

LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

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Law on Electricity



Chapter I

General Provisions

Article 1. Objectives

The law on electricity determine principles, regulations and measures concerning administration, management, monitoring electricity production, electricity's business has effectively through the use of highly productive natural resources by sustainable use in order to improve social-economic development goals and upgrade people standard living.

Article 2. Electricity

Electricity refers to a type of energy comprising electricity, electrical currents, and electrical intensity produced by natural resources such as: water power, wild power, solar power, petroleum, coal, wastes power, heater power, gas, palm oil, nuclear power and other.

Article 3. Terms

The terms that use in this law shall have meaning are as follow:

1. Electricity Activities refers to all activities that concern data collection, survey, planning, design, construct, install, product, transmit, distribute, import-export and other service concerning electricity;
2. Electricity business refers to electricity business for profit purpose;
3. Equipment and electricity tools refers to dam, water catchment, water flow, electricity machine, cutting station, electricity station, electricity control center, electricity line, electricity distribution line and equipment of electricity user;
4. Electricity business man refers to individual, organization or legal person that approved to do electricity business under the laws;
5. Memorandum of Understanding refers to initial approval document that government give to person who willing to investment to study feasibility of project such as: economic-technic critical reports including social and environment assessment of project;
6. Concession of electricity business refers to area allowing, scheduled time that government allowed to investment to product, transmit of electricity power under the contract;
7. Remote area electricity refers to electricity system that connect from center or specific of electricity in a area and product by small hydropower, by machine that use oil, solar power, wild power or other in order to use in remote area;
8. Wastes refers to waste from plantation, human, animal and other;

9. Biogas means gas that production from waste for example from wood;
10. Electricity power means result of multiple of electric compression and electric current that move pass electric leading equipment;
11. Power of installation means electricity production ability of electricity plant and electricity sources;
12. Electricity current means same way electrical electron moving by electric leading equipment including electric intensity;
13. Electrical pressure refers to power that occur when electric current flow from a point to another of electric leading equipment or different of two point pressure whenever the electric current flow from two points;
14. Frequency means round that moving in itself calculated one second per one round;
15. BOT means build, operate and transfer;
16. BOOT means build, operate, own and transfer;
17. BTF means build, transfer and finance;
18. BOO means build, own and operate;
19. Out of control means case that cannot predict and control such as: flood, thunderstorm, hurricane, earthquake and so on.

Article 4. Ownership of physical sources of electrical energy

Physical sources of electric energy throughout the Lao PDR are the property of the national community that the state administers and allow to individual, organization or legal person uses.

Article 5. State policy for electrical

State promotes domestic and foreign organization or legal person to invest on electrical activities such as: production, transferring, and distribution, service, for example hydropower project by pay attention to protect water resources protect forest in remote and properly area such as tax, custom and right to use natural resource based on law and regulations.

State protects all sectors that investment and support in operate electric activities in equality.

State promotes electric activities by economical using, productive, sustainable using science, and technology in electric activities and reducing social and environmental impact.

State promotes all sources in order to supply electrical by demand of national social – economic, to support national defend and social security and upgrading people standard life and as import goods.

Article 6. Principles

Electrical activities and business must follow principles:

1. Conformity with social-economic development plan;
2. Effective, productive and sustainable;
3. Protection of social and natural environments such as: forestry and water resources;
4. To guarantee the safety.

Article 7. Limitations

This law applies to person, organization or legal person includes national and foreigner that doing electricity, operation or management that related to equipment and fitting of electrical and including electric users.

This law excludes the electric power that comes from nuclear power.

Article 8. International Relation

State broadens relation with foreign, regional and international by administration exchange, electricity's information such as: production, transmitting, distribution, exporting, importing, transferring, development, and management of electric business.

Chapter II Electricity Activities

Article 9. Electrical activities

Electrical activities includes electrical development, planning, survey, data collection, design, construct and install, product, transport, distribute, export-import and electric service.

Article 10. Electrical planning

Electrical planning must:

1. To guarantee of natural resources using, energy sources by appropriate manner, productive and effective;
2. Set up goals, strategy, mechanism and methods in development of electrical infrastructure, to guarantee the safety of electric supply, usually, reducing impact of social and environmental from electric business;
3. To supply electric in domestic in each period based on needed of national social-economic development;
4. Set up exporting goal by consider domestic using first and electric demands of neighboring countries;

Electricity plan includes strategy plan, long term, midterm, and short-term plan.

