



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

No. 34/PO

DECREE
of the
PRESIDENT
of the
LAO PEOPLE'S DEMOCRATIC REPUBLIC

On the Promulgation of the Law on Electricity

Pursuant to Chapter 5, Article 53, point 1 of the Constitution of the Lao People's Democratic Republic which provides for the promulgation of the Constitution and of laws which are adopted by the National Assembly;

Pursuant to Resolution No. 02-97/NA, dated 12 May 1997, of the National Assembly [of the Lao People's Democratic Republic] regarding the adoption of the Law on Electricity; and

Pursuant to Proposal No. 15/NASC, dated 7 May 1997, of the National Assembly Standing Committee.

**The President of the Lao People's Democratic Republic
Decrees That:**

Article 1. The Law on Electricity is hereby promulgated.

Article 2. This decree shall enter into force on the date it is signed.

Vientiane, 31 May 1997

The President of Lao People's
Democratic Republic

[Seal and Signature]

Nouhak PHOUMSAVANH



LAO PEOPLE'S DEMOCRATIC REPUBLIC
PEACE INDEPENDENCE DEMOCRACY UNITY PROSPERITY

National Assembly

No. 02/97/NA
12 April 1997

THE LAW ON ELECTRICITY

Chapter 1
General Provisions

Article 1. Function of the Law on Electricity

The Law on Electricity has the function of determining a regime for the administration, production, transmission and distribution of electricity, including export and import[,] through the use of a highly productive natural resources potential[,] to contribute to the implementation of the national socio-economic development plan and to upgrade the living standards of the people.

Article 2. Electricity¹

Electricity [refers to] a type of energy comprising electricity, electrical currents, electrical intensity and electrical energy² produced by physical sources of electrical energy: water power, wind power, solar power, petroleum and coal. Electrical power from other sources is not covered by this law.

Article 3. Ownership of Physical Sources of Electrical Energy

Physical sources of electrical energy throughout the Lao People's Democratic Republic are the property of the national community that the State administers, preserves, and conservatively uses on a long term and productive basis.

¹ The word "electricity" is defined in this article in a manner consistent with its common usage (i.e., to refer to electrical energy or an electrical current). However, the reader may wish to note that "electricity" is often used elsewhere in this law (as a standalone word without any qualifying nouns or adjectives) to mean "electrical facilities", "electricity plants", "electrical network" or, indeed, the entire "electricity system". Where it is clear from the context which of these alternative meanings is intended, the translators have used words to convey the intended meaning, enclosed in square brackets.

² Electrical current is measured in ampere; electrical intensity in voltage; and electrical energy in wattage.

Article 4. Promotion of Electrical Power Production and Development

The State promotes all sectors of the economy to invest in the production of electricity to meet the demands of the people in urban and rural areas, including the development of electricity as an export commodity.

Article 5. Protection of the Rights and Interests of Investors and Users of Electricity

The State protects the rights and interests of those investing in electricity enterprises and those using electricity according to the laws and regulations of the Lao People's Democratic Republic.

Article 6. Environmental Protection

Commencing from the survey, the agreement upon the scale [of the project], as well as the construction and expansion of the electricity [facility], the undertaking of electricity business shall ensure economic efficiency, shall take into account an assessment of its impact on the natural environment, [and] the ecological system, and shall limit impact to society and wildlife habitats.³

Article 7. Foreign Cooperation

The State broadens foreign cooperation in the production, distribution and export and import, and in the development of operations relating to electricity according to the Law on the Promotion and Management of Foreign Investment in the Lao People's Democratic Republic⁴.

**Chapter 2
Operations Relating to Electricity**

Article 8. Operations Relating to Electricity

Operations relating to electricity [refers to] the conduct of surveys, data collection, design, construction and installation, production, transmission and distribution, export and import, development[,] and other services related to electricity.

³ For readability, the structure of this sentence has been modified.

⁴ This law has since been amended and is now titled The Law on the Promotion of Foreign Investment in the Lao People's Democratic Republic.

