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BIHAR ELECTRICITY REGULATORY COMMISSION (BERC) LICENSING OF TRANSMISSION OF ELECTRICITY

NOTIFICATION

The 5th April 2007

No. BERC/Regl/7/06-2/2007- In exercise of powers conferred under section 181 read with Sections 15,16 and 18 of the Electricity Act, 2003 (36 of 2003) and all other powers enabling the Commission in this behalf, the Bihar Electricity Regulatory Commission hereby makes the following Regulations:

Chapter – 1

Preliminary

1. Short Title, Extent and Commencement

- (i) These Regulations shall be called the Bihar Electricity Regulatory Commission (Licencing for Transmission of Electricity) Regulations, 2007.
- (ii) These Regulations extend to the whole state of Bihar.
- (iii) These Regulations shall come into force on the date of their publication in the official Gazette of the State.

2. Definitions and Interpretation

- (1) In these Regulations, unless the context otherwise requires:

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- (a) **“Act”** means the Electricity Act, 2003 (36 of 2003),.
- (b) **“Annual Accounts”** means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act, 1956, and / or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act.
- (c) **“Applicant”** means the person who made an application for grant of a licence for intra-state transmission of electricity.
- (d) **“Area of Transmission”** means the area stated in the transmission licence within which the Transmission Licensee is authorised to establish, operate and maintain transmission lines and transmission system.
- (e) **“Auditors”** means the Transmission Licensee’s auditors, and if the Transmission Licensee is a company, auditors holding office in accordance with the requirements of the Companies Act 1956, as amended from time to time.
- (f) **“Commission”** means the Bihar Electricity Regulatory Commission
- (g) **“Distribution Licensee”** means a person or a company licensed to operate and maintain a distribution system for supplying electricity to the consumers in the area of licence.
- (h) **“Generator”** means a person or company owning a plant or apparatus which generates electricity and is connected to a transmission system.
- (i) **“Regulations”** means the Regulations made by the Commission, under the provisions of the Act.
- (j) **“Secretary”** means the Secretary to the Commission
- (k) **“Supply”** means the supply of electricity and the word “Supplier” is construed accordingly.
- (l) **“Transmission Licence”** means a licence granted by the Commission to a person / company under section 14(a) of the Act for establishing, operating and maintaining of transmission lines and transmission system in the area specified in the licence. The words “Transmission Licensee” shall be construed accordingly.
- (m) **“Transmission System”** means a network of interconnected extra high voltage electric lines (overhead lines and cables, transformers, switchgear and other associated equipment and apparatus) owned or controlled by the transmission licensee for connecting various generating stations and sub stations and distribution system for the purpose of conveyance of electricity.

(2) Words and phrases not defined in these Regulations”

Words and phrases used in these Regulations and defined in the Electricity Act, 2003 shall have the same meaning as defined therein. Words and phrases defined neither in these Regulations nor in the Electricity Act, 2003 but defined in other Acts and laws will have the meaning as defined therein unless the context requires otherwise. Words and phrases defined neither in these Regulations nor in any Act (or Law) shall have the same meaning as used in general electrical engineering practice and electricity industry.

(3) Interpretation:

In these Regulations, the following shall be interpreted as:

- (a) Words in the singular include the plural and vice versa
- (b) Words in the masculine gender include the feminine gender and vice versa.
- (c) the terms “include” or “including” shall be considered as followed by “without limitation” or “but not limited to” whether they are actually followed by similar expressions or not in these Regulations.
- (d) References to these Regulations shall be construed as references to the Regulations as amended or modified from time to time.
- (e) The headings are inserted for convenience.
- (f) References to various Acts, Laws, Rules, Regulations and guidelines shall be construed as including all amendments notified thereto.

Chapter – 2**Procedure for Grant of Transmission Licence****3. Application for grant of Transmission Licence:**

- (1) Any person intending to engage in the business of transmission of electricity in the State of Bihar, shall make an application to the Commission for grant of licence in the form specified in Appendix – 1 and in the manner directed by the Commission and accompanied by such fee as may be prescribed under section 15(1) of the Act by the Government of Bihar.

The fee shall be payable by Bank draft / Pay order drawn in favour of Secretary / Bihar Electricity Regulatory Commission from time to time.

- (2) Any person intending to apply for licence shall duly comply with the conditions and requirements laid down by the Commission.
- (3) The Commission may, if it considers necessary, invite applications from the public fulfilling such eligibility requirements, as may be specified by the Commission from time to time for grant of licence for transmission of

electricity by a public notice through issue of advertisements in newspapers always guaranteeing the principle of transparency.

- (4) The application for grant of licence shall be signed by the applicant or by an authorised signatory on behalf of the applicant and shall be addressed to the Secretary of the Commission. The application shall be filed in six (6) sets accompanied by documents and particulars required to be provided as per the application form specified in Appendix – 1 to the Regulations.
- (5) The application for licence shall be supported by an affidavit duly notarised.

4. Recommendations of State Transmission Utility (STU)

- (1) The applicant shall immediately on making application in manner specified above, forward a copy of the application along with all the enclosures to the State Transmission Utility for its recommendations.
- (2) The State Transmission Utility shall acknowledge receipt of the application and shall within thirty (30) days of the receipt of said application, send its recommendations, if any, to the Commission.
- (3) The State Transmission Utility shall whether it sends its recommendations or not, submit a report to the Commission on the following aspects within thirty days of receipt of copy of the application for grant of licence.
 - (a) Whether the assets mentioned in the application form for licence form part of Intra – State Transmission System.
 - (b) Whether the assets mentioned in the application form part of the transmission plan.
 - (c) Whether the completion schedule mentioned in the application is feasible, synchronizes with expansion of other parts
 - (d) Technical suitability of the assets
 - (e) Justifiability of the estimated cost of completion indicated in the application
 - (f) Any other relevant information the State Transmission Utility desire to convey to the Commission.

- (4) The recommendations, if any, and report by the State Transmission Utility shall be endorsed to the Applicant.
- (5) The Commission shall take into consideration the comments of the State Transmission Utility but the recommendations and the report of the State Transmission Utility shall not be binding on the Commission.

5. Acknowledgment of Application

Upon receipt of the application for grant of licence along with prescribed fee, the designated officer of the Commission shall note thereon the date of its

receipt and enter the particulars in a register to be maintained for the purpose and allot a reference number on the application. The designated officer shall send to the applicant an acknowledgment stating the date of receipt and the reference number.

6. Calling for additional information

The Commission may, upon scrutiny of the application, require the applicant to furnish within a period to be specified, such additional information or particulars or documents as the Commission may consider it to be necessary for the purpose of considering the application.

7. Intimation regarding due filing of the application

If the Commission finds that the application is complete and accompanied by all requisite information, particulars and documents and is in compliance with all the requirements, the Secretary shall intimate applicant if application is ready for being considered for grant of licence, in accordance with the procedures provided in the Act and these Regulations.