Ministry of Energy and Mines is main actor in coordinate with related agency in order to planning of electricity, and then proposes to government for consideration and approval.

Article 11. Planning

Planning means steps finding, initial step before conduct survey and data collection, design, construct and operate of electric project.

Article 12. Survey and Data collection

Survey and data collection of social and economic, environment, metrology, affecting is direct duty of energy and mines by coordinate with line agency and local administration for calculate, design, construct, and installation of equipment, fitting of electrical and operating of project.

Article 13. Design

Design includes charting of construction, installation of equipment and fitting of electrical.

Design steps have: initial design, design in detail and final design of project as provided in specific regulation.

Article 14. Construct and install of electricity

Construct and install of electrical must consider to safety first, limit and reduce affects to natural and people assets.

Construct and install of electrical must follow the standard of Lao electricity.

Article 15. Electricity production

Electric production means processes of power production from electric's spun unit by waterpower, wind power, solar power, biogas, and other.

Electric production must use modern equipment, high quality, and international standard, limit and reduce social and environment impact.

Article 16. Electricity transmission

Electrical transmission means process, deliver from electricity production source to the electricity distribution station, to the city, to the consumer or to foreign countries.

The transmission of electricity through the Lao PDR refers to the transmission of electricity from one country across the territory of the Lao PDR to some other country with approval of the government of Lao PDR. The transmission of electricity through Lao PDR shall be conducted via the national electricity transmission grid with payment of a service fee, unless the Lao PDR national electricity transmission grid is unable to supply that service. In such case, the government shall temporary approve that a party may transmit power over their own transmission line system, but under the administration and inspection of Ministry of Energy and Mines and relevant agency of Lao PDR.

Installation of electricity transmission grid through Lao PDR must limit adverse environmental impact and people safeguard, pays fee to cross the Lao territory and other service fees while also compensating for all damages which may arise from the construction of such transmission line system, and allows Lao government to use of that transmission line system when required.

Article 17. National electricity transmission grid

The national electricity transmission grid refers to the high power electricity transmission line system of the government of the Lao PDR with connect one party to another party throughout the country and which is connected to the foreign transmission lines, ensuring the administration of production, transmission and distribution of electricity including the production of the environment and of the property of the people.

All electricity production sources shall transmit electricity through the national electricity transmission grid, unless such distribution of electricity occurs within an area where there is an electricity generating plant, where there is small-scale production of electricity, or where there is yet no national electricity transmission grid.

The national electricity transmission grid investment shall base on the Enterprise Law.

Aside with national electricity transmission grid, there is another transmission grid of domestic and foreign business.

If another party owns national electricity transmission grid, the government shall has right to be holder of such business.

Article 18. Electricity Distribution

Electricity distribution refers to the distribution, by means of various power systems called electricity network by using high pressure (higher than 35 KV);

medium pressure (higher than 1 KV but not over 35 KV) or low pressure (from 100 V or higher but not over 1 KV).

Electricity distribution shall be carried out based on the following principles:

1. Continuous and regular electricity distribution;
2. Broad-based, regular and economical distribution of electricity;
3. Safe distribution of electricity;
4. Distribution of electricity to ensure socio-economic development.
5. Distribution of electricity to ensure national defend and security.

Article 19. Electricity Export and Import

The government of Lao PDR promotes the development of electricity for export, while ensuring sufficient electricity for industrial expansion and national socio-economic development.

Electricity can be imported into the Lao PDR provided that it is necessary for the country's socio-economic development and with the approval of the government.

Article 20. Service

Service conducts by installation, maintaining, inspection, treatment, consultation concerning equipment and electric-assembles, consumer and supplier.

Article 21. Equipment and tools of Electricity Installation

Natural, legal person, organization that building, installation, expansion, reparation, treatment of electricity's equipment and tools must strict follow of Lao Electricity standard.

Article 23. Construction and Implementation Electricity Standard

Ministry of Energy and Mines is creator of electricity standard in order to be tools, electricity equipment, transmission line and electricity receiver as standard, guarantee safety, economical and to be one standard throughout nation wide, and can inspect all electricity tools that domestic product and importing.

New install, expand, repair, design, operate and treat or manage of electricity equipment and tools must follow the standard of Lao electricity.