Article 9. Sizes⁵ of Electricity Enterprises⁶

Electricity enterprises in the Lao People's Democratic Republic are divided into four sizes as follows:

1. Electrical [plants]⁷ with an installed capacity of more than fifty thousand (50,000) kilowatts [that must be] proposed by the government to the National Assembly for approval;
2. Electrical [plants] with an installed capacity of more than two thousand (2,000) to fifty thousand (50,000) kilowatts [that must be] approved by the government;
3. Electrical [plants] with installed capacity of more than one hundred (100) to two thousand (2,000) kilowatts [that must be] approved by the provincial, municipal⁸ or special zone administrative authorities subject to the consent of the Ministry of Industry and Handicrafts;
4. Electrical [plants] with installed capacity of less than one hundred (100) kilowatts [that must be] approved by the district administrative authorities subject to the consent of the concerned province, municipality or special zone.

Chapter 3 Concessions for Operations relating to Electricity⁹

Article 10. Investment in Operations Relating to Electricity

The State promotes investment in operations relating to electricity, with an emphasis upon hydropower in order to utilize the [electricity-generating] potential of water sources that are natural resources.

Investment in operations relating to electricity may be undertaken by different types of enterprises as follows:¹⁰

⁵ The Lao word for scale and size is the same word. The translators have used the English alternative that works best in the context.

⁶ The Lao word is “electricity enterprise” even though the context suggests that this is a reference to the assets or project (i.e., “electrical facility”, “electrical plant” or “electricity project”) rather than the entity. It is possible that the distinction was not important when this law was first promulgated because most electricity enterprises were single-purpose entities at the time. In this Article and in the rest of this law, the translators have kept to the literal translation.

⁷ The literal translation is “electricity with an installed capacity of ...”.

⁸ This Law on Electricity predates the enactment of the Law on Local Administration (which has changed the designation of different levels of administration). The reader should not assume that a reference to a municipality in this law is a reference to the same level of local administration referred to as a municipality in the Law on Local Administration.

⁹ In the title, “operations relating to electricity” is used as an adjective to describe concessions.

¹⁰ This list refers to modes of investment in an electricity project and is not intended to refer to the shareholding or ownership of the “enterprises”.

1. The State invests by itself;
2. The State invests with other domestic or foreign parties;
3. Domestic cooperative or private investment.

Enterprises engaged in operations relating to electricity may undertake their operations in the following forms:

1. Build, operate and transfer (BOT);
2. Build, operate, own and transfer (BOOT);
3. Build, transfer and finance (BTF);
4. The State engages in the undertaking by assigning the State electricity company to be its representative;
5. Investment in some other form.

Article 11. Concessions for Electricity Enterprises

All persons or organisations who seek to operate an electricity enterprise engaged in the production, transmission and distribution, export and import or development of electricity shall request a concession from the government of the Lao People's Democratic Republic and shall request approval to establish and register the enterprise as provided for in the Business Law.

Article 12. Concession Procedures

An electricity enterprise shall request a concession [in the following steps¹¹:] studies, evaluation of the project, initial survey, application for investment, consideration of the investment application, signing of a memorandum of understanding, survey¹², drafting of a feasibility study, an environmental impact assessment statement, consideration and approval of the concession and other [steps]¹³, the procedures of which the Ministry of Industry and Handicrafts shall determine in detail.

The government of the Lao People's Democratic Republic will¹⁴ participate in the shareholding when there is a concession for an electricity enterprise.

Article 13. Feasibility Studies

Feasibility studies comprise the following contents:

¹¹ The literal translation of the Lao word is “comprise”. The translators are aware that this list does not express itself consistently in terms of either nouns or verbs.

¹² In this article, the first mention of “survey” is to an initial survey. The second mention of “survey” refers to a more detailed survey, but the Lao original does not allow a more specific translation.

¹³ The literal translation of the Lao word is “other works”.

¹⁴ The Lao word connotes a high degree of likelihood but is not absolute.

1. Socio-economic results;
2. Estimated maximum electrical capacity;
3. Estimated project value;
4. Estimated project term and life of the dam or estimated term and life of some other electrical system;
5. Estimated electricity price;
6. Plans and operation phases: construction, installation, and commencement date of electricity supply.