8. Publication of notice of application

(1) The applicant shall within seven (7) days from the date of submission of application, publish public notice in at least two daily newspapers, one in English language and other in Hindi language having wide circulation in the area of transmission of electricity for which the licence is sought, with the following particulars,

- (i) Name of the Applicant in bold at the top clearly bringing out whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956 (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address if any;
- (ii) A statement that the Applicant has submitted an application to the Bihar Electricity Regulatory Commission (BERC) for grant of Licence for transmission of electricity in the area (to be specified) in the State of Bihar under sub section (1) of Section 15 of the Act.
- (iii) Financial and technical strength of the applicant, management profile shareholding pattern, summary of activities and past experience in similar activities.

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- (iv) Proposed geographical areas within which the Applicant will undertake transmission of electricity as stated in the application submitted to the Commission;
 - (v) A statement to the effect that the application and other documents filed before the Commission from time to time, are available with the Applicant for inspection by any person;
 - (vi) The names, addresses and other necessary details of person(s) nominated by the applicant in major cities or towns of area of proposed Transmission licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
 - (vii) A statement to the effect that complete application is available on the website of the Applicant or any other authorised website and can be downloaded free of cost;
 - (viii) A statement that objections and suggestions if any, may be filed before the Secretary, BERC within 30 days from the publication of the notice giving full address of office of the Commission.

Provided that the applicant may request the Commission to permit it to refrain from publishing any of the above information in order to protect its business interests or rights in intellectual property with sufficient and reasonable grounds and the Commission may grant such request after due consideration.

Provided further that the Applicant may be required to publish, in the manner specified, a non – confidential summary of the above information.

- (2) The applicant shall within seven days from the date of publication of the aforesaid notice submit to the Commission an affidavit with the details of the notice published alongwith copies of the relevant newspapers in which the notices have been published.

9. Service of notice of the application

- (1) The Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.
- (2) Any person who has made an application for grant of licence shall, within seven days after making such application, publish a notice of his

application with such particulars and in such manner as may be specified and a licence shall not be granted –

- (a) until the objections, if any, received by the Commission in response to publication of the application have been considered by it:

Provided that no objection shall be so considered unless it is received before the expiration of thirty days from the date of the publication of such notice as aforesaid;

- (b) until, in the case of an application for a licence for an area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Appropriate Commission has ascertained that there is no objection to the grant of the licence on the part of the Central Government.

10. Public Inspection of Application and Documents

- (1) The applicant shall make available for public inspection copies of the application
(with all enclosures), for grant of licence in his own office and also in the offices of the local authorities located in the proposed area of the transmission licence.
- (2) The applicant shall also supply a copy of the application to any person who requisitions for it on payment of the cost which shall not exceed the cost of photocopying.

11. Objections

- (1) Any person intending to object to the grant of transmission licence shall file objections by way of affidavit within thirty (30) days from the date of issue of publication of the notice referred to in Regulation 8(1) above annexing thereto proof of having served copy of such objection upon the applicant. The objections shall be addressed to the Secretary of the Commission.
- (2) The Secretary shall serve copies of all objections received by him to the applicant within one week from the last date for filing of objections specified in sub clause (viii) of Regulation 8(1) above.
- (3) The applicant shall submit comments on the objections received in response to the notice within fifteen (15) days of receipt of the copies of the objections from the Secretary.

12. Hearing and local inquiry

- (1) Upon compliance by the applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of the

notice and upon the expiry of the time for filing of the objections is over, the Commission may consider the application through a hearing or without hearing as it considers appropriate.

- (2) (a) If any person objects to the grant of licence applied for under the Act, the Commission may, if it considers necessary, cause a local inquiry to be held for which the notice in writing shall be given to the applicant and the objector and concerned parties, if any
- (b) Where a local enquiry is ordered and held under clause (a) above, the Commission shall in its order requiring the local enquiry or by further order in writing, specify the time within which the local enquiry is to be completed.
Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local enquiry.
- (c) In case a local inquiry is ordered and conducted under Regulation 12(2)(a) above, a memorandum of the result of the enquiry made shall be prepared and signed by the applicant, objector, the Officer or person designated for the purpose and such other person as the Commission may direct.
- (d) The result of the local enquiry shall be considered by the Commission while hearing the application for grant of Licence.
- (3) The Commission on deciding to follow a public hearing shall give notice of hearing intimating the name of person filing objection, place, date and time of hearing to the applicant, the Central Government, the State Government, the local authority and such other authority, person or body as the Commission considers appropriate.

13. Grant of Transmission Licence

- (1) Before granting a licence under section 14 of the Act, the Commission shall publish a notice in two daily newspapers one in English and other in Hindi language having wide circulation in the area for which licence is sought, stating the name and address of the person to whom it proposes to issue the licence;
- (2) After hearing, under Regulation 12, the Commission may decide to grant or refuse to grant licence and if it decides to grant licence, it may do so on general terms and conditions and with such modifications to the general conditions and on such specific conditions as the Commission may decide.

Provided that the Commission in no event shall reject an application without giving applicant an opportunity of being heard, either by requiring the applicant to file response in writing or by conducting an oral hearing.

- (3) When Commission has approved grant of transmission licence, the applicant shall be informed of such approval and also the conditions to be satisfied by the applicant including the initial and annual licence fees to be paid by the applicant for grant of the licence. The licence and the condition of licence shall be in the form specified in Appendix –2 of these Regulations. Provided that the Commission may add or alter or amend the form specified for a licence as it may at its discretion, deem necessary.
- (4) On receiving an intimation in writing from the applicant that he is willing to accept a licence on the terms approved by the Commission and after the applicant satisfies the conditions imposed for grant of the licence, the Commission may direct the applicant to publish licence or such part thereof in abridged form as the Commission considers to be appropriate.
- (5) The Commission may issue a licence for intra-state Transmission of electricity on being satisfied that the Applicant qualifies for issue of such licence under the provisions of the Act, rules and regulations for the time being in force.
- (6) The Commission shall immediately after issue of a licence, forward a copy of the licence to the Government of Bihar, State Transmission Utility, Central Electricity Authority, local authority, and to such other person/body as the Commission considers necessary.

14. Date of commencement and duration of licence

- (1) The licence shall commence from the date which the Commission may direct for its enforcement,
- (2) The licence shall be in force for a period of twenty five years, from the date of commencement unless it is revoked by the Commission.

15. Deposit of maps and proforma:

- (1) When a licence has been granted, four (4) sets of maps and proforma containing the particulars specified in clause (2) below shall be signed and dated to correspond with the date of the notification of the grant of the licence.
- (2) The particulars to be given in the proforma under clause (1) above shall be as under:

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- (a) A short title descriptive of the proposed utility together with the address and description of the applicant, and if the applicant is a company, the names of all the Directors of the company;
 - (b) Type of licence granted;
 - (c) Location of the proposed area of operation;
 - (d) A description of the proposed area of operation; and
 - (e) The general conditions, the deviation therefrom and also the specific conditions, if any, which the Commission has laid down in the licence with justification for any deviation granted from general conditions;
- (3) While Two sets of such maps and proforma shall be deposited with the Commission, one set each shall be deposited with STU and transmission licensee after due attestation by the Secretary or an officer authorised by the Secretary in this behalf.
- (4) The licensee, whenever required by the Commission shall furnish maps and proforma in an electronic form.