Article 24. Modification to correct of electricity standard

In case of finding installation, expansion, reparation, design, building, equipment and tools that under quality of energy and mines sector or obligated sector can order electricity business operator modify, repair or improve to meet the standard of Lao electricity or order to stop using such equipment and tools.

Chapter III

Electricity Business

Article 24. Electricity business

All activities as provided in article 9 of this law can operate to be business. Electricity business divided in to two types: general electricity business and concession electricity business.

Concession electricity business includes production and transmission of private person.

Electricity can change type of it as approval of government and proposed by energy and mines sector.

Natural, legal person and organization has purpose to do general electricity business must approved by industry and commerce and as agreed of energy and mines sector and must follow enterprise law.

Natural, legal person and organization has purpose to do concession electricity business must approved by investment and planning and must agreed by energy and mines sector and must follow investment promotion law.

Article 25. Head of Engineering Appointment

Natural, legal person and organization that operates of electricity business must appoint head of engineering for response to design technic, build, install and operate concerning equipment and tools of electricity and inform such appointment to related agency.

Energy and Mines shall set condition and standards of head of engineering in all aspects.

Article 26. Electricity Business Investment

Investment in electricity business shall focus on natural resources that abundance in nation wide.

Type and formats of electricity business investment shall base on enterprise law.

Investment can do:

1. BOT means build, operate and transfer;
2. BOOT means build, operate, own and transfer;
3. BTF means build, transfer and finance;
4. BOO means build, own and operate;
5. State is only one operator by assigned to state's electricity company.

Article 27. Condition for establish of electricity operation

Conditions for establishment of electricity business as following:

1. They shall have experience of electricity business background;
2. They shall have sufficient financial;
3. They shall have sufficient technic staff;
4. They shall have no crime record as electricity business.

Article 28. Modifying of Electricity Business License

Operator who has purpose to modify his electricity business license shall propose request with sufficient reasons to energy and mine for consideration.

Article 29. Concession Procedures

Concession of electricity operation includes initial study, MOU, detail survey, economic criticize-technic, EIA, SIA, and natural resource report, bid of project, project development sign, and consideration of approval.

Article 30. Economic-technic Criticize

Economic-technic criticize shall have contents as below:

1. Feasibility of economic-technic;
2. High power of electricity that can supply;
3. Estimate costs of project;

4. Estimate of age and endure of dam and other electricity system;
5. Estimate of electricity price and market demand of distribution;
6. Plan and procedure of: building, install and time of electricity supply

Article 31. Environment, Social and Natural Resources Impact Assessment

Environment, Social and Natural Resources Impact Assessment shall include:

1. Assessment of Environmental Impact (EIA) in each case, together with proposals methods and measures for solving or mitigation any adverse impact on the environment, ecology, society and wildlife habitats;
2. An estimate of damage and resettlement of peoples who will affected by electricity project;
3. Means to limit the downstream impacts of hydropower dam, which is major direct contributor to increased flooding during rainy season, by excavating a drainage ditch to divert the water if necessary or by some other means;
4. Calculation of expenses for restoration of impact provided in paragraph 1, 2, and 3 of this article shall be incorporated in to the project cost.

Article 32. Conditions for those propose and term expand proposal

Those who proposes to concession of doing electricity business has:

1. They shall have financial and technical capacity;
2. They shall have done good electricity business history and trust;

Those who request for term expansion shall:

1. Register of electricity business is expired;
2. As requirement to continue project to be finish;
3. Full implementation of economic-technic criticize steps, project contract and regulations;
4. Usually follow of all obligations.

Article 33. Concession Term

A concession term shall not exceed 30 years, including the construction period, operation, and BOT or BOOT and shall commence from the date of concession approval.

A concession term may be extended, but shall not exceed 10 years, as agreed to by the government. Requests to extend a concession term shall be submitted five years before the expiry of the concession.

After the expiry of the concession period, the concessionaire shall transfer the entire enterprise to the government in good and operational condition and guarantee by independence engineering without any compensation whatsoever.

Article 34. Approval Size of Electricity Project

Electricity project in Lao PDR divided in to four sizes as below:

1. Electricity project that has power less than 100 KW is duty of district Office of Investment and Planning to approve by agreed of district governor;
2. Electricity project that has power higher than 100 KW to 5 MW is duty of provincial department of investment and planning to approve and agreed by the province governor or major;

3. Electricity project that has power than 5 MW to 100 MW is duty of government to approve based on proposal of ministry of investment and planning;
4. Electricity project that has power than 100 MW or has water reservoir than 10 000 hectares or large impact to environment, social and natural resources, government shall propose to standing committee of National Assembly for approval.

