



Songas Limited

CUSTOMER CHARTER

(Clean, reliable, cost-effective electricity available to all)

Our Commitment to You

2011



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Our Business

Songas generates electricity using gas from the Songo Songo Island gas fields, off the coast of southern Tanzania. The business consists of two different operating streams, Gas Processing and Transportation, and Power Generation.

This Customer Charter is for our gas processing and transportation customers. Our current customers include Twiga cement factory in Dar es Salaam north (WAZO Cement) for gas business, and Pan Africa Tanzania Limited and TPDC for the gas processing and transportation business.

In addition to supplying gas to Ubungo Power Plant and other power plants located in Dar es Salaam, Songas processes and transports gas on behalf of the gas shippers under a Gas Processing and Transportation Agreement who in turn sell gas to their piped and CNG customers. At the moment, there are around 30 industrial users of this gas (which is sold by the gas developer Pan African Energy) which is now providing a clean and economical fuel for industries around Dar es Salaam.

Gas from the Songo Songo gas field is processed on the island at the processing facility to remove water and hydrocarbon condensates. It is then transported through a 225 kilometre pipeline to Dar es Salaam where it is used in Songas' Ubungo power plant, the largest gas-fired power station in East Africa.

The gas fields around Songo Songo Island (under license to Pan African Energy / Tanzanian Petroleum Distribution Corporation) are medium-sized by international standards with reserves that will last at current levels for around 20 years.

Our Mission

To safely provide clean, reliable, cost effective electricity, creating sustainable returns and supporting the development of electricity power sector in Tanzania

Our Values

Our values are built on the following pillars:

- Business integrity
- Socially responsibility
- Environmental compliance
- Safe and healthy working conditions for our employees and contractors

Our Commitment to You

Songas is committed to providing you with a high and consistent level of service. We recognise the importance of listening and responding to your needs. This customer

charter details the level of customer service that we promise to give you in all your dealings with Songas.

In delivering quality service we commit to the following:

Communication:

- making it as easy as possible to contact our technical support team 24 hours a day, 7 days a week by phone or e-mail
- making it easy as possible to contact your sales and administration teams, during office hours, by phone or by e-mail.

Accuracy:

- providing clear, complete and accurate information on your products services, tariffs and pricing
- providing accurate bills
- making your bills easy to understand and providing the detail needed

Performance:

- ensuring that in every aspect of your work, each individual is responsible and accountable for the quality of their work
- continuously enhancing and improving the network to ensure that the service you provide continues to meet and exceed the expectations of your customers
- working with your customers to correct any problem and taking action to ensure that the problem does not recur

Honesty and Integrity:

- at all times striving to be honest, friendly and courteous, treating all customers as valued customers
- making certain that should the level of service we provide fail to meet your customers' reasonable expectations, we take steps to rectify the situation, as soon as it is brought to our attention

Privacy and Security:

- treat personal information in the strictest confidence
- ensuring the details of the service are only discussed with customer and authorized representative.

Our Overall Customer Service Standards

Songas works to ensure that all of its customers (gas shippers and TANESCO) have easy access to clear, timely and accurate information at all points of contact. Songas will continue to drive for simplification of rules, procedures and information leaflets.

At all times, we will:

- Treat you fairly and with respect;
- Offer a friendly and polite service and be sensitive to your needs;
- Deal with your letters, phone calls and visits to our offices promptly;

- Do our best to help you;
- Let you know how quickly we can take action;
- Provide easy-to-understand, useful information and keep you up to date about the services we provide;
- Deal with your feedback positively and quickly;
- Keep your details confidential, as far as possible; and
- Make sure our staff have the skills they need to do their jobs properly and considerately.

Our Service Standard

In addition to our overall service standards, we have service standards as stipulated in the Project Agreements.

We will ensure that:

- we operate the Gas Facilities in accordance with Good Oilfield Practices and Good Pipeline Practices; and in accordance with Gas Processing and Transportation Agreement 2001 (as amended);
- we are available to generate and sell electricity to TANESCO in accordance to the PPA;
- we will endeavour to meet our clients such as TANESCO, Twiga Cement and TPDC/PAT as promptly as practical to discuss and agree on problem solving strategies and plans in relation to our services;
- we supply gas to Twiga Cement in accordance to the provisions contained in the Gas Sales Agreement;
- we provide access to our wayleave in order to allow shippers to connect to their respective customers whilst requiring such connection to take into account reasonable and acceptable standards in the gas industry;
- the wayleave is maintained in accordance to good industry practice and we will ensure it remains reasonably protected by security plans; and
- we maintain emergency contacts (see below) so that these are normally accessible for you to report to our response situations teams all cases that may require our attention .