16. Deposit of printed copies of licence :

- (1) Every person who is granted a licence shall within thirty days of the grant thereof arrange to keep the following as specified by Central Electricity Authority.
- (a) adequate number of copies of the licence printed;
 - (b) adequate number of maps prepared showing the area of activity or area of supply as specified in the licence;
 - (c) a copy of such licence and maps for public inspection at all reasonable times at his head office, at his local offices (if any) and at the office of every local authority within the area of activity or area of supply as the case may be.
- (2) Every such licensee shall, within the aforesaid period of thirty days, supply free of charge one copy of the licence and the relevant maps to every local authority within the area of activity or area of supply as the case may be, and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding normal photocopying charges thereof.

17. Amendment of the Transmission Licence:

- (1) The Commission may initiate proceedings for amendment of a transmission licence suo motu or on an application of the transmission licensee or on receiving complaint or information from any person.

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- (2) The application for amendment of the licence made by the licensee, shall be in such form as may be directed by the Commission. Such application shall be accompanied with a statement of the proposed amendment and shall be supported by an affidavit.
- (3) The applicant shall within seven (7) days from the date of admission of the application for amendment, publish a notice in two daily news papers, one in English language and other in local language, having wide circulation in area of operation of the transmission licence sought to be amended, giving the following particulars:
- i) Brief Details of existing Transmission Licence;
 - ii) Proposed amendments to the existing Transmission Licence; and
 - iii) Brief reasons for seeking the amendment.
 - iv) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed transmission licence, who can make available for inspection application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
 - v) A statement that any person, desirous of making any suggestion or objection to the proposed amendment, may do so by filing written petition in six copies addressed to the Secretary within thirty days from the date of the first publication of the notice.
- (4) Where an amendment to a Transmission Licence is proposed by the Commission suo motu, the Commission shall publish a notice in two daily newspapers one in English language and the other in Hindi language having wide circulation in the area of operation of the Transmission Licence sought to be amended, giving the following particulars:
- (i) Name of the Transmission Licensee and address of main office in the area of supply;
 - (ii) Description of alteration or amendment proposed to be made by the Commission;
 - (iii) Brief reasons for proposed alteration or amendment;
 - (iv) A statement that any person, desirous of making any suggestion or objection to the proposed amendment, may do so by filing written petition in six copies addressed to the Secretary within thirty days from the date of the first publication of the notice.

All objections to the proposed amendment, received within one month from the date of first publication of notice, shall be considered by the Commission before effecting or rejecting the proposed amendment.

- (5) Unless otherwise specified in writing by the Commission, the procedure specified in these Regulations for grant of licence, in so far it can be applied, shall be followed while dealing with an application for amendment of the licence.
- (6) In case of an application proposing alterations or modifications in respect of area of supply, comprising the whole or any part of any contonment, aerodrome, forests, dockyard or camp or of any building or place in the occupation of the Government for defence purpose, the Commission shall not make any alterations or modifications except with the consent of Central Government.

18. Contravention by Transmission Licensee:

The Commission may pass such orders as it thinks fit in accordance with the provisions of the Act and these Regulations if there is a contravention of the terms and conditions of licence by the Licensee.

19. Revocation of the Transmission Licence:

- (1) The Commission may revoke a transmission licence on its own or on application of the Licensee or on receiving any complaint from any person in accordance with the provisions of the Act, and, these Regulations in any of the following circumstances;
 - (i) Where the conditions and circumstances under which the licence was granted no longer exist.
 - (ii) Where the Commission concludes, after enquiry, that the licensee willfully defaulted in carrying out his duties under the Act or the rules or regulations made thereunder or under the terms and conditions of the licence or has failed to comply with the directives of the Commission.
 - (iii) Where the circumstances of the licensee as perceived by the Commission indicate that the licensee's financial, managerial and technical capabilities are no longer adequate for fulfilling his duties and discharging obligations under the Act and conditions of the licence.
 - (iv) Where the licensee persistently fails to fulfill his part in maintaining Grid Standards and, as a result, the distribution systems and the generating units are jeopardized and quality of

supply to consumers suffers frequently and the licensee does not take corrective action.

- (2) The licence shall not be revoked unless a thorough enquiry is conducted by the adjudicating officer appointed by the Commission under section 143 of the Act.
- (3) The Licensee shall be given not less than three months' notice stating clearly the grounds on which the Commission proposes to revoke the licence.
- (4) If the Commission decides to revoke the licence, the Commission shall serve a notice of revocation upon the licensee stating the effective date from which such revocation shall take effect. The Commission shall also forward a copy of the order of Revocation to the State Government, STU, CEA, Local Authority and to such other person/body as the Commission considers it necessary.
- (5) The Commission may instead of revoking the licence pass any other order in foisting such terms and conditions subject to which the licensee shall be permitted to operate his business.
- (6) When Commission has given notice of revocation of licence and the licensee is willing to relinquish his licence (and does not plan to take remedial and improvement measures and does not request the Commission to drop revocation proposal), the licensee may, after prior approval of the Commission, sell the undertaking of the Licensee to any person / company which is found eligible by the Commission for grant of transmission licence, without prejudice to any proceedings which may be or has been initiated or any penalty which may be imposed by the Commission.

20. Deemed grant of the Transmission Licence:

- (1) Until otherwise directed by the Commission, any person engaged in the business of transmission of electricity under the provisions of the repealed laws or any Act shall be deemed to have applied for and granted the Transmission Licence under the first provision to Section 14 of the Act, and subject to the fulfillment of the conditions contained in Regulation 20(2)
- (2) The licensee under Regulation 20(1) shall:
 - (i) not directly or indirectly undertake trading in electricity or transmission or supply of electricity outside its area of operation and transmission and supply of electricity shall be strictly restricted to the relevant approved purpose;

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- (ii) establish the electric line or works only within the area of operation;
 - (iii) furnish to the Commission such information required by the Commission for the purposes of the discharge of the functions of the Commission as the Commission may from time to time direct;
 - (iv) comply with the provisions of the Act, the Regulations of the Commission, technical codes such as Grid Code, Supply Code, Standards of Performance or any other guidelines issued by the Commission;
 - (v) comply with all applicable rules and regulations concerning the safety and security of the operation; and
 - (vi) comply with any directions which the Commission may issue from time to time in regard to the charges which licensee may levy on the consumers taking into account the charges prevailing in the nearby area of supply of electricity supplied by a licensee.
- (3) The Commission shall be entitled to issue appropriate directions from time to time as it may consider it to be necessary and take appropriate action against a licensee under this Regulation in accordance with the provisions of the Act for any breach of conditions of license.
- (4) The Commission may, by an interim or final order, direct the Licensee under this Regulation to cease to transmit electricity in the area of operation or any part thereof.
- (5) If any difference or dispute arises as to whether the person is entitled to undertake transmission of electricity as a Licensee under these Regulations, the decision thereon of the Commission shall be final.