Article 35. Operation safety and treatment

Natural, legal person and organization that operate of electricity business shall guarantee safety and treatment of equipment and tools of electricity engineering such as: dam, water reservoir, water flow reservoir, electrical machine, line, station, distribution center and equipment and tools included electricity user.

In order to guarantee such manner, natural, legal person and organization shall create safety regulation in operation and treatment as conform with Lao electricity standard and propose to energy and mine for approval.

Article 36. Rights of Concessionaires

Electricity enterprise holding concessions have the following rights:

1. To leased land necessary for the operations of the electricity enterprise, provided that they shall firsts obtain an approval from the government if they wish to use any other resources on the lease land.
2. To receive benefits from the concession;
3. To receive protection under the laws;
4. To receive technical and technological instructions from the government related to electricity;
5. To request an extension to the concession term;
6. To transfer their right to or to succeeds to the right of another electricity enterprise with consent of the government.

Article 37. Obligations of Concessionaires

Electricity enterprise holding concessions have the following major obligations:

1. To operate the enterprise properly and in accordance with the conditions of the concession and economic-technic criticize and no harmful to social and natural environment;
2. To deposit a guarantee with the Bank of Lao PDR;
3. Must to have capital or property equal register capital, for foreigner investment to import registered capital as foreign currency into Lao PDR according to the laws and regulations and according to the foreign investment contract;
4. To keep accounts as provided for the enterprise Accounting Law;
5. To timely and completely pay tax or duty obligations according to law and regulations;
6. To pay compensation in the event that is damage to the environment or to the right and property of people, or in the event that there is a resettlement peoples;
7. To train and build up the expertise to guarantee social welfare of staff, academic staff and workers;

8. To record and report result of the concession according to a time period including detail expenses of the project;
9. To maintain and repair machinery and electrical equipment in order to maintain them in good condition according to technical principles related to electricity;
10. To strict adhere to the Lao labor law and other law of Lao PDR;
11. To pay all debt and repair machinery in a good condition before return electricity operation to government;
12. To hand over the project along with the feasibility study and other project documents to the Lao government without any compensation in the event that the concessionaires do not continue to operate the electricity enterprise;
13. To coordinate and cooperate with the project location in order to promote social and economy development in that area.

Article 38. Expiry of Concession

Concession shall expire in the following cases:

1. End of the concession term;
2. Voluntary cessation of the concession before its term with the approval of the government;
3. Concession rights are withdraw due to serious violation of the laws and regulations;
4. Concessionaires cannot repair or remedial of enterprise that caused of emergency case;
5. Cancelation of concession contract.
Before end of concession contract shall evaluate project.

Article 39. Electricity Project those not require to Concession

Electricity project that not require to concessions have following:

1. Building, install of electrical equipment and tools that state invests by itself;
2. Building electricity project that has power less than 5 MW and limited damage to social and natural environment;
3. Building and install electrical machinery product by heater system less than 500 KW and building and install of electricity power by alternative power, solar power, wild power, natural gases, palm oil, hydropower and other;

Article 40. Using Land for Electricity Project

Using land for electricity project shall do:

1. Project developer must detail limit of land using, compensation methods during feasibility study, impact to social and natural environment of project;
2. Energy and Mines sector shall coordinate and cooperate with land management authority, related agency and local administration in order to planning of land use in electricity project area;
3. Land management authority shall allow investor to use land in according with Land Law of Lao PDR after approval.

Article 41. Distribution to Fund

Electricity project developer along with pay tax and natural resources fee shall contribute to the fund for environmental protection in concession area, surrounding, catchment, downstream of project and infrastructure of concession area.

Article 42. Report

Natural, legal person and organization that operate electricity business shall usually report to energy and mine and local administrations concerning design, building, operate and safety of electricity based on regulation.

Chapter IV Electricity Development in the Rural Areas

Article 43. Promotion of Electricity Development in Rural Areas

Natural, legal person and organization that invests to production, distribution, selling- buying electricity, invest to build electricity line, station, service or new source of electricity production, alternative power to supply electricity in rural and remote area shall get prevail rights concerning investment and the same with another investment promotion in according with Investment Promotion Law.