Article 14. Environmental Impact Assessment

Along with the feasibility study, the investor shall undertake an environmental impact assessment which shall comprise the following contents:

1. Assessment of environmental impact in each case, together with proposals of methods and measures for solving or mitigating any adverse impact on the environment, ecology, society and wildlife habitats;
2. An estimate of the damage and resettlement [costs] of peoples who will have to conduct their production activities somewhere else because of the electricity project;
3. Means to limit the downstream impacts of a hydropower dam, which is a 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 the impacts provided for in paragraphs 1, 2 and 3 of this Article shall be incorporated into the project cost.

Article 15. Conditions for those who [are eligible to] receive Concessions

Those who [are eligible to] receive concessions shall meet the following conditions:

1. They shall have financial and technical capacity;
2. They shall have a good and trustworthy business background;
3. [Their] project shall be productive economically and socially;
4. [Their] concession shall comply with the national socio-economic development plan and shall not create severe adverse impacts to the environment.

When a concession applicant meets all of the conditions, the government shall consider granting a concession.

Article 16. Concession Term

A concession term shall not exceed thirty (30) years, including the construction period, and shall commence from the date of the concession approval. After the expiry of the concession period, the concessionaire shall

transfer the entire enterprise to the government in good and operational condition without any compensation whatsoever.

A concession term may be extended, but [such extension] shall not exceed ten (10) years, as agreed to by the government. Requests to extend a concession term shall be submitted five (5) years before the expiry of the concession.

Article 17. Rights of Concessionaires

Electricity enterprises holding concessions have the following rights:

1. To lease land necessary for the operations of the electricity enterprise, provided that they shall first obtain an approval from the government if they wish to use any other resources on the leased 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 rights to] or to succeed to [the rights of] another electricity enterprise with the consent of the government.

Article 18. Obligations of Concessionaires

Electricity enterprises holding concessions have the following major obligations:

1. To operate the enterprises properly and in accordance with the conditions of the concession;
2. To deposit a guarantee with the Bank of the Lao People's Democratic Republic;
3. To import registered capital as foreign currency into the Lao People's Democratic Republic according to the laws and regulations and according to the foreign investment contract¹⁵;
4. To protect the environment;
5. To keep accounts as provided for in the Enterprise Accounting Law;
6. To timely and completely pay tax or duty obligations according to laws and regulations;
7. To pay compensation in the event that there is damage to the environment, [or to the] lives and property of people, or in the event that there is a resettlement of peoples;
8. To train and build up the expertise [of] and [to] guarantee social welfare for Lao workers;
9. To record and report results of the concession according to a time period¹⁶, including detailed expenses of the project;

¹⁵ This is relevant to enterprises that operate via "business cooperation by contract" as referred to in Article 6 of the Law on the Promotion of Foreign Investment.

10. To maintain and repair machinery and electrical equipment in order to maintain them in good condition according to technical principles related to electricity;
11. To strictly adhere to the Labour Law and other laws of the Lao People's Democratic Republic;
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 concessionaire does not continue to operate the electricity enterprise;
13. Before such hand over of the electricity enterprise to the government, the electricity enterprise shall first pay all of its debts.

Article 19. Expiry of Concessions

Concessions 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 withdrawn due to a serious violation of the laws and regulations;
4. Transfer of the enterprise to someone else with the approval of the government.

Article 20. Exceptions to Concession Applications

The following [types of project] do not require concessions:

1. Building of a small scale dam with an installed capacity of less than two thousand (2,000) kilowatts and causing minor impact to the environment;
2. Building and installation of equipment to produce electricity by means of a heating system of less than five hundred (500) kilowatts.

Operation of an electricity enterprise as referred to above shall conform to the national master plan and the needs of the multi-ethnic Lao people.

¹⁶ It is unclear from the Lao text whether the meaning is “timely” or “for specific accounting time periods”.

Chapter 4

Installation and Determination of Electricity Equipment Standards

Article 21. Installation of Electricity

Installation of electricity [refers to] the building, installation, expansion and repair of an electrical system¹⁷ that aims to support the production, the services and the livelihood of the people by means of a complete electrical system.