Chapter – 3

Miscellaneous

21. Savings

- (1) Nothing in these Regulations shall be deemed to limit or affect the power of the Commission to issue such directives or orders as may be necessary to meet the ends of justice or to prevent abuse of the procedures laid down by the Commission.
- (2) Nothing in these Regulations shall bar the Commission from adopting in conformity with the provision of the Act, a procedure which is at variance with any of the provisions of these Regulations if the Commission for reasons to be recorded in writing deems it necessary or expedient for dealing with such matter or class of matters.

- (3) Nothing in the Regulations shall, explicitly or impliedly, bar the Commission from dealing with any matter or exercising any power under the Act for which no Regulation have been framed and the Commission may deal with such matters with powers and functions in such a manner as it thinks fit.

22. Power to Remove Difficulties

Whenever any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may by general or special order take any action, necessary in its opinion, for removing such difficulty.

Provided that such action of the Commission shall not be inconsistent with the provisions of Act.

23. Power to Amend

The Commission may, at any time, add, vary, alter, modify or amend any of the provisions of these Regulations.

By order of the Commission

Sd/-

SECRETARY

Appendix – 1**Application form for grant of Transmission Licence**Particulars of the Applicant

1. Name of the Applicant :
2. Form of Incorporation, if any :
3. Address :
4. name, Designation & Address of the contact person :
5. Contact Tel. Nos. :
6. Fax No. :
7. E-mail ID :
8. Place of Incorporation / Registration :
9. Year of Incorporation / Registration :
10. Geographical Area within which proposes to undertake transmission :
11. Following documents are to be enclosed :
 - a) Certificate of registration/incorporation :
 - b) Certificate of commencement of business :
 - c) Memorandum of Association and Articles of Association :
 - d) Original power of attorney of the signatory to commit the Applicant or its promoter :
 - e) Details of Income Tax Registration :
 - f) All the documents required in the Regulations :

12. Details of Financial Data of Applicant

Not worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past 5 (five) financial years (Specify financial year as applicable)

DD / MM / YY to DD / MM / YY	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

13. Annual Turnover (in equivalent Indian Rupees – conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

DD / MM / YY to DD / MM/ YY	In Home Currency	Exchange rate used	In equivalent Indian Rupees

Copies of Annual Reports or certified audited results to be enclosed in support of above.

14. Certificate of Credit Rating
15. Certificate of 'Standard' borrowal account
16. Certificate stating that RBI has not classified the Applicant as a 'wilful defaulter'.
17. List of documents enclosed in support of Sl. Nos. (10) and (11) above:

Name of the document

- (a)
- (b)
- (c)
- (d)

18. (a) Whether Applicant himself shall be financing the proposed transmission of electricity fully on its own balance sheet

(a) If Yes, proposed equity from the Applicant

- (i) Amount
- (ii) Percentage

19. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency :

- (a) Name, designation & address of reference person of the other Agency:
- (b) Contact Tel No. :
- (c) Fax No. :
- (d) E-mail ID :

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- (E) Proposed equity from the other Agency
 - (i) Amount
 - (ii) Percentage of total equity
 - (iii) Currency in which the equity is proposed
 - (f) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed.
 - (g) Nature of proposed tie-up between the applicant and the other agency.
20. Details of debt proposed for the transmission activity :
- (a) Details of lender:
 - (b) Amount to be sourced from various lenders :
 - (c) Letters from the lenders in support of the above to be enclosed.
21. Organisation & Managerial Capability of the Applicant :
- (The Applicant is required to enclose proof of their Organisational & Managerial Capability, in terms of the Regulations, in form of proposed organizational structure & curricula vitae of various executives proposed office and communication facilities, etc.).
22. Approach & Methodology :
- (The Applicant is required to describe approach & methodology for setting up its transmission system and conduct of the business of transmission of electricity as proposed by it. This should contain a statement of the Applicant's plan on conduct of the business of transmission of electricity during the first year after the grant of licence and future plans for the said business during the next five years.)
23. Data relating to the applicant's future business
- (h) Five year Business Plan for transmission or distribution of electricity for which the application is being made and funding arrangements for meeting its obligations under proposed licence for maintenance, operation, improvement and expansion for future load growth.
 - (i) Five year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

(Signature of the Applicant)

Dated :

Appendix - II

Transmission Licence

PART - I

TRANSMISSION LICENCE

- 1.1 The Bihar Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 hereby grants this licence to M/s. _____ having its registered office at _____ to construct, maintain and operate intra-state transmission lines, substations and associated installations described in the Schedule attached to this licence and with the powers and upon the terms and conditions specified here in. The terms and conditions of this licence are the sum total of the terms and conditions specified in this licence and those specified in the Bihar Electricity Regulatory Commission (Granting of Licence for Transmission of Electricity) Regulations 2006
- 1.2 The licence is not transferable
- 1.3 The grant of licence to the licensee shall not in any manner restrict the right of the Commission to grant a licence to any other person within the same area for the transmission system other than the project described in the schedule attached to this licence. The licensee shall not claim any exclusivity.
- 1.4 The licence shall, unless revoked earlier, continue to be in force for a period of 25 (twenty five) years from the date of issue.

2. Definitions

- 2.1 Unless the context otherwise requires in these conditions:-

“Accounting Statement” means, for each financial year, accounting statements comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto and such other particulars and details and in the manner as the Commission may direct from time to time and showing that

- i) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or
- ii) determined by apportionment or allocation between the Licensed Business and any Other Business of the Transmission Licensee together with a description of the basis of the apportionment or allocation.

“Act” means the Electricity Act, 2003 (36 of 2003).

“Annual Accounts” means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act, 1956,

and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act;

“Area of Transmission” means the area stated in the Transmission Licence within which the Transmission Licensee is authorised to establish, operate and maintain transmission lines;

“Auditors” means the Transmission Licensee’s auditors, holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate of the Companies Act, 1956 (1 of 1956).

“Authorised” in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;

“Central Commission” means the Central Electricity Regulatory Commission constituted under Section 3 of the Electricity Regulatory Commission Act, 1998.

“Commission” means the Bihar Electricity Regulatory Commission.

“Consumer” means the end or final user of electricity;

“Deemed Licensee” means the person authorized under the first, second, third and fifth provisos to Section 14 of the Act;

“Distribution” means the conveyance or wheeling of electricity by means of a Distribution System;

“Force Majeure” means events beyond the reasonable control of the Licensee including, but not limited to earthquake, cyclone, flood, storm, war, terrorist attack, civil commotion or other similar occurrence that lead to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;

“Generating Set” means any plant or apparatus for the production of electricity and shall, where appropriate, include a generating station comprising of one or more than one generating unit;

“State Grid Code” means the Grid Code specified by the Commission in accordance to Section 86(I)(h) of the Act covering all material technical aspects relating to connections to and the operation of the Grid and the use of a Transmission System, and in so far as relevant to the operation and use of a Transmission System, the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any supplier.

“Intervening Transmission Facilities” means the electric lines owned or operated by a Transmission Licensee where such electric lines can be utilized for transmitting electricity for and on behalf of another licensee;

“Licensed Business” means the business of Transmission of electricity as authorised under the Transmission licence;

“Major Incident” means an incident associated with the Transmission of electricity, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise directed by the Commission and shall also include any other incident which the Commission expressly declares to be a major incident;

“Operational Control” means possessing the authority to make operational decisions such as commissioning and utilisation of units, transmission lines and equipment.