Article 44. Investment in Rural Electricity Development

Investment in rural electricity development shall do as following:

1. Province, capital, district, city shall invest building, install equipment and tools by themselves;
2. Natural, legal person and organization all including domestic and foreign that invests to build, install equipment and tools by transfer to province, capital, district, city to be manager and user;
3. Electricity enterprise that operate of distribution, building, installation, and service has to response for building and installation medium electricity pressure, motor, low pressure and electricity reader motor, by person, legal person and organization that use such electricity shall response to expenses for install electricity reader motor in they house and office;
4. Ethnic group shall distributes property and labors for rural electricity development in their area;
5. Rural area, focus area or difficulty area of economy and no one want to invest in electricity development, government shall has policy and supply budget to build medium pressure line, motor, low pressure to electricity reader motor.

Article 45. Rural Electricity Project Approval

Province and capital shall approve building and development plan, survey, data collection for small electricity current that obtain 100 KW to 5 MW, for the electricity source that has power less than 100 KW shall approve by district and city.

Province, capital, district, city that approval rural development project shall base on one stop service and as provided in above paragraph and as agreed of energy and mine sector.

Article 46. Rural Electricity Development Fund

Rural electricity development fund come from state budget, donation of domestic and foreign, loan, distribution of electricity service and distribution of people.

Rural electricity development fund management and use provide in specific regulation.

Chapter V Electricity Price

Article 47. Electricity Prices

The determination of electricity prices is subject social-economic conditions and the standard of living of the people from time to time.

Electricity price shall have stable price and guarantee benefit of investment and development of electricity.

Ministry of Energy and Mines coordinate with related agency in order to study and research types of electricity prices and propose to government from time to time.

Electricity price of target use, and type of user is duty of government to create.

Article 48. Types of Electricity Prices

Electricity prices are divided into the following types:

1. The export price and the import price to foreign.
2. The export and import in domestic.

The government creates types of electricity.

Article 49. Electricity Price in Rural Area

Electricity price in rural area are divided as following:

1. Electricity price that connect with central system shall base on Article 48 above;
2. Electricity price of selling and buying that invests by state that have not yet connect with central system, energy and mines sector shall research and propose policy price as approved of local administration;
3. Electricity price of selling and buying that invests by private sector shall base on proposal of investor and must agreed by local administration, in case of investor lose money as properly reasons, the government shall properly compensation.

Chapter VI

Duties and Obligations of Producers, Distributors and Users of Electricity

Article 50. Rights, Duties and Obligation of Electricity Producer

Electricity producers have the right and duties as following:

1. Make a contract sell-buy with user in according with regulations;
2. Transfer and grant electricity activities to another as approval of government;
3. To get electricity service fee and protection right and duties of themselves;
4. Request cooperation with energy and mines and local administration in case of requirement.

Electricity producers have the following obligations:

1. Follow the safety regulation in the period of operation, maintain and technic of electricity standard;
2. Pay tax and duty and other obligation as provided in regulation;

3. Continuously and regularly product and supply electricity;
4. To pay compensation, resettlement, land, and fruit tree as properly for affected people from electricity project.

Article 51. Rights and Obligations of Electricity Distribution

Electricity distribution has following rights and obligation:

1. To collect fees of electricity distribution and services;
2. To warn electricity users who violate regulations or damaged or will damage to electricity distribution;
3. To suspend electricity distribution to users who seriously violate regulations on the use of electricity;
4. To determine measures to ensure the safety of the public and the environment relating to the electricity distribution;
5. To inspect the installation and use of electricity of electricity users;
6. To refuse of request of person, legal person, organization that want to use their electricity line when such use not meet standard.

Electricity distributions have the following obligations:

1. To broadly, regularly, and standard supply electricity to those who request it;
2. To notify electricity users in advance of each instance when the electricity supply will be cut off;
3. To provide instruction or regulation and principle regarding the user of electricity; to responsibly and timely provide service to electricity users;
4. Using modern and quality of electricity equipment;
5. To ensure the safety and social welfare of workers in the electricity industry and safety for social and environment;
6. To pays taxes and duties and other fees to the state in accordance with the laws and regulations;
7. To pay compensation in the event that electricity destroys the environment, the lives or property of the people, or public property;
8. To allow person, legal person and organization to use their electricity distribution line bases on Lao electricity standard;
9. To summarize, report result of distribution and management of electricity base on Lao electricity to energy and mine sectors.