Article 22. Approval to Operate an Electricity Installation Enterprise

Individuals and organisations that seek to operate an enterprise engaged in the installation of electricity shall obtain an approval from the industry and handicrafts sector¹⁸ and shall register their business with the [governmental] sector responsible for commerce, and shall file a tax registration with the [governmental] sector responsible for finance.

Article 23. Determination of Standards for Electrical Equipment

To ensure that electrical tools, electrical equipment, electricity transmission lines and electrical appliances meet the relevant standards, are safe, are energy saving and form a uniform system throughout the country[,] the Ministry of Industry and Handicrafts shall determine, approve, inspect and conduct inspections¹⁹ of the quality of all types of electrical equipment produced domestically and imported from abroad.

Chapter 5

Electricity Production

Article 24. Electricity Production

Electricity production [refers to] the process of producing electricity from unit generating electricity by water power, wind power, heat energy, [bio-mass] power or other energy.

Article 25. Conditions of Electricity Production

Electricity production shall comply with the following conditions:

- Use modern equipment;
- Have equipment which limits the environmental impact;

¹⁷ The activities referred to here include setting up electrical wiring and power lines, connecting electrical equipment to the grid, etc.

¹⁸ The word “sector” is often used to refer to the cluster of government ministries or agencies engaged in a particular activity.

¹⁹ The translators are not aware of the intended difference between the meaning of “inspect” and “conduct inspections”.

- Meet the standards and quality provided for in specific regulations;
- Adhere to other necessary conditions in the production of electricity.

Chapter 6

Electricity Transmission

Article 26. Electricity Transmission

Electricity transmission [refers to] the system of sending and transporting electricity from the electricity production source to the electricity distribution station, to remote districts or to foreign countries.

Article 27. Installation and Construction of Electricity Transmission Lines

The installation and construction of electricity transmission lines shall ensure safety and shall limit damage to nature and to the property of the people.

All citizens have the obligation to contribute to ensuring the safety and the protection of electricity poles, electricity transmission lines and other equipment in the area where they reside.

Article 28. Transmission of Electricity via a System

The transmission of electricity via a system [refers to] the transmission of electricity over an electrical transmission system to another party. The owner of an electricity transmission system who [receives a] request for electricity over its electricity transmission system does not have the right to refuse the transmission, unless its safety cannot be technically guaranteed. Those who use the electricity transmission system of another shall pay a service fee.

Article 29. National Electricity Transmission Grid

The national electricity transmission grid [refers to] the high power electricity transmission line system of the government of the Lao People's Democratic Republic which connects one party to another party throughout the country and which is connected to foreign transmission lines [, with the aim of] ensuring the administration of production, transmission and distribution of electricity including the protection 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.

Chapter 7

Electricity Distribution

Article 30. Electricity Distribution

Electricity distribution refers to the distribution, by means of a high, medium or low power system, of electricity from the transmission system or from the electricity generating equipment to various types of substations, which are referred to as the electricity distribution network.

Article 31. Principles of Electricity Distribution

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.

Article 32. Determination of Electricity Prices

The determination of electricity prices is subject to socio-economic conditions and the standard of living of the people from time to time. Electricity prices are divided into the following types:

1. The export [as commodity] price and the import price;
2. The domestic price for industrial and agricultural production;
3. The price for electricity used in remote rural areas;
4. The price for electricity used in other services.

The government shall approve the electricity price for each type periodically.

Article 33. Rights and Obligations of Electricity Distributors

Electricity distributors have the following major rights:

1. To collect fees for electricity distribution and [other] services;
2. To warn electricity users who violate regulations;
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 electricity distribution;
5. To inspect the installation of electricity of electricity users.

Electricity distributors have the following obligations:

1. To broadly and regularly 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 on regulations and principles regarding the use of electricity;
4. To responsibly and timely provide service to electricity users;
5. To ensure the safety and social welfare of workers in the electricity [industry], [and] safety for society and the environment;
6. To pay 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.

