURE 3.18