Article 52. Rights and Obligation of Electricity Users

Electricity users have the following rights and obligations:

1. To have the right to the safe use of electricity;
2. To receive electricity installation and repair service in their home and office;
3. To receive instruction relating to the use of electricity;
4. To request inspection of any electricity fee calculation that one views is incorrect;
5. To sue or claim of electricity businessman in the event that his service and standard are low and damage to user.

Electricity users have the following obligations:

1. To response, maintain, change line and electricity equipment in home and office;
2. To comply with regulations and instructions regarding electricity usage;
3. To use electricity in economy and effectively;

4. To pay electricity and service fees for electricity that one users;
5. To facilitate the installation, repair, inspection and recording of electricity usage figures;
6. To urgently notify electricity officials when an electricity-related irregularly is discovered;
7. To distribute of protection of electricity equipment and tools.

Chapter VII

Prohibitions

Article 53. Prohibitions for Officials and Electricity Officials

Prohibits for officials and electricity officials do the following activities:

1. Use of position to get bribe for oneself beneficial form electricity operation;
2. Abuse authority that cause damage to state, community beneficial and legal beneficial of people;
3. Abandonment of duty and obligation relating to electrical that assigned by state;
4. Disclose of state and official secret relating electricity operation;
5. Counterfeit documents relating to electricity operation;
6. Conduct or participate in electricity operation;
7. Use of force, command, and use other illegal measures;
8. Illegal selling-buying electricity equipment and tools;
9. Do any activities that prohibited in laws and regulations.

Article 54. Prohibitions for Businessman

Prohibit for the domestic and foreign business to do as following activities:

1. To survey and electricity operate without license;
2. Building, installation and operation concerns electricity equipment and tools without license;
3. To extend, prolong implementation electricity project that already licensed;
4. Using or inform concerns survey, design, building and operation relating to illegal electricity operation;
5. To give bribe to official and people;
6. Use of force and refer stealthily of other name in order to command official, staff and people;
7. Selling- buying electricity equipment and tools as lower standard and illegal;
8. Violation rights and duties of localities concerns electricity operation;
9. Other activities are prohibitions that provided in the laws and regulations.

Article 55. Prohibition for the People

Prohibits for the people below:

1. Trespass, destroy forest such as protection forest, fountainhead forest;
2. Location trespass, steal, destroy electricity equipment and tools;
3. To prohibit of building, location or production in the area near electricity equipment and tools before approval;

4. Cooperation with businessman, official or staff trespass to location, steal, destroy electricity equipment and tools;
5. To obstruct the exercises duty of electricity official and staff;
6. Using force and refer stealthily of other name in order to command official, staff and other in order for one beneficial;
7. Illegal selling-buying electricity equipment and tools;
8. Other activities are prohibitions that provided in the laws and regulations.

Article 56. Prohibitions for the Organization and Other Person

Prohibit for the organization and other person do following activities:

1. Abuse of authority, use of force and refer stealthily of other name to command official, staff in order to get illegal beneficial;
2. Abuse of authority for personal gain or group gain concerning electricity operation;
3. Do electricity operation by oneself or to be stakeholder without license;
4. Illegal license to survey, design, building or operation concerns electricity equipment and tools as provided in laws and regulations;
5. Delay of case procedure concern electricity operation conflict;
6. Obstruction of exercise of electricity official and staff;
7. Do electricity operation without license as law requirement;
8. Product, form, buy, sell, distribute, import equipment and tools of electricity that lower than standard and low quality;
9. Other activities are prohibitions that provided in the law and regulations.

Chapter VIII

Conflict Resolution

Article 57. Form of Conflict Resolution

Conflict resolution shall base on following methods:

1. Mediation or Negotiation;
2. Administration method;
3. Organization of Economic Disputes Resolution;
4. Court decision;
5. International method.

Article 58. Mediation and Negotiation

In case of arisen dispute in electricity operation parties can negotiate, mediate and compromise.

Article 58. Administration Method

In case the dispute party cannot reach agreement by compromise, dispute party can sue case to energy and mine that approved area to resolution.

Article 59. Resolution by Organization of Economic Disputes Resolution

In case of energy and mine cannot mediate and resolve, dispute party can request case to Organization of Economic Disputes Resolution to consider based on law and regulations.