“Other Business” means Business of the Transmission Licensee other than the Licensed Business.

“Performance Standard” means the standards as may be determined by the Commission pursuant to Section 57 of the Act;

“Person” Shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;

“Regulations” means the Regulations made by the Commission, under the provisions of the Act;

“State” means the State of Bihar

“State Government” means the Government of Bihar.

“Transfer” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting any encumbrance to subsist or parting with physical possession or any other disposition or dealing;

“Transmission Business” means the Authorised business of a Transmission Licensee to transmit electricity through any system owned and/or operated by such Licensee;

“Transmission Operating Standards” means the standards related to the Transmission Licensee’s operation of the Transmission System as approved by the Commission;

“Transmission Planning and Security Standards” means the standards related to the adequacy of the Transmission Licensee’s system planning and security of its Transmission System as approved by the Commission;

“Transmission System” means the system consisting mainly of extra high voltage electric lines having nominal voltage of 66 kV and higher and shall include all plant and equipment in connection with transmission, owned or controlled by the Transmission Licensee.

“Use of System” means use of the Transmission System for the transportation of electricity for any person pursuant to a contract entered into with the Transmission Licensee;

“Users” means any one who uses the Transmission System.

- 2.2 Words, terms and expressions to which meanings are assigned by Act shall have the same meaning in these Conditions

3. Terms of the Licence

- 3.1 The Transmission Licence shall come into force on the date mentioned by the Commission in the order granting licence on specified terms and conditions and shall remain in force for a period of twenty five years.
- 3.2 The terms and conditions specified in licence are subject to modifications or amendments to be made by the Commission in accordance with the provisions of the Act or this Licence.

4. Compliance with Laws, Rules and Regulations

- 1) The Transmission Licensee shall comply with the provisions of the Act and the Rules made thereunder and Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws.
- 2) The Transmission Licensee shall act in accordance with these General Conditions except where the Transmission Licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically obtains approval of the Commission for any deviation therefrom.
- 3) The Transmission Licensee shall duly comply with the orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other functions under the Act.

PART - II
General Conditions

5. Directions

The Licensee shall always comply with the Regulations, Orders and Directions issued by the Commission from time to time and shall also so act in accordance with the terms of this Licence, except where the Licensee obtains the approval of the Commission for any deviation of such directions and terms.

6. Activities from which the transmission licensee is prohibited

The licensee shall be prohibited from carrying out following activities:-

- 1) The licensee shall not acquire any interest in the business of a distribution license.
- 2) The licensee shall not, either directly or through its subsidiary, engage in the business of trading of electricity.
- 3) When the licensee is engaged in "Other Business" (reference: Section 41 of the Act) the main transmission business shall not subsidize the "Other Business".

7. Activities requiring prior consent

The licensee shall obtain prior approval of the Commission before carrying out the following:-

- 1) undertaking any transaction to acquire by purchase or take over or otherwise the utilities of any transmission licensee.
- 2) merge his utility with the utility of any other transmission licensee
- 3) assign his licence or transfer its utility or any part thereof to any person by sale, lease, exchange or otherwise.

8. Activities of the Licensee.

- 8.1 The Licensee shall perform his duties stipulated in Section 40 of the Act and fulfill the terms and conditions stipulated in the licence.
- 8.2 The Licensee shall build, maintain and operate an efficient coordinated transmission system.
- 8.3 The licensee shall operate the transmission system economically so that the transmission charges can be kept minimum and thereby the component of transmission cost in the tariff is also kept minimum.
- 8.4 The Licensee shall operate the transmission system in such a manner that the parameters are maintained in the ranges prescribed in the Central Electricity Authority's Grid Standards all the time and ensure that the

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- system is available at all times for generators to inject power (of agreed quantum) and for distribution licensees to draw power (of agreed quantum).
- 8.5 The licensee shall coordinate with Regional Power Committee, Regional and State Load Despatch Centres, Central Transmission Utility, State Transmission Utility, generating companies and licensees to ensure uninterrupted supply to the consumers.
 - 8.6 The licensee shall obtain prior written approval from the Commission before entering into any agreement with another company for supply of power to consumers in his area.
 - 8.7 The licensee shall maintain up to date records of energy transmitted by each element of the system and produce the same to the Commission whenever required.
 - 8.8 The licensee shall establish adequate communication and information system facilities before commencing transmission.
 - 8.9 The licensee shall act in a prudent and reasonable manner in utilization of the licence for obtaining credit facilities.
 - 8.10 The licensee shall under all circumstances retain operational control over his assets in the case of mortgage of his assets.
 - 8.11 The Licensee shall seek approval of the Commission before advancing loans, or issuing any guarantee for any obligation of any person except when made or issued for the purposes of the Licensed Business, however loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.
 - 8.12 The Licensee may engage any affiliate to provide any goods or services to the licensee, in connection with its transmission business, subject to the following conditions.
 - a) the transaction will be on an arms-length basis;
 - b) the transaction will be structured consistent with any regulation framed by the Commission relating to the provision of goods and services with respect to the transmission business; and
 - c) licensee will give 15 days notice to the Commission prior to commencement of the proposed arrangement.

9. Other Business

The business(es) which the licensee carries out other than the main transmission business for full utilization of his assets shall be termed "Other Business".

- 9.1 The licensee shall carryout Other Business for optimum utilization of its assets with prior intimation to the Commission.
- 9.2 The licensee shall carry out the Other Business in a way that the main transmission business is not prejudiced or adversely affected by the Other Business.
- 9.3 The transmission assets shall not be encumbered to support the Other Business.
- 9.4 The licensee shall not give any subsidies to support Other Business.
- 9.5 A proportion of the revenues derived from such Other Business shall be utilized for reducing the transmission charges.
- 9.6 The licensee shall not enter into any contract or otherwise engage in the business of trading of electricity.
- 9.7 Separate accounts shall be maintained for the main transmission business and each of Other Businesses such that of revenues, expenses, assets and liabilities pertaining to each of the Other Businesses can be identified and distinguished from those of the licensed business (transmission).

10. Accounts

- 10.1
 - a). The financial year of the licensee shall run from the first of April to the following 31st of March.
 - b). If the Companies Act, 1956 is applicable to the licensee, the licensee shall maintain separate accounts both to satisfy the requirements of the Commission and the Companies Act, 1956.
 - c). The licensee shall prepare accounting statements in full shape and transmit them to the auditors.
 - d). The licensee shall take necessary corrective action to rectify the defects in activities and method of maintaining accounts based on the auditors' report
 - e). The licensee shall submit to the Commission, copies of the accounting statements and auditors' report for the licensed business and also each of the Other Businesses within the time limit specified by the Commission
- 10.2 The licensee shall cooperate with, and assist any officer deputed by the Commission to verify the licensee's accounts.
- 10.3 The licensee shall publicise accounts statements and auditors' report for each financial year in the manner the Commission directs and make them available at a price equal to the cost of duplication.

11. Prohibition of Undue Reference

- 11.1 The licensee shall not show undue preference to any person.