Health & Safety

Songas works to ensure that it produces electricity and transports gas in an occupationally healthy and safe environment. We have a dedicated team of competent staff to ensure that we are compliant to the set standards and procedures on Health and Safety.

Environment

Songas places a lot of emphasis on our environment. Songas will continue to work towards ensuring that its surroundings are kept free from any pollutants and spills to our environment.

Community Relations

Songas will always strive to give back to the community. We have programmes that cover our stakeholders living in the Songo Songo Island as well as those living along the wayleave. We will maintain our good relationship with the villages that we work with in such programmes.

Business Integrity

Songas is proud of its high standards of business conduct and ethics and has adopted a Code of Business Conduct and Ethics with the aim of maintaining and systematising its current excellent business practices.

Songas will continue to emphasize adherence to laws, regulations, standards, guidelines, procedures that extend beyond and are more stringent than the accepted compliance practices and to encourage ethical and business-appropriate decision making.

Monitoring and Measuring our Performance

We will monitor and measure our performance by seeking feedback and comments from our customers, using internal management information systems and other methods as may be considered appropriate from time to time.

As part of our commitment towards the achievement of the aims set out in this Charter, we will provide appropriate training for staff, particularly those in regular contact with members of the general public.

Summary

This Charter has been developed with the aim of providing a quality service to our customers that will be delivered by Songas staff members in a considerate, courteous and helpful manner. In return, we expect our staff to be treated with courtesy and respect. We are constantly seeking ways to improve the service we provide and welcome any comments and suggestions on this Charter.

This Customer Charter is being developed pursuant to Condition 5(d) of EWURA Order No. 09-004.

We undertake to review and update this Charter as and when material change to the business model and/or regulatory framework changes and demands so.

Emergency Contacts

In case of emergency please do not hesitate to call any of the numbers listed below:

Our Contacts:

Commercial/Corporate Office:

4th Floor Barclay House, Ohio Street
P.O. Box 6342
Dar es Salaam, Tanzania
T: +255 (22) 212 4181
F: +255 (22) 212 4186

Legal & Public Relations Office:

4th Floor Barclay House, Ohio Street
P.O. Box 6342
Dar es Salaam, Tanzania
T: +255 (22) 212 4181
F: +255 (22) 212 4186

Health, Safety and Environment (HSE):

Ubungu Power Plant
Cnr. Morogoro Rd./Nelson Mandela Rd
P.O. Box 6342
Dar es Salaam, Tanzania
T: +255 (22) 245 2160
F: +255 (22) 245 2161/2

CONTROL ROOM EMERGENCY NUMBER: **+255 787 555 036**

For Detailed information on what we do please visit our website at:

www.songas.com



Appendix 8 – Excel Tariff Model (supplied electronically)

Appendix 9 – Glossary

- AF** – Adjustment Factor
- AG** – Additional Gas
- AOP** – Annual Operating Plan
- CAPM** – Capital Asset Pricing Model
- EBITDA** – Earnings Before Interest, Tax, Depreciation and Amortisation
- EWURA** - Energy and Water Regulatory Authority
- FY** – Financial Year
- FYF** – Full Year Forecast
- GA** - Gas Agreement
- GPTA** - Gas Processing and Transportation Agreement
- GPT** – Gas Processing and Transportation
- GPTT**- Gas Processing and Transportation Tariff
- OCGT** - Open Cycle Gas Turbines
- O&M** – Operation and Maintenance
- PAET** - Pan African Energy Tanzania
- PF** – Performance Factor
- PG** – Protected Gas
- PPA** – Power Purchase Agreement
- RAB** – Regulatory Asset Base
- RR** – Revenue Requirement
- SSGEP** - Songo Songo Gas-to-Electricity Project
- TANESCO** - Tanzania Electric Supply Company Limited
- TPCC**- Tanzania Portand Cement Co
- TPDC** – Tanzania Petroleum Development Company
- UPP** - Ubungo Power Plant
- WACC** – Weighted Average Cost of Capital
- WHP** - Wellhead Price