Article 34. Rights and Obligations of Electricity Users

Electricity users have the following rights:

1. To use electricity;
2. To receive instructions relating to the use of electricity;
3. To have the right to the safe use of electricity;
4. To receive electricity installation and repair services in their homes;
5. To request inspection of [any] electricity fee calculation that one views is incorrect.

Electricity users have the following obligations:

1. To pay electricity and service fees for the electricity that one uses;
2. To comply with regulations and instructions regarding electricity usage;
3. To facilitate the installation, repair, inspection and recording of electricity usage figures;
4. To ensure the safety and to protect the environment relating to electricity usage;
5. To urgently notify electricity officials when an electricity-related irregularity is discovered.

Chapter 8
Electricity Export and Import

Article 35. Electricity Export

The government of the Lao People's Democratic Republic promotes the development of electricity for export, while ensuring sufficient electricity for industrial expansion and national socio-economic development.

Article 36. Electricity Import

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

Article 37. Transmission of Electricity through the Lao People's Democratic Republic

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

The transmission of electricity through the Lao People's Democratic Republic shall fulfil the following conditions²⁰:

1. Limit adverse environmental impact and limit damage to the people;
2. Pay fees 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;
3. Allow the Lao People's Democratic Republic the use of that transmission line system when required.

Chapter 9

Electricity Development in the Localities and in Rural Areas

Article 38. Electricity in the Localities and in Rural Areas

Electricity in the localities and in rural areas [refers to] an electricity network which is not connected to the general electricity network or is a separate electricity network for a specific area, which produces electricity by virtue of small scale hydropower, with petroleum-operated machinery, by solar energy, by wind power or by some other energy.

The State promotes the development of electricity in the localities and in rural areas for use in commodities production and in people's daily lives in remote areas.

²⁰

Presumably, these conditions must be fulfilled by the person transmitting the electricity.

Article 39. Approval for Establishment of an Electricity Enterprise in a Locality or in Rural Areas

The provincial, municipal²¹ or special zone industry and handicrafts division²² will conduct surveys and collect information relating to small scale physical sources of electrical energy with power generating capacity of one hundred (100) to two thousand (2,000) kilowatts in order to develop a plan for the construction and development of electricity [facilities] within the areas under its administration.

The provincial governor, municipal chief or the chief of the special zone shall have the authority to approve applications to establish “electricity in the locality”²³ within their area of responsibility, with the technical approval²⁴ of the Ministry of Industry and Handicrafts.

The district industry and handicrafts office shall conduct surveys and collect data relating to physical sources of electrical energy with power generating capacity of less than one hundred (100) kilowatts in order to develop a plan for the construction and development of electricity [facilities] within the areas under its administration. The district chief shall have the authority to approve applications to establish “electricity in the rural area”²⁵ with the consent of the provincial, municipal or special zone industry and handicrafts division.

Article 40. Construction of Electricity in the Localities and in Rural Areas

Construction and installation of electricity in the localities and in rural areas may be conducted in the following forms:

1. Provinces, municipalities, special zones and districts may conduct the construction and installation themselves;
2. The Ministry of Industry and Handicrafts may construct and install [the relevant facilities], and thereafter hand them over to the province, the municipality, the special zone or the district to administer;

²¹ This Law on Electricity was enacted before the Law on Local Administration. The reader should therefore not assume that the hierarchical relationships and designations described in some detail in the Law on Local Administration applied when this law was enacted. Specifically, the translators are aware that the local administrative territories referred to in this law as “municipalities” may not be the same as those referred to as “municipalities” in the Law on Local Administration, even though the Lao word used in both laws is the same.

²² Readers may wish to refer to the Law on Local Administration for more information on the different levels of local administrative agencies.

²³ Quotation marks are not included in the original. This appears to be a reference to the defined term in Article 38.

²⁴ The term “technical approval” refers to approval of technical aspects of the project.

²⁵ Quotation marks are not included in the original. This appears to be a reference to the defined term in Article 38.

3. Private parties or other parties may construct and install [the relevant facilities] and thereafter hand them over to the province, the municipality, the special zone or the district to administer.

The Ministry of Industry and Handicrafts and other relevant ministries have the right to make technical recommendations and [gives] instructions regarding the construction and installation of electricity, the protection of the environment and electricity operations in localities and rural areas.