- 11.2 The licensee shall furnish to the Commission without undue delay such information, documents and details related to the licensed business or any Other Business of the Licensee as the Commission may require for its own purpose or for the purpose of the Government of India, State Government, Central Commission and Central Electricity Authority.

12. Major Incidents

- 12.1 The licensee shall notify to the Commission any major incident that has occurred in the area of the transmission licensee. A deviation from any part of the transmission system from standard operating condition which was triggered by cross boundary effect, in the system of generators, distribution system or in the system of extra high voltage consumers which has resulted in the loss of equipment or life of a person or animal, shall be deemed a major incident. The licensee shall also.
- a) submit a detailed report giving facts of the incidents, the causes and the adverse effects on the total power system. (The total power system comprises the transmission system, generating units, distribution systems and the systems of the EHT consumers).
 - b) submit a note containing the licensee's analysis of the major incident and suggestions for carrying out remedial measures for preventing recurrence of such major incidents.
 - c) send copies of the report and note to the State Load Despatch Centre, State Transmission Utility, State Government, and Chief Electrical Inspectorate etc.
- 12.2 The decision of the Commission whether a particular incident is a major incident or not would be final.
- 12.3 On an incident brought to its notice, the Commission may direct the licensee to submit a report. In such a case the licensee shall submit a detailed report and also suggest remedial measures to be taken, to the Commission.
- 12.4 The Commission may direct an independent person to investigate in the case of a major incident and submit his report.
- 12.5 The Commission may analyse the report and the information received from all sources and will decide whether a major incident is a Force Majeure event or is caused by violation of conditions of licence or provisions of Grid Code or provisions of the Act or the rules and regulations under the Act.
- 12.6 The Commission may decide the following:-

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- i) remedial measures to be taken by one or more operators (or owners) of the parts of the total power system (including the transmission licensee) to prevent recurrence of similar major incidents.
 - ii) Punitive measures to be imposed on one or more persons for lapses which caused the major incident.
 - iii) Compensation to be paid by one party to another party [by the owner (or operator) of a segment of the total power system to the owner (or operator) of another segment of the total power system].
- 12.7 The Commission shall send its views and decisions on the major incident to the State Load Despatch Centre, Chief Electrical Inspector, State Transmission Utility etc.

13. Investments

- 13.1 The Licensee shall not make any investment under any scheme or schemes except in an economical and efficient manner and in terms of this Licence and in accordance with the Regulations, guidelines, directions and orders, the Commission which may issue from time to time.
- 13.2 The Licensee shall promptly notify the Commission, schemes in relation to the Transmission System which the Licensee from time to time proposes to implement together with relevant details, including the estimated cost of such schemes, with requisite break-up and proposed investment plans. The Licensee shall furnish to the Commission such further details and clarification as to the schemes proposed as Commission may require from time to time. The schemes proposed may be implemented by Licensee subject to the following conditions.
- a) If the scheme does not involve major investment as defined hereunder without need for any specific approval from the Commission but subject however to any reasonable direction or condition which the Commission may give or impose during implementation of the scheme.
 - b) If the scheme involves major investment after taking prior approval of the Commission as provided in condition 13.3
 - c) The term “major investment” means any planned investment in or acquisition of transmission facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds Rupees 500 lakhs.

13.3 The Licensee shall make an application for obtaining prior approval of the Commission for schemes involving major investments as per the procedure which the Commission may specify from time to time and demonstrate to the satisfaction of the Commission that,

- a) there is a need for the major investment in the Transmission System which the Licensee proposes to undertake.
- b) the Licensee has examined the economic, technical, system and environmental aspects of all viable alternatives to the proposal for investing in or acquiring new transmission system assets, to meet such need and
- c) the Licensee has invited and finalised tenders for procurement of equipment material and/or services relating to such major investment in accordance with a transport tendering procedure as may be specified by the Commission from time to time.

13.4 The Licensee shall submit to the Commission along with the “Expected Revenue Calculation”, the annual investment plan for ensuing financial year and shall make investment in the said financial year in accordance with the said investment plan. In case of unforeseen contingencies, reallocation of funds within the schemes listed in the annual investment plan, the Licensee may do so provided such reallocation in respect of individual projects does not exceed Rs. 500 lakhs, and Commission has been duly informed. If on account of unforeseen circumstances the Licensee is required to make investment in a scheme which does not find a place in the annual investment plan, the Licensee may do so upto the limit of Rs. 500 lakhs after intimating the Commission.

14. Transfer of Assets

- 14.1 The Licensee shall not, in a single transaction or a set of related transactions, transfer or relinquish Operational Control over any land, building, or other asset whose book value at the time of the proposed Transfer exceeds Rs. 500 lakhs, without complying with the following:
- 14.2 The Licensee shall give to the Commission prior written notice of its intention to transfer or relinquish Operational Control over any asset whose value exceeds Rs. 500 Lakhs and disclose all relevant facts. The Commission may, within 30 days of the receipt of the notice seek further information in support of the transaction and shall, generally within 30 days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission as above,

within 60 days of the filing of the application, allow the transfer arrangement subject to such terms and conditions on modifications as considered appropriate or reject the same for reasons recorded in writing in the order.

- 14.3 The Licensee may transfer or relinquish Operational Control over any asset as is specified in any notice given under above condition 14.2 if
- a) the Commission confirms in writing that it consents to such Transfer or relinquishment of Operational Control subject to such conditions as the Commission may impose, or

- 14.4 The Licensee may transfer or relinquish Operational Control over any asset where

- a) The Commission has issued direction containing a general consent (whether or not subject to conditions) to
 - i) Transactions of a specified description and/or
 - ii) Transfer or relinquishment of Operational Control over assets of a specified description, and/or
 - iii) Transfer or relinquishment of Operational Control is in accordance with any conditions to which the consent is required
- b) Transfer or relinquishment of Operational Control in question is required by or under the mandate of any other Act or
- c) Asset in question was acquired and used by the Licensee exclusively or primarily in connection with any Other Business and it has been authorised to carry on and does not constitute a legal or beneficial interest in land or otherwise form part of the Transmission System or is not otherwise an asset required for the Licensed Business.

- 14.5 Notwithstanding what is stated above the Licensee will be entitled to utilise the assets as a means of facilitating funding or financing the Licensed Business in the ordinary course of business, subject to the conditions.

- a) That the Licensee will inform the Commission about such arrangements at least 15 days prior to the effective date of the relevant agreements.
- b) The Licensee acts in a prudent and reasonable manner in such utilisation of assets.

15. Rights of the Licensee

- a) The licensee may erect and commission overhead transmission lines, lay cables of transmission voltage and construct substations in accordance with the transmission plans in order to fulfill the

conditions stipulated in the licence. He shall comply with the safety regulations issued by the Central Electricity Authority and relevant laws under Section 67, 68 and 69 of the Act in acquisition of land for lines and substations and while executing works.

- b) The licensee shall inform the Commission and STU whenever construction work on a new transmission component is commissioned.