Article 60. Court Decision

Dispute that occur from electricity operation that cannot solve by administration means or organization of economic disputes resolution, each party can sue a case to people court to make decision base on law and regulations.

Article 62. International Method

Electricity operation disputes between domestic and foreign investors or foreign investor in Lao PDR or between investor and government that can use national dispute resolution organization, foreign or international based on agreement of party.

Chapter IX

Electricity Administrations and Inspection Agencies

Article 63. Electricity Administration

The government is central and unity administration throughout nationwide by granted to Energy and Mines sector is central organization to cooperate with related sector such as: investment and planning, water resources and environment agency, defend-public security, localities and other relating agencies.

Electricity administration agency comprise the following:

1. The Ministry of Energy and Mines;
2. The provincial, capital city energy and mines
3. The district energy and mines office.

Article 64. Rights and Duties of the Ministry of Energy and Mines

In the administration of electricity enterprise, ministry of energy and mines has the following rights and duties:

1. To elaborate on the strategy, electricity development plan, law and regulations relates to electricity to submit to the government;
2. Dissemination, contribution of law and regulations and development plan of electricity;
3. Leading and inspection of implementation of electricity activities in nationwide;
4. To survey and collect information, and collect statistics regarding physical electrical energy source throughout the country;
5. Leading of environmental protection and electricity energy source;
6. To study and provide technic opinions relating to investment in electricity enterprise;
7. To study of term extend, suspend or withdraw electricity enterprise license of investor;
8. To provide advices relating to electricity enterprise and relating to equipment and tools importing;
9. Approval of head of engineering appointment that under the supervise and proposal by electricity enterprise;
10. To study electricity prices and submit to the government for approval;
11. To coordinate with other parties and concerned local administration authorities in the administration and inspection of electricity enterprise;
12. To corporate with foreign and seek out funding source for development of electricity enterprise;

13. To summarize, report the result of electricity implementation plan to the government as regularly;
14. To exercise such other rights and performs such other duties relating to administration of electricity enterprise and to comply with the laws and regulations.

Article 65. Rights and Duties of Provincial and Capital City Energy and Mines Department

In the administration of electricity enterprise, provincial and capital city energy and mines department has the following rights and duties:

1. To implement of elaborate on the strategy, electricity development plan, advise and management of electricity activities under the supervision;
2. To survey, collect data, record statistic and protect physical source of electricity energy;
3. To study and provide opinions regarding applications to establish small scale electrical production plants less than 5 MW and related to electricity equipment and tools;
4. To study and provide technic opinions concerns electricity enterprise investment under the supervision;
5. Approval head of engineering appointment under the responsibility as proposed by electricity enterprise;
6. Environmental protection and physical source electricity energy;
7. Coordinate with other agencies and localities in management of electricity activities;
8. Cooperate with foreign as grant by Ministry of Energy and Mines;
9. Summary, report the result of electricity plan implementation to upper step as regularly;
10. To exercise other rights and duties as grants by Ministry of Energy and Mines and provincial and capital city administrations.

Article 66. Rights and Duties of the District Energy and Mines Office

In the administration of electricity enterprise, the district energy and mines office has the following rights and duties:

1. Implementation of plan, project, law and regulation related to electricity and advices of ministry of energy and mine concerns electricity;
2. Disseminate of electricity law, and safety regulation in operation and maintain to electricity enterprise under responsibility;
3. Advices to operator in electricity enterprise that has power less than 100 KW that related to electricity equipment and tools;
4. Advices to operation of electricity equipment and tools, collect statistic of serious electrical accident;
5. Cooperate with another sector and district sector in electricity management;
6. Regularly summary and report of electricity implementation plan to upper agency;
7. To exercise other rights and duties as grants by department of Energy and Mines and district and city administrations.

Article 67. Rights and Duties of Another agencies and Sectors

In management of electricity activities another agencies and related localities have to coordinate with energy and mines sectors under one power.

Article 68. Inspection Agency

Inspection agency is the same of electricity administration as provided in Article 63 of this law.

Along with inspection agency, the committee of technic inspection shall be establishing.

Article 64. Technical Inspection Committee

In order to ensure that the construction, installation, and operation of an electricity enterprise are technically sound, ensure safety, and protect the environment, the government may create a technical inspection committee which shall comply the energy and mines sector and other relevant ministries or agencies.