Provinces, municipalities, special zones and districts have the duty to report, according to reporting procedures, all construction and installation of electricity in the localities and in rural areas to the Ministry of Industry and Handicrafts.

Article 41. The Fund for Development of Electricity in the Localities and in Rural Areas

The State establishes a fund to provide grants and loans for the construction, installation and development of electricity in the localities and in rural areas.

The fund for development of electricity in the localities and in rural areas comes from the following funding sources:

1. The State budget;
2. The State and the people²⁶;
3. Other enterprises;
4. The people;
5. Domestic and foreign assistance.

In addition, the State may have a policy of exempting or reducing taxes and duties, [or] providing import credits for vehicles and equipment, for construction and for electricity operations in the localities and rural areas.

Chapter 10

Electricity Administration and Inspection Agencies

Article 42. Electricity Administration and Inspection Agencies

Electrical administration and inspection agencies comprise the following:

1. The Ministry of Industry and Handicrafts;
2. The provincial, municipal, or special zone's industry and handicrafts division;
3. The district industry and handicrafts office;
4. The village administrative authority.

²⁶ The term "people" here refers to people in the locality who may be prepared to pay for construction even when the State budget does not allow for it.

Article 43. Rights and Duties of the Ministry of Industry and Handicrafts

In the administration and inspection of electricity enterprises²⁷, the Ministry of Industry and Handicrafts has the following rights and duties:

1. To elaborate on the strategic plan relating to the development of electricity enterprises;
2. To survey and collect information, and collect statistics regarding physical electrical energy sources throughout the country;
3. To draft a master plan regarding the development of electricity enterprises, including short-term, medium term and long term plans for the development of electricity enterprises and environmental protection;
4. To issue regulations regarding the production and development of electricity enterprises;
5. To protect physical sources of electricity;
6. To study [proposals for] and provide technical opinions relating to investment in electricity enterprises;
7. To study electricity prices and to submit [recommendations] to the government for approval;
8. To coordinate with other parties and concerned local administration authorities in the administration and inspection of electricity enterprises;
9. To cooperate with foreign parties and seek out funding sources for developing electricity enterprises;
10. To exercise such other rights and perform such other duties relating to the administration of electricity enterprises and [to comply with] the laws and regulations.

Article 44. Rights and Duties of the Provincial, Municipal, or Special Zone Industry and Handicrafts Divisions

In the administration and inspection of electricity enterprises, the provincial, municipal or special zone industry and handicrafts divisions have the following rights and duties:

1. To elaborate on the Ministry of Industry and Handicrafts' master plan regarding the development of electricity enterprises and the protection of the environment;
2. To survey, collect data, record statistics and protect physical sources of electrical energy;
3. To study [proposals for] and provide opinions regarding applications to establish small scale electrical production plants from two thousand (2,000) kilowatts down to one hundred (100) kilowatts, and to submit [recommendations] to the provincial

²⁷ Here, “electricity enterprises” appears to refer to the actual facilities and operations of the enterprises rather than the enterprises themselves. This conflation of the enterprise and its operations may be due to the historical identification of electricity enterprises with a restricted set of permitted operations or facilities.

- governor, the mayor of the municipality or the chief of the special zone for approval;
4. To coordinate with other relevant parties in the administration and inspection of electricity enterprises relating to the production, transmission, and distribution of electricity and the standards for electrical equipment produced domestically and imported from abroad;
 5. To exercise such other rights and perform such other duties relating to the administration of electricity enterprises as assigned by the Ministry of Industry and Handicrafts.

Article 45. Rights and Duties of the District Industry and Handicrafts Office

In the administration and inspection of electricity enterprises, the district industry and handicrafts office has the following rights and duties:

1. To implement the plan, project and regulations and instructions of the provincial, municipal or special zone industry and handicrafts division relating to electricity enterprises and the protection of the environment;
2. To study [proposals for] and provide opinions regarding applications to establish small scale electrical production plants or electricity generating equipment of one hundred (100) kilowatts or less, and to submit [recommendations] to the district chief for approval;
3. To coordinate with other relevant parties regarding the administration and inspection of electricity enterprises within the area of its responsibility;
4. To exercise such other rights and perform such other duties relating to the administration of electricity enterprises as assigned by the industry and handicrafts division.