16. Payment of Licence Fee

- 16.1 Within such period as the Commission may direct, after coming into force of this licence, the Transmission Licensee shall pay to the Commission an initial fee as specified by the Commission on a prorata basis for the balance period of the financial year or and in such manner as directed by the Commission.
- 16.2 As long as licence remains in force, the licensee shall be liable to pay to the Commission an annual fee as specified by the later on or before 15th April of every year. The Commission may review the quantum of annual licence fee after every three years.
- 16.3 Where the licensee fails to pay to the Commission any of the fees due under conditions 16.1 or 16.2 by the due dates:
 - a) the licensee shall be liable to pay to the Commission interest on the outstanding amount at a simple interest rate of 1.5 percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day when payment is made and
 - b) the licensee shall be subject to the proceedings for the recovery of such fee specified in the Act and
 - c) the Commission may revoke the licence pursuant to Section 19 of the Act and condition 17 of the licence.
- 16.4 The licensee shall be entitled to take into account any fee paid by it under condition 16 in the determination of aggregate revenue made in accordance with condition 23 but shall not take into account any interest paid pursuant to the condition 16.3

17. Revocation of Licence

Subject to the provisions of Section 19 of the Act and the Regulations (Licencing for Transmission of Electricity) framed thereunder, Commission may at any time initiate proceedings against the Transmission Licensee for revocation of the Transmission licence and if so satisfied in such

proceedings that the public interest so requires, it may revoke the Transmission licence in any of the circumstances stated in the Regulation 19 of (Licencing for Transmission of Electricity) Regulations, 2006.

18. Amendment of Licence Conditions

These General conditions of licence may be altered or amended by the Commission subject to provision of Section 18 of the Act and the Regulations (Licencing for Transmission of Electricity) Regulations, 2006 framed thereunder and in any of the circumstances stated in the condition clause 17 of Regulation. (Grant of licence for Transmission of Electricity Regulation 2006).

PART - III

Technical Conditions

**19. Transmission Planning and Security Standards;
Power Supply Planning and Security Standards;
Transmission Operating Standards; and
Power Supply Operating Standards**

19.1 The Licensee shall plan and operate the Transmission System so as to ensure that the Transmission System is capable of providing an efficient, coordinated and economical system of Transmission. In particular, the Licensee shall:

- (a) plan and develop its Transmission System in accordance with the Transmission System Planning and Security Standards together with the Grid Code as approved by the Commission; and
- (b) operate the Licensee's Transmission System in accordance with the Transmission System Operating Standards together with the Grid Code as approved by the Commission.

19.2 The licensee shall make arrangements, within twelve months from the date of issue of Licence, to comply with the Power Supply Planning and Security Standards and Power Supply Operating Standards.

19.3 The Licensee shall, within 60 days from the date when Licence becomes effective; submit to the Commission the existing

- Planning and Security Standards } Standards for its
Transmission System
- Operating Standards
- Planning and Security Standards } Standards for its Power
Supply System
- Operating Standards

Including those relating to:

- Generation Capacity connected to its Transmission System being followed by the Licensee.

Such existing standards, with such modification as the Commission may direct, shall continue to remain in effect until new standards approved by the Commission pursuant to condition 19.4 take effect.

19.4 a) The Licensee shall, within six months, or such longer time as the Commission may allow, after Licence has become effective, prepare, in

consultation with the Suppliers, Generating Companies, Central Transmission utility, Regional Electricity Boards and such other Person as the Commission may specify, and submit to the Commission for approval the Licensee's proposal for Transmission Planning and Security Standards. Transmission Operating Standards, Power Supply Planning and Security Standards and Power Supply Operating Standards in accordance with condition 19.

- b) The Transmission Planning and Security Standards, Transmission Operating Standards, Power Supply Planning and Security Standards and Power supply Operating Standards submitted by the License pursuant to this paragraph, with such modifications as the Commission may require, shall take effect from such date as the Commission may specify.

19.5 The Licensee shall not be in breach of its obligations under the Licence if it has failed to meet the Transmission Planning and Security Standards or the Transmission Operating Standards directly due to Force Majeure, provided, the Licensee has used its reasonable efforts, to the extent reasonably possible, to comply with the Transmission Planning and Security Standards or the Transmission Operating Standards as the case may be.

19.6 The Licensee shall make reasonable arrangements to provide for sale to Suppliers, sufficient electricity to meet Power Supply Planning and Security Standards and Power Supply Operating Standards approved by the Commission.

19.7 The Licensee shall, in consultation with Suppliers, the Generating Companies, Distribution Licensees in the state, the Central Transmission Utility, the regional Electricity Board and such other persons as the Commission may order, review Standards and their implementation on each occasion. Following such review, the Licensee shall send to the Commission.

- (a) a report on the outcome of such review, and
- (b) any revision which the Licensee proposes to make to such documents from time to time (having regard to the outcome of such review); and
- (c) any written representations or objections (including those not accepted by the Licensee) from Suppliers, Generating Companies, Central Transmission Utility, regional Electricity Board and such other Persons as the Commission may order during consultation process.

The Commission may, upon application of the Licensee, relieve the Licensee from obligation to review the standards and their implementation, to such

extent as shall be specified in directions issued to the Licensee by the Commission for the purposes of this condition.

19.8 Having regard to any written representations or objections referred to in condition 19.7(c), and following such further consultation (if any) as the Commission may consider appropriate, it may issue directions requiring the Licensee to revise the standards in such manner as may be specified in the directions.

19.9 The Commission may issue directions requiring the licensee to revise any of the standards in such manner as may be specified by the Commission.

19.10 The Licensee shall, on an annual basis:

- (a) forecast the demand for power within the Area of Transmission and Bulk Supply in each of the next succeeding 10 years; and
- (b) prepare and submit forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time.

19.11 The Licensee shall within 3 months of the end of each financial year, submit to the Commission a report indicating the performance of the Transmission System during the previous financial year. The Licensee shall, if required by the Commission, publish a summary of the report in a manner to be determined by the Commission.

20. Compliance with Grid Code by the Transmission Licensee

20.1 The transmission license shall ensure due compliance with the Indian Electricity Grid Code and Bihar State Electricity Grid Code.

20.2 The Commission may, on reasonable grounds and after consultation with the affected Generation Company, Transmission Licensee the State Transmission Utility the State Load Despatch Centre and electricity traders, issue direction relieving the licensee of its obligation in respect of such parts of the State Grid Code and to such extent as may be decided by the Commission.

21. Central Scheduling and Despatch

21.1 Having regard to information provided to it by Suppliers. Generating Companies Central Transmission Utility, Distribution Licensees and other utilities in the region (including information as to forecast levels of electricity demand and availability of generation capacity) and keeping into consideration requirements of the Transmission Planning and Security Standards and the Transmission operating Standards referred to in this Licence, the Licensee shall undertake operational planning matching to possible output of all Generating Sets contracted to it and any other Bulk

Supply and other sources or electrical energy connected to the Licensee's Transmission System (including a reserve of generation to provide a security margin or generation availability) with forecast demand after taking into account, inter alia:

- (a) unavailability of Generating Sets; and
- (b) constraints from time to time imposed by technical limitations on the Total System or interconnections with other transmission systems or any part(s) thereof;
- (c) consistent with this condition 21.1 and in accordance with the Grid Codes, for the removal from service of parts of the transmission systems for maintenance, repair extension of reinforcement.