The technical inspection committee shall be automatically terminated after having completed its duties as assigned.

Article 65. External Inspection

External inspection has purpose to inspect exercise of electricity administration and inspection in order to strengthen, transparency and fairly.

External inspection as below:

1. Inspection of National Assembly as provided in the Law on National Assembly Oversight;
2. Inspection of National Inspection Authority as provided in the Law on Inspection;
3. Inspection of National Audit Authority as provided in the Law on Audit;
4. Inspection and monitoring of Lao people.

Article 66. Points for Inspection

Inspection has main purpose to effective of electricity activities, ensure technic, ensure safety, protect environment and ensure safety of electricity enterprise based on laws and regulations.

Points for Inspection are following:

1. Compliance with all steps of electricity enterprise operation;
2. Compliance with time schedule of electricity enterprise operation;
3. Compliance with feasibility study;
4. Compliance with plans that have been issued;
5. Compliance with technical safety measures;
6. Compliance with law and contract of electricity enterprise operation;
7. Compliance with standards for electrical equipment;
8. Design, construction, installation and management of electrical equipment;
9. Application of measures to limit environmental impact;
10. Payment of compensation for damage to the environment and peoples' lives and property;
11. Inspection of the financial system and social-welfare policies;
12. Record and take note of electricity usage.

Article 67. Forms of Inspection

Inspection of electricity has three forms as below:

1. A regular inspection;
2. An inspection following advance notice;
3. An inspection without advance notice.

A regular inspection refers to an inspection, which is carried out according to plans, on a regular basis and at a specified time.

An inspection following an advance notice refers to an inspection, which is not performed according to plans, [but only] when deemed necessary and of which the person to be inspected is notified in advance.

An inspection without advance notice refers to an emergency inspection of which the person to be inspected is not notified in advance.

Chapter X

Policies towards Persons with High Achievement and Measures Against Violators

Article 73. Policies towards Persons with High Achievement

Individuals or organizations achieving excellent results in the operation of electricity enterprises and the protection of the environment shall receive commendations and shall enjoy various policies: financial credit, extension of the concession or other policies.

Article 74. Measures Against Violators

Person, legal person, and organization that violate this law shall receive measures such as: re-education, fines, civil compensation, or penal measures depending on case-by-case basis.

Article 75. Re-education

Individuals or organizations that have violated this law by committing minor wrong-doing such as failure to report on the operations of the electricity enterprise, failure to timely make reports, and failure to adhere to technical standards which are not dangerous, shall be re-educated.

Article 76. Regulation Measures

Staff or official of electricity sector that violate law and regulation and prohibition of electricity and such violation is minor and that is not commit a crime and such violation under 1, 000 000 Kip, and not inform to electricity agency and avoid to response such violation shall be subject to regulations as following:

1. Warn of violation and record in curriculum vitae;
2. Suspend to promote, position, level of salary;
3. Move to lower position;
4. Abandonment from government official without any policy.

Violator must reclaim assets that got from violation to state.

Article 77. Fines

Individuals or organizations that have violated this law shall be fined an amount equivalent to the amount of actual damage caused by any one of the following acts:

1. Operating an electricity enterprise without approval;
2. Construction, installing electricity equipment without approval;
3. Installing electricity into one's home without a meter;
4. Allowing others to draw electricity from one's home without approval;

5. Modifying electricity meters;
 6. Failing to adhere to safety standards;
 7. Failing to adhere to standards to limit adverse environmental impact;
 8. Failing to pay taxes and duties;
 9. Failing to pay compensation for damage caused to the environment, and to people's lives and property;
- Fines rate are provided in specific regulation.

Article 78. Civil Compensation

Person, legal person, and organization that violate this law and damage to another live and property shall be subject to pay compensation that caused by electricity enterprise.

Article 79. Penal Measures

Any individual committing a violation of this law, which constitutes as criminal offence, shall be punished according to the Penal Law.

Chapter 12

Final Provisions

Article 80. Implementation

The government of the Lao People's Democratic Republic shall implement this law.

Article 81. Effectiveness

This law shall enter into force sixty days from the date of the promulgating decree issued by the President of the Lao People's Democratic Republic.

This law is change the Electricity Law No. 02/97/NA, dated 12 April 1997.

Regulations, decrees are conflict this law shall be determinate.