Article 46. Rights and Duties of the Village Administrative Authority

In the monitoring and inspection of electricity enterprises, the village administrative authority has the following rights and duties:

1. To monitor and inspect the operations of small scale electricity enterprises within the area of the village;
2. To make proposals and report to [the relevant] organisation regarding the operations of electricity enterprises that affect the rights and benefits of the people, fine traditions²⁸ and the laws and regulations;
3. To facilitate parties who operate electricity enterprises within the area of the village;
4. To coordinate with parties who are operating electricity enterprises to ensure public order and security within the area of the village.

²⁸

The Lao term connotes both customs and traditions.

Article 47. Inspection

Inspection of electricity enterprises refers to the inspection of the operations of an electricity enterprise in order to make the electricity enterprise productive and technically safe, to protect the environment and to ensure that the electricity enterprise's operations are in compliance with the laws and regulations.

Article 48. [Points for Inspection]²⁹

Inspections of electricity enterprises shall cover the following major [points]:

1. Compliance with all steps of electricity enterprise operations;
2. Compliance with time schedule;
3. Compliance with feasibility study;
4. Compliance with plans that have been issued;
5. Compliance with technical safety measures;
6. [Compliance with] standards for electrical equipment;
7. Construction, installation, and management of electrical equipment;
8. Application of measures to limit environmental impact;
9. Payment of [compensation] for damage to the environment and people's lives and property;
10. Inspection of the financial system and social welfare policies;
11. Implementation of other regulations relating to operations of an electricity enterprise.

Article 49. The Technical Inspection Committee

In order to ensure that the construction, installation, and operations of an electricity enterprise are technically sound, ensure safety, and protect the environment, the government may create a technical inspection committee which shall comprise the Ministry of Industry and Handicrafts and other relevant ministries or agencies. The technical inspection committee shall be automatically terminated after having completed its duties as assigned.

Chapter 11 **Policies³⁰ towards Persons with High Achievement** **and Measures Against Violators**

Article 50. Policies towards Persons with High Achievement

Individuals or organisations 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.

²⁹ The literal translation is “contents of inspection”.

³⁰ The term “policies” in this context takes the meaning of “privileges”.

Article 51. Measures Against Violators

The following major measures shall be applied to those who violate this law:

1. Re-educational measures³¹;
2. Fines;
3. Penal measures.

In addition, violators may receive additional punishment: suspension of business operations, withdrawal of licenses, confiscation of vehicles or other equipment used in the offence, or termination of electricity supply.

Article 52. Re-educational Measures

Individuals or organisations 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 53. Fines

Individuals or organisations 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. Installing electricity 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;
10. Failing to cooperate with electricity administration and inspection officials.

Article 54. Penal Measures

Any individual committing a violation of this law which constitutes an offence, such as[:] cutting off electrical lines, destroying electrical equipment, abuse of power and position to derive personal benefit from operations relating to electricity, or failure to apply safety measures which causes a loss of life or damage to health, or causes a person to become handicapped, or

³¹ Here, “re-educational measures” does not mean the same as “re-education without deprivation of liberty” referred to in the Penal Law.

causes damage to assets of the State, cooperatives and the public, shall be punished according to the Penal Law.

Chapter 12

Final Provisions

Article 55. Implementation

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

Article 56. Effectiveness

This law shall enter into force ninety (90) days from the date of the promulgating decree issued by the President of the Lao People's Democratic Republic.

Persons or organisations, who have received concessions before the date [when] this law becomes effective, shall have the right to continue their enterprise operations. Should the provisions of this law affect their interests, they have the right to request the competent agency to consider how to deal with the issues within a period of one hundred eighty (180) days from the effective date of this law. Regulations and provisions which conflict with this law are hereby repealed.

Vientiane, 12 April 1997
President of the National Assembly

[Seal and Signature]

Samane VIGNAKET