21.2 Taking account of the factors referred to in condition 21.2 the Licensee shall schedule and issue direct instructions for despatch of power from the Generating Sets and other sources of power as are at such times available to generate electricity and which are subject to despatch instructions.

- (b) in ascending order of relevant prices that are offered for the generation of electricity into the Total System, keeping in view the constraints on hydro-electric generation, and
- (c) as will in aggregate (and after taking account of electricity delivered to or from the Total System from or to other sources) be sufficient to match at all times (to the extent possible having regard to the availability of Generation sets) expected demand, taking account of information provided by Suppliers, the Central Transmission Utility and the Regional Electricity Board together with an appropriate margin of reserve.

21.3 The factors referred to in condition 21.2 include:

- (a) expected demand (including losses):
- (b) Economic and technical constraints from time to time imposed on the Total System or any part or parts thereof.
- (c) the dynamic operating characteristics of available Generating Sets and
- (d) other matters provided for in the Grid Code.

21.4 The Licensee shall provide to the Commission such information as the Commission shall require concerning the merit order despatch described in condition 21.2 (a) or any aspect of its operation.

Note: In this Condition 21:

- “available” means such state of a Generating Set that it can respond successfully to a call to service by the entity with authority to despatch the system, and its “availability” be construed accordingly.
- “central despatch” means the process of scheduling and issuing direct instructions by the Licensee as referred to in condition 21.

PART - IV**22 Requirement to Offer Terms for Use of System and Connection to System**

22.1 The licensee shall make such arrangements for use of the Transmission System by third parties as are specified in the condition 22. On application made by any such third party, the Licensee shall offer to enter into an agreement with that person for the use of the Transmission System.

- a) to accept into the Transmission System electricity provided by that Person;
- b) to deliver such electricity, adjusted for losses of electricity, to a designated exit point;
- c) that specifies that use of System charges to be paid by the user, shall be in accordance with Part V.

Explanation: The third parties referred to in this condition 22.1 means

- i) Persons authorised under a legislation enacted by the Union of India to wheel power across the Transmission System in an inter-state conveyance of energy.
- ii) Such persons as the Commission may authorise to use the Transmission system.

22.2 On application made by a Supplier for grant of a connection to a Consumer wishing to be connected directly to the Transmission System, the Licensee shall offer to enter into an agreement with such Supplier and / or Consumer, as the case may be, for connection to the Transmission System or for modification of such an existing connection and such offer shall make provision for

- a) carrying out of works necessary to make the required connection, including the installation of meters.
- b) carrying out any necessary work to reinforce the Licensee's Transmission System.
- c) connection charges to be paid in accordance with Part V and
- d) date of completion and such other terms as are relevant to the circumstances.

22.3 The Licensee shall offer terms for agreements in accordance with condition 22.1 or 22.2 as soon as practicable but (save where the Commission consents to a longer period) no more than two months after an application under condition 22.1 or 22.2 is made.

- 22.4 The Licensee shall not be obliged pursuant to condition 22 to offer to enter or to enter into any agreement if it is.
- a) likely to involve the Licensee;
 - i) in breach of its duties under Section 17 of the Act or
 - ii) in breach of any rules or Regulations relating to safety or standards applicable to the Transmission Business including, the Indian Electricity Rules 1956; or
 - iii) in breach of the Grid Code; or
 - iv) in breach of any of the conditions of this Licence; or if
 - b) the persons making the application does not undertake to comply with the Grid Code from time to time in force to the extent that it is applicable to that Person, or
 - c) in case of persons making application for Use of System under condition 22.1 such person ceases to be authorised as specified therein.
Or
 - d) in case the persons do not have the financial resources to pay the transmission charges.
- 22.5 If, after a period, which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement with any applicant referred to in condition 22.1 and 22.2 pursuant to a request under condition 22, the Commission may at the request of a party settle such terms in dispute between the Licensee and that Person and, the Licensee shall forth with enter into and implement such agreement in accordance with its terms as settled by the Commission.
- 22.6 The Licensee shall prepare and submit to the Commission on annual basis, a settlement showing in respect of each of the 5 succeeding financial years, forecasts of circuits capacity, power flows and loading on the Transmission System under standard planning criteria, together with:
- a) such further information as shall be reasonably necessary to enable any Person seeking use of System to identify and evaluate the opportunities available when connecting to and making use of such system; and
 - b) a commentary prepared by the Licensee indicating the Licensee's views as to those parts of the Licensee's Transmission System most suited to new connections and transport of further quantities of electricity.
- 22.7 At the request of a person or a supplier who wishes to use the Transmission System under condition 22.1 or 22.2 the Licensee shall prepare an update

to the above statement, incorporating most recent data but specifically including any facility for which any other Person or a Supplier has requested use of and connection to the Transmission System.

- 22.8 The Licensee may make a charge for any statement given or sent to Persons seeking Use of System, of an amount reflecting the Licensee's reasonable costs of providing such a statement.

PART - V
Expected Revenue Calculation And Tariffs

23. Expected Revenue and Tariff Filings

- 23.1 The Licensee shall follow the methodology, procedures and other directions included in the Tariff Regulations while filing statements of expected revenue from charges and for proposing or amending any or all of its tariffs.
- 23.2 The amount that the licensee is permitted to recover from its tariffs in any financial year is the amount that the Commission determines in accordance with the financial principles and their applications provided in Section 62 of the Electricity Act 2003, as will allow the licensee a fair opportunity to earn a reasonable return.
- 23.3 The Licensee shall establish a tariff as approved by the Commission, for the Licensee's Transmission Business and shall calculate its charges in accordance with this License, the Regulations, the orders of the Commission and other requirements prescribed by the Commission from time to time.
- 23.4 The Licensee may publish a tariff for its Transmission of electricity reflecting the tariff charges and the other terms and conditions contained in the approved tariffs referred to in condition 23.2 above or as directed by the Commission.
- 23.5 The Licensee may apply to the Commission to amend its tariffs in accordance with the Act and applicable Regulations and directions of the Commission.
- 23.6 The Licensee may apply to the Commission to amend its tariffs in accordance with the Act if the Commission so requires in order to remove any undue discrimination identified by the Commission or to cause the licensee's expected revenue to correspond to the amount that it is permitted to recover under this Licence.

PART- VI
Miscellaneous Matters

24. Miscellaneous Matters

- 24.1 All issues arising in relation to interpretation of these General Conditions shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act.
- 24.2 The Commission may at the time of grant of Transmission Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a Transmission Licence.
25. These General Conditions shall apply to all Transmission Licensees after they come into force and also to all deemed Transmission Licensees under Section 14 of the Act.

Transmission Licence

Schedule

_____ Area of Transmission
(Name of Licensee)

The entire state of Bihar including contonment, airdrome, fortresses, arsenal, dockyard or camp of any building or place in occupation of Central Government for defence purposes, where permission has been obtained.

By the Order of the Commissioner

**Sd/-
Secretary**

Place:

Date: