



THE ASSAM GAZETTE

অসাধাৰণ

EXTRAORDINARY

প্ৰাপ্ত কৰ্তৃত্বৰ দ্বাৰা প্ৰকাশিত

PUBLISHED BY AUTHORITY

নং 157 দিশপুৰ, শুক্ৰবাৰ 29 এপ্ৰিল, 2005, 9 বহাগ, 1927 (শক)
No, 157 Dispur, Friday, 29th April, 2005, 9th Vaisakha, 1927 (S.E.)

GOVERNMENT OF ASSAM

ASSAM ELECTRICITY REGULATORY COMMISSION

NOTIFICATION

The 6th April, 2005

A. E. R. C. (Procedure, Terms and Conditions for granting Intra-state Transmission Licence and other related matters) Regulations 2005

No. AERC./2005/17 – In exercise of powers conferred under section 14 read with Section 181 of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that regard, the Assam Electricity Regulatory Commission hereby makes the following Regulations providing for the procedures to grant, amend or revoke an intra-state transmission licence and the general terms and conditions of licence:

CHAPTER I – GENERAL

1. Short title, commencement and interpretation:

- 1.1 These Regulations may be called the Assam Electricity Regulatory Commission ((Procedure, Terms and Conditions for granting Intra-state Transmission Licence and other related matters) Regulations, 2005.
- 1.2 These Regulations shall apply to any person applying for a transmission licence to undertake the transmission of electricity within the territory of the State of Assam.
- 1.3 These Regulations extend to the whole of the State of Assam.
- 1.4 These Regulations shall come into force on the date which the Commission may by notification appoint for the purpose.

2. Definitions:

2.1 In these Regulations, unless the context otherwise requires:

- (a) "Act" means The Electricity Act 2003 (36 of 2003);
- (b) "Accounting Statement" means for each financial year, accounting statements for the Licensed Business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Transmission Licensee engages in any business or activity in addition to the Licensed Business , the accounting statements shall comply with the regulations of the Commission dealing with the treatment of Other Business of Transmission Licensees and show separately the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either :
 - 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.
- (c) "Applicant" means a person who has made an application to the Commission for grant of Licence for the transmission of electricity;
- (d) "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;
- (e) "Area of Transmission" means the area of activity stated in the Transmission Licence within which the Transmission Licensee is authorised to establish, operate and maintain transmission lines;
- (f) "Auditor" 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);
- (g) "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 provisos to Section 14 of the Act or exemption granted under Section 13 of the Act and the regulations of the Commission;
- (h) "Commission" means the Assam Electricity Regulatory Commission constituted under section 17 of the Electricity Regulatory Commissions Act, 1998 and under provision of section 82 of the Electricity Act, 2003 (36 of 2003);
- (i) "Conduct of Business Regulations" means the Assam Electricity Regulatory Commission (Conduct of Business) Regulations, 2004;
- (j) "Distribution" means the conveyance or wheeling of electricity by means of a Distribution System;
- (k) "Distribution Business" means authorised business of a Distribution Licensee to operate and maintain a Distribution System for supplying of electricity to the consumers in an Area of Supply;

- (l) "Distribution Code" means the set of rules (including the Indian Electricity Rule 1956), requirements, procedures, and standards approved by the Commission governing electric utilities in the operation and maintenance of their distribution systems, and which defines and establishes the relationship of the distribution systems with the facilities or installations of the parties connected thereto;
- (m) "Distribution Licensee" means a Licensee authorised by the Commission under section 14 of the Act to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply and includes ASEB and any of its successor entities deemed to be a distribution Licensee under the provisions of section 131 of the Act;
- (n) "Force Majeure" means events beyond the reasonable control of the Licensee, including, but not limited to earthquake, cyclone, flood, storm, adverse weather condition, war, terrorist attack, civil commotion or other similar occurrence that leads to any act that would involve a breach of relevant laws or regulations concerned with electrical safety;
- (o) "Generator Interconnection Facilities" means electrical lines, transformers, bus bars, switch-gear, plant or apparatus utilised to enable access through a Transmission System or a Distribution System ex-bus (from the outer bus of the Generating Station) by the generating station;
- (p) "Assam Electricity Grid Code" means the set of rules, requirements, procedures approved by the Commission under clause (h) of sub-section (1) of section 86 of the Act for the Assam State Transmission System, covering all material technical aspects relating to connections to and the operation of the Grid, the use of a Distribution System, or (in so far as relevant to the operation and use of a Distribution System) the operation of electric lines and electrical plants connected to the Distribution System, the Distribution Systems, or the system of any Supplier;
- (q) "Holding Company" shall have the same meaning as in section 4 of the Companies Act 1956 (1 of 1956);
- (r) "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 at his request and on payment of a tariff or charge;
- (s) "Licence" means the Licence under section 14 of the Act under which the Licensee is authorised to conduct the Licensed Business;
- (t) "Licensed Business" means the business of transmission of electricity as authorised under the Licence;
- (u) "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 but shall not duplicate the activities of the Chief Electrical Inspector in the investigation of accidents under the provision of section 161 of the Act.;
- (v) "Open access consumer" means a consumer who is eligible to receive supply of electricity from a person other than the distribution licensee of his area of supply;
- (w) "Open access customer" means a person using or intending to use the transmission system or the distribution system of the Licensees or of both the Licensees in the state for transmission or wheeling of electricity in the State;

- (x) "Operational Control" means the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipment;
- (y) "Other Business" means any business of the Licensee other than the Licensed Business but shall exclude other entities in which the Licensee may be a shareholder or partner or in joint venture;
- (z) "Performance Standards" means the standards as may be determined by the Commission pursuant to section 57 of the Act;
- (aa) "Petition" shall include all petitions, complaints, appeals, replies, rejoinder, supplemental pleadings and other papers and documents filed before the Commission;
- (bb) "Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (cc) "Proceedings" means proceedings of all nature that the Commission may decide to initiate or hold in the discharge of its functions under the Act but any preliminary meeting or any action done by the Commission before such initiation shall not be a proceeding for the purposes of these Regulations;
- (dd) "Receiving Officer" shall mean the officer designated by the Chairperson for receiving the Petition;
- (ee) "Specific Conditions" means the conditions in addition to or in variation of the General Conditions which the Commission may lay down specifically for a transmission Licensee;
- (ff) "Secretary" means the Secretary of the Commission.
- (gg) "State Government" means the Government of the State of Assam.
- (hh) "Subsidiary" shall have the same meaning as in section 4 of the Companies Act 1956 (1 of 1956);
- (ii) "Transfer" shall include the sale, exchange, gift, lease, Licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (jj) "Transmission Business" means the Authorised business of a Transmission Licensee to transmit electricity, whether for its own account or for that of any other Person, through any system owned and/ or operated by such Licensee;
- (kk) "Transmission Licensee" means the entity, which has been granted a Transmission Licence by the Commission or is a deemed Licensee under the first, second, third or fifth provisos of Section 14 of the Act authorized to transmit electricity and includes ASEB and any of its successor entities under the provisions of section 131 of the Act;
- (ll) "Transmission Operating Standards" means the standards related to the Transmission Licensee's operation of its Transmission System as approved by the Commission;
- (mm) "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;
- (nn) "Transmission System" means the system consisting of extra high voltage

electric lines being operated at EHV (excluding generating stations' interconnection facilities) owned and/or operated by the Transmission Licensee for the purposes of the transmission of electricity:

- i. from one power station to a sub-station;
- ii. or to another power station or between sub-stations;
- iii. or to or from any external interconnection equipment up to the interconnection with the distribution system, and
- iv. any plant and apparatus and meters owned or used by the Transmission Licensee in connection with the transmission of electricity, but shall not include any part of the Licensee's distribution system and generating station auxiliary system.

(oo) "Use of System" means use of the transmission system for the transmission of electricity,

(pp) "Users" means a person, including generating companies, Distribution Licensees and open access customers in the state of Assam who use the Distribution System or Transmission System and related facilities and includes a person to whom the Distribution Code and/or Grid Code apply.

2.2 Words or expressions occurring in these Regulations and not defined herein above shall bear the same meaning as in the Act.

CHAPTER II – LICENCE PROCEDURES

3. Application for Licence:

- 3.1 Any person intending to engage in the business of transmission of electricity in the State of Assam, shall apply to the Commission for the grant of a Transmission Licence in the form and manner directed by the Commission and accompanied by such fees as laid down in Appendix 4 relating to schedule of fees under Assam Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 as may be prescribed for this purpose.
- 3.2 The General Terms and Conditions of a Transmission Licence are given in Chapter 3 of these regulations and the Licensee shall be bound by such conditions, except to the extent exempted by the Commission.
- 3.3 The Commission shall in addition to the General Conditions, decide on the specific conditions subject to which Licence shall be issued to the applicant.
- 3.4 Any person intending to apply for a Licence shall duly comply with the conditions and requirements laid down by the Commission.
- 3.5 The application for Licence shall be made in accordance with the provision of the Act and these Regulations and in the application form contained in Appendix 1 to these Regulations and shall be accompanied by a non-refundable fee of Rupees Twenty Thousand. The application shall be supported by affidavit of the authorized person familiar with the details of the application.
- 3.6 The Application for Licence shall be accompanied by documents and particulars required to be provided as per the application form in Appendix 1.
- 3.7 The application shall be supported by affidavit of the authorized person familiar with the details of the application.

3.8 The applicant to be entitled for grant of Licence, shall provide evidence (as given in Appendix 1) of fulfilling the following technical and financial requirements, namely:

(a) Technical experience: The applicant shall have experience in development, design, construction, operation and maintenance of transmission line (if the assets in respect of which the application for grant of Licence has been made, consists of transmission lines only) or substations (if the assets in respect of which the application for grant of Licence has been made, consists of substations only) or both (if the assets in respect of which the application for grant of Licence has been made, consists of transmission lines and sub-stations) at the voltage level at which the assets in respect of which the application for grant of Licence has been made, shall be operated.

Provided that the aforesaid qualifying requirement of technical experience shall not be insisted upon if the applicant deploys personnel having requisite experience in operation of the assets at the voltage level at which the assets in respect of which the application for grant of Licence has been made, shall be operated.

Provided further that experience in design, construction or maintenance, as the case may be, of transmission system operating at least at 66 kV level shall be construed as relevant experience at voltage levels of 66 kV and above upto 220 kV.

(b) Financial capability: Net worth of the applicant shall not be less than the estimated annual transmission charges of the assets in respect of which the application for grant of Licence has been made. In the case of a consortium, affiliates may meet the qualifying requirements of financial capability collectively.

3.9 The Application for Licence shall specifically state any special terms and conditions the applicant proposes as applicable for the Licence.

3.10 The Applicant shall, on making the application to the Commission, forward a copy of the application to the State Transmission Utility. The State Transmission Utility shall acknowledge the receipt of the application and within thirty days of the receipt of the said application send its recommendations, if any, to the Commission.

4. Acknowledgment of application:

On receipt of the application, the receiving Officer shall note thereon the date of its receipt and shall send to the applicant an acknowledgment stating the date of receipt.

5. Copies of documents and maps for public inspection:

The applicant shall maintain at his own office and at such other place as may be designated by the Commission, the copies of the documents referred to in Appendix 1 for public inspection and furnish to persons applying for them the copies of such documents at a price not exceeding the normal photocopying charges.

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 necessary for the purpose of dealing with the application.

7. Acceptance of the application:

If the Commission finds the application to be complete and accompanied by the requisite information, particulars and documents and that the applicant has complied with all the requirements for making the application and furnishing of information, particulars and

documents, the Commission shall inform the applicant that the application is ready for being considered for grant of Licence in accordance with applicable laws and communicate the same to the applicant. Upon receipt of such communication, the applicant shall collect a copy of the application filed and related documents duly authenticated by the Commission from the office of the Commission for making it available for inspection by all interested parties as directed by the Commission.

8. Publication of notice of application:

8.1 The applicant shall, within seven days from the date of admission of the application, publish a notice of the application in the form specified in Appendix 2 with such particulars and in such manner as the Commission may direct.

8.2 The notice published shall be headed by a short title corresponding to that given in the application and shall give the addresses of the offices at which the application documents, copies of maps therein referred to may be inspected and copies of same may be purchased and shall also state that any person, desirous of making a representation with reference to application to the Commission, may do so by letter addressed to the Commission in this regard, within thirty days from the date of publication of the notice.

9. Service of notice of the application:

9.1 The Commission may direct that the notice of the application be served on the Central Government, the State Government, the local authority or any other authority or person or body as the Commission may direct in such form, with such particulars and in such manner as the Commission may consider appropriate.

9.2 The applicant shall apply for and obtain the no objection certificate if any required from the Central Government in terms of clause (ii) of sub-section (2) of Section 15 of the Act before hearing by the Commission.

10. Objections:

10.1 Any person intending to object to the grant of the Licence shall file objection within thirty days from the date of publication of the notice by the applicant. The objection shall be filed as a reply petition and the provisions of Chapter II of the Conduct of Business Regulations dealing with reply shall apply to the filing of such objections.

10.2 Any person who desires to have any amendment made in the proposed conditions of Licence shall furnish a statement of the amendment to the applicant and to the Commission within the time allowed by the Commission for filing objections.

11. Hearings and local inquiries:

11.1 After the intended application is duly published and the time for filing of objections is over and after the applicant has furnished to the Commission the no objection certificate, if any, required from the Central Government and Local authority, the Commission may proceed with the hearing of the application.

11.2 The Commission shall give the notice of hearing to the applicant, the persons who had filed objections, the Central Government, the State Government and such other authority, person or body as the Commission may consider appropriate.

11.3 The Commission shall consider the recommendations, if any, from the State Transmission Utility in regard to the grant of a Transmission Licence.

11.4 If any person objects to the grant of a Licence applied for, the Commission may if either the applicant or the objector so desires, cause a local inquiry to be held for which notice in writing shall be given to the applicant and the objector;

- 11.5 In case of a local inquiry under Clause 11.4 above a memorandum of the results of the inquiry made shall be prepared and shall be signed by the applicant, the objector, the Officer or person designated for the purpose and such other person as the Commission may direct.
- 11.6 The hearing on the application for grant of Licence shall thereafter proceed as far as possible in the same manner as provided in Chapter II of the Conduct of Business Regulations.

12. Grant of License:

- 12.1 After the hearing, under Regulation 11 the Commission may decide to grant or refuse the Licence and if it decides to grant the Licence it may do so on such terms and conditions and with such modifications to the general conditions and on such specific conditions as the Commission may decide.
- 12.2 When the Commission has approved the grant of Licence, the Commission, shall inform the applicant of such approval and the conditions to be satisfied by the applicant including the initial and periodical Licence fees to be paid by the applicant for the grant of Licence.
- 12.3 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 the grant of the Licence, the Commission may direct the applicant to publish the Licence or such part or gist thereof as the Commission consider it to be appropriate.
- 12.4 The Commission shall issue a Licence to the applicant in the form provided at Appendix 3.
- 12.5 The Commission shall, within fifteen days of passing the order to grant a Licence, forward a copy of the Licence to the State Government, Central Electricity Authority, local authority, and to such other person as the Commission considers necessary.
- 12.6 The Licence shall commence from the date the Commission may direct as the date of commencement of Licence, and the Licence shall be in force for the period of twenty five years unless such Licence is revoked.
- 12.7 When an order to grant a Licence has been passed, the Licensee shall submit three sets of maps and documents containing the particulars specified in clause 12.8 below and these shall be signed on the date of notification of the grant of the Licence by such Officer as the Commission may designate in this behalf.
- 12.8 The particulars documents under Clause 12.7 above shall be as below :
- (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 and addresses of all the directors of the company;
 - (b) Location and boundaries of the proposed area of operation;
 - (c) A description of the proposed area of operation; and
 - (d) The general conditions and also any special conditions , if any, which the Commission has laid down for inclusion in the licences of the nature applied for with justification by the applicant under clause 3.9.
- 12.9 One set of such maps (refer clause 9 of Part B of Appendix 1) and documents shall be retained as the deposited maps and documents by the Commission and the other two sets shall be given to the licensee after due attestation by the Commission.

- 12.10. Every person who is granted Transmission Licence shall within thirty days of the grant thereof arrange to exhibit copies of the Licence granted, maps and documents attested under regulation under regulation 12 for public inspection at all reasonable times at the head office and at the local offices within the area of operation.
- 12.11. The Licensee shall also furnish to the Commission the maps and documents in an electronic form.

13. Amendment of Licence:

- 13.1 The General Conditions of Licence in Chapter 3 may be altered or amended by the Commission at any time, if it deems fit and proper, it is in the public interest to do so, in exercise of powers under Section 18 of the Act. Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Commission, been unreasonable withheld.
- 13.2 In the event, that the licensee wishes to amend the Licence conditions, the application for amendment of the conditions of the license shall be made by the Licensee in such form as may be directed for the purpose by the Commission.
- 13.3 The application shall be accompanied by a statement of the proposed amendment and shall be supported by affidavit as provided in Chapter II of this Regulation.
- 13.4 The applicant shall, within seven days from the date of admission of the application for amendment for hearing publish a public notice of the application filed giving a brief statement of the amendment proposed, the reasons for the proposed amendment, the effect of the amendment proposed on the discharge of the functions of the Licensee under the Licence granted, and the beneficiaries, the alternative arrangements proposed for such discharge of the functions and such other particulars as the Commission may direct.
- 13.5 The notice published shall give the addresses of the offices at which the application for amendment may be inspected and copies of application and documents can be purchased and shall state that a person, desirous of making any representation with reference to the application to the Commission, may do so by letter addressed to the Commission, within thirty days from the date of publication.
- 13.6 In the event the Commission proposes to amend the terms and conditions of the Licence granted to a Licensee the Commission shall publish a public notice of the proposed amendment giving a brief statement of the amendment proposed, the reasons for the proposed amendments, the effect of the amendments proposed on the discharge of the functions of the Licensee under the Licence granted, and the beneficiaries, the alternative arrangements proposed for such discharge of the functions and such other particulars as the Commission may consider appropriate.
- 13.7 The Commission shall not make any alterations or amendment to Licence conditions whether initiated by the licensee or by the Commission unless all suggestions or objections received within thirty days from the date of the first publication of the notice in clauses 13.5 and 13.6 have been considered by the Commission.
- 13.8 Unless otherwise specified in writing by the Commission, the procedure specified in these Regulations for grant of Licence, shall be followed while dealing with an application for amendment of the Licence.

CHAPTER III – GENERAL TERMS AND CONDITIONS OF LICENCE

14. Term:

The Transmission Licence shall come into force on the date to be mentioned by the Commission in the order granting the Licence and subject to the terms and conditions of the grant of Licence, and shall remain in force for the period of twenty five years unless revoked by the Commission.

15. Compliance with laws, rules and regulations:

- 15.1 The Transmission Licensee shall comply with the provisions of the Act, Rules, Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws.
- 15.2 The Transmission Licensee shall act in accordance with these General Terms and Conditions except where the Transmission Licensee is exempted from any provisions of these general terms and conditions at the time of the grant of Licence or otherwise specifically obtains the approval of the Commission for any deviation there from.
- 15.3 The Transmission Licensee shall duly comply with and undertake all activities consistent with the Assam Electricity Grid Code, Distribution Code, Electricity Supply Code and other codes and standards, orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act.
- 15.4 The Transmission Licensee shall comply with the Terms and Conditions for Open Access regulations issued by the Commission which define the procedures for granting open access to any open access customer who is not connected to the licensee's transmission system.

16. Duties of the Transmission Licensee:

- 16.1 The Transmission Licensee shall duly discharge the duties of the Transmission Licensee as provided under section 40 of the Act.
- 16.2 The Transmission Licensee shall provide non discriminatory open access to the Transmission System for use of the Licensees, and Generating Company including Captive Generating Plants, or open access customers subject to availability of transmission capacity in the transmission lines and in the case of use of such Transmission System for supply of electricity to such customers subject to payment of transmission charges and surcharge thereon to meet the current level of cross subsidy as envisaged in section 40 read with sub-section (2) of section 42 of the Act.
- 16.3 The Transmission Licensee shall pay to the Distribution Licensee concerned as provided in sections 39 and 40 read with sub-section (2) of section 42 of the Act the amount of surcharge if any permitted to be recovered by the Transmission Licensee in the case of transmission of electricity to the consumer as directed by the Commission.
- 16.4 The Transmission Licensee shall not without the prior approval of the Commission:
 - (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee;
 - (b) acquire any beneficial interest in any Generating Company of Generating Station; or

- (c) transmit electricity to any Person in the State of Assam, other than a Licensee or a open access customer.
- 16.5 The Transmission Licensee shall not engage in the business of electricity trading or directly or indirectly associate in the business of an electricity trader or the trading activities of a Distribution Licensee.
- 16.6 The Transmission Licensee shall provide to the other Licensees intervening transmission facilities to the extent of surplus capacity available, in his Transmission System and in the event of any dispute as to the availability of the surplus capacity the same shall be determined by the Commission. The charges and terms and conditions for the intervening facilities may be mutually agreed between the Licensees and in the event of any disagreement the same shall be decided by the Commission.
- 16.7 If a Licensee proposes to engage in any Other Business for optimum utilization of the assets of the Licensed Business, he shall give prior intimation in writing to the Commission of such Other Business with the following details:
- (a) the nature of the Other Business;
 - (b) the proposed capital investment in the Other Business;
 - (c) the nature and extent of the use of assets and facilities of the Licensed Business for such Other Business;
 - (d) the impact of the use of assets and facilities for the Other Business on the Licenced Business and on the ability of the Licensee to duly carry out the duties and obligations of the Licenced Business; and
 - (e) the manner in which the assets and facilities of the Licenced Business shall be used and justification that it will be used in an optimum manner without adversely affecting the maintenance of the activities of the Licenced Business.
- 16.8 In the event the Transmission Licensee engages in any Other Business, the same shall be subject to the following conditions:
- (a) the Licensee shall not in any manner utilize the assets and facilities of the Licenced Business for any other Business or otherwise directly or indirectly allow the activities of any Other Business to be undertaken in a manner that results in the Licenced Business subsidising the Other Business in any manner;
 - (b) the Licensee shall not in any manner, directly or indirectly encumber the assets and facilities of the Licenced Business for any Other Business or for any activities other than the Licensed Business;
 - (c) a proportion of the revenue , as may be specified by the Commission , derived from such Other Business shall be utilized for reducing the charges for Transmission;
 - (d) the Transmission Licensee shall prepare and keep, in respect of the Other Business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such Other Business activities are separately identifiable from those of the Licensed Business;
 - (e) the Licensed Business does not subsidize in any way such Other Business nor creates encumbrance on its transmission assets in any way to support such Other Business; and

- (f) the Transmission Licensee shall not transfer any assets utilised in the Transmission System for the purposes of Other Business activities without the prior approval of the Commission.
- 16.9 The Transmission Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any Person, except when made or issued for the purposes of the Licensed Business. Loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.
- 16.10 The Transmission Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company of the Transmission Licensee to provide any goods or services to the Transmission Licensee in connection with the Licensed Business, subject to the following conditions that:
- (a) the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;
- (b) the transaction will be consistent with any regulations framed by the Commission relating to the provision of goods and services with respect to the Licensed Business; and
- (c) the Transmission Licensee will give 15 days' notice with details of such arrangements, to the Commission prior to commencement of such arrangements.
- 16.11 In all other cases of engagement of such Subsidiary or Holding Company or a subsidiary of the Holding Company, prior permission of the Commission will be required. Where such prior permission is required, the Transmission Licensee will file a suitable application with the Commission disclosing relevant facts. The Commission may, within 30 days of the filing of the application, seek further information in support of the application. The Commission shall within 30 days of such further information being submitted by the Transmission Licensee, and where no such further investigation is required, within 60 days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.
- 16.12 The Transmission Licensee shall not at any time assign his Licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission. To obtain the approval of the Commission as aforesaid, the Transmission Licensee will file a suitable application with the Commission disclosing relevant facts in that regard and the Commission shall dispose of such an application expeditiously.
- 16.13 Pursuant to sections 126, 127, 135-140 of the Act and other codes and regulations issued by the Commission, the Transmission Licensee shall have the powers and authority to take appropriate actions for:
- (a) Revenue realisation for transmission and wheeling charges;
- (b) Prevention of theft by a distribution Licensee or EHV consumer;
- (c) Prevention of meter tampering by a distribution Licensee, EHV consumer, or generator;
- (d) Prevention of diversion of electricity by a distribution Licensee, EHV consumer, or generator;
- (e) Prevention of unauthorised use of electricity by a distribution Licensee, EHV consumer, or generator;

- (f) All such similar matters affecting the transmission of electricity or use of transmission services.

17. Accounts:

- 17.1 Unless otherwise permitted by the Commission the financial year of the Transmission Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall run from first of April in a year to the thirty-first March in the succeeding year notwithstanding that licensee follows any other period for the purpose of closing its Books of Accounts under Company's Act.
- 17.2 The Transmission Licensee shall, in respect of the Licensed Business and any Other Business :
- (a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Transmission Licensee, from those of Other Business in which the Transmission Licensee may be engaged;
- (b) prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statements; namely:
- i) in respect of the first six months of each financial year, a Half Yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as per the Companies' Act 1956 and in respect of matters falling outside these formats as the Commission may prescribe from time to time and such statements and documents are to be published in the manner prescribed by the Commission;
- ii) in respect of the Accounting Statements prepared, an Auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and
- iii) a copy of each Half Yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate.
- 17.3 The Transmission Licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the prevailing Accounting Standards or Rules and any guidelines issued by the Commission in this regard.
- 17.4 Where, in relation to the Accounting Statements in respect of a financial year, the Transmission Licensee has changed the basis of charge or apportionment or allocation of revenues or expenses from those adopted for the immediately preceding financial year, the Transmission Licensee shall, if directed by the Commission, (in addition to preparing Accounting Statements on those basis which it has adopted), prepare and deliver to the Commission such Accounting Statements on the basis which it applied in respect of the immediately preceding financial year.
- 17.5 Accounting Statements under clause 19.2 above shall, unless otherwise approved or directed by the Commission :

- (a) be prepared and published with the Annual Accounts of the Transmission Licensee and shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards or Rules and any guidelines issued by the Commission in this regard,
 - (b) be prepared in the form as the Commission may stipulate from time to time in the Terms and Conditions of Tariffs Regulations.
- 17.6 The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.
- 17.7 The Transmission Licensee shall ensure that the Accounting Statements in respect of each financial year prepared under clause 19.2 and the Auditor's report in respect of each financial year are published in such manner as the Commission may direct and are made available to any Person requesting them at a price not exceeding the reasonable cost of duplicating them.

18. Prohibition of undue preference:

The Transmission Licensee shall not show undue preference to any person or Licensee in the transmission of electricity or rendering of services in its area of activity. The Transmission Licensee shall not be held to have shown undue preference if any differentiation of consumers or other Licensees occurs as a result of any order of the Commission or the order of the State Government in regard to a subsidy payment under section 65 of the Act.

19. Provision of information to the Commission:

- 19.1 The Transmission Licensee shall duly maintain such information as the Commission may direct under Section 128 of the Act. The Transmission Licensee shall furnish to the Commission without undue delay such information, documents and details related to the Licenced Business or any Other Business of the Transmission Licensee, as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and/or the Central Electricity Authority, the State Transmission Utility and the State Load Despatch Centre.
- 19.2 The Transmission 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 in accordance with the Assam Transmission Performance Standards Regulations. The Transmission Licensee shall, if so required by the Commission, publish a summary of the report in a manner approved by the Commission.
- 19.3 The Transmission Licensee shall notify the Commission of the occurrence of any Major Incident affecting any part of its transmission system in accordance with the reporting requirements of Chapter 14 of the Assam Electricity Grid Code. The Transmission Licensee is to give copies of the report to all parties concerned with the Major Incident and to other such persons as the Commission may direct.
- 19.4 The decision of the Commission as to what is a Major Incident shall be final but shall not duplicate the activities of the Chief Electrical Inspector in the investigation of accidents under the provision of section 161 of the Act. The Commission may by order, after providing an opportunity of hearing direct the Transmission Licensee to provide such amount of compensation as the Commission may specify to persons who suffer loss as a result of such major incident where a Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Transmission Licensee.
- 19.5 The Commission at its own discretion may require the submission of a report to be prepared by an independent person at the expense of the Transmission Licensee.

- 19.6 The Transmission Licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of its Transmission Business and any other matter concerning the Transmission Business that the Commission considers necessary in the public interest to avoid the occurrence of any such major incident.
- 19.7 The Transmission Licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under the Licence granted including any act of omission or commission by others and steps taken by the Transmission Licensee to mitigate the effect of such incidents.
- 19.8 The Commission may at any time require the Transmission Licensee to comply with the provisions of clauses 19.3 to 19.7 as to incidents which the Commission may specifically direct and the Transmission Licensee shall be obliged to comply with the same notwithstanding that such incidents are not Major Incidents; provided that the time limits specified in Chapter 14 of the Assam Electricity Grid Code shall commence from the date that the Commission notifies Transmission Licensee of such requirement.

20. Approval of investments:

- 20.1 The Transmission Licensee shall duly comply with the Regulations, guidelines, directions and orders the Commission may issue from time to time in regard to the investments to be made in the Transmission Business.
- 20.2 The Transmission Licensee shall make all investments in a prudent manner being guided by the duty to build, maintain and operate an efficient, co-ordinated and economical Transmission System in its area of transmission.
- 20.3 The Transmission Licensee shall submit a Business Plan for ensuing five years within three months of Transmission Licence coming into force and update such a plan annually. The Business Plan shall contain year wise load growth, year wise Transmission loss reduction proposal along with specific action plan, metering plan for metering interface points, investment plan, treatment of previous losses, cost reduction plan and projected profit and loss account, balance sheet and cash flow statements with important financial parameters for each of the five year period.
- 20.4 The Commission may require the Transmission Licensee to intimate by the end of first quarter of each financial year the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission.
- 20.5 The Transmission Licensee shall submit to the Commission an Investment Plan as a part of the business plan under clause 20.3 above giving details of investment schemes to be undertaken during the concerned period for the approval of the Commission. The Transmission Licensee shall demonstrate to the satisfaction of the Commission that :
- (a) there is a need for such Investments in the Transmission System contained in the Investment Plan;
 - (b) the Transmission 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;
 - (c) the Transmission Licensee has consulted all the concerned Licensees including the other transmission Licensees, the Central and State Transmission Utility and other utilities on the above aspects and forward the views expressed by such persons.
- 20.6 The Transmission Licensee shall intimate, by the end of the first quarter of each financial year:

- (a) the annual investment plan to be carried out during the financial year and
 - (b) the progress made in implementing the annual investment plan of the previous financial year with the comparison of actual implementation vis-à-vis the plan as approved by the Commission for the concerned period.
- 20.7 The Licensee seeking approval of the investment plan shall furnish information, particulars, documents as may be required by the Commission staff, consultants and experts appointed by the Commission for the purpose and allow them access to the records and documents in power, possession or custody of the Licensee or over which he has any power.
- 20.8 The Transmission Licensee shall invite and finalise tenders for procurement of equipment, material and/or services relating to major investment, in accordance with a transparent tendering procedure as specified by the Licensee and approved by the Commission.
- 20.9 The Transmission Licensee shall not undertake schemes involving Major Investments, not covered under the Investment Plan approved by the Commission under clause 20.5 above without the prior approval of the Commission, and for such approval the Transmission Licensee shall demonstrate to the satisfaction of the Commission the factors mentioned in clause 20.5 above.
- 20.10 For the purposes of this clause 20.9, 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 an amount of five Crore or otherwise decided by the Commission from time to time by general or special order.
- 20.11 The Transmission Licensee shall be entitled to make Investment in the Transmission Business otherwise than those covered the Investment Plan submitted as provided above but for the purposes of considering such Investment while determining the tariff, the Transmission Licensee shall satisfy the Commission that the Investment was required for the Transmission Business and such investment was made in an efficient, co-ordinated and economical manner.
- 20.12 The Transmission Licensee shall submit to the Commission along with the "Annual Revenue Requirements" filed under section 62 of the Act, the highlights of the annual investment plan consisting of those schemes approved by the Commission, schemes submitted before the Commission for approval and all schemes not requiring approval of the Commission planned for the ensuing financial year and shall make investment in the said financial year in accordance with the said investment plan.
- 20.13 Provided also that if on account of unforeseen circumstances the Transmission Licensee is required to make investment in a scheme, which does not find a place in the annual investment plan, the Transmission Licensee may do so if the same is not a major investment and subject to the conditions contained in clause 20.8 above.

21. Transfer of assets:

- 21.1 The Transmission Licensee shall not, in a single transaction or a set of related transactions, transfer or relinquish Operational Control over assets whose book value at the time of the proposed Transfer exceeds rupees ten crore or an amount decided by the Commission in the Special conditions applicable to the Transmission Licensee or otherwise by a general or special order, without complying with the conditions stipulated in this regulation 21.
- 21.2 The Transmission Licensee shall give to the Commission prior written notice of its intention to transfer or relinquish Operational Control over any asset whose value

exceeds the amount decided by the Commission as per clause 21.1 above and the Transmission Licensee shall disclose all relevant facts in the communication to the Commission. The Commission may, within 30 days of the receipt of the notice, seek further information in support of the transaction if any such further information is considered necessary and shall, within 30 days of such further information being submitted by the Transmission Licensee, and where no such further information is sought by the Commission as above, within 60 days of the filing of the application, approve the Transfer arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same, for reasons to be recorded in writing in the order issued by the Commission.

- 21.3 The Transmission Licensee may Transfer or relinquish Operational Control over any asset as is detailed in any notice given under clause 21.2 where:
- (a) the Commission confirms in writing that it approves such Transfer or relinquishment of Operational Control subject to such conditions as the Commission may impose; or
 - (b) the Commission does not inform the Transmission Licensee in writing of any objection to such Transfer or relinquishment of Operational Control within the notice period referred to in clause 21.2 and the transfer is effected by transparent and competitive bidding Procedures.
- 21.4 The Transmission Licensee may also Transfer or relinquish Operational Control over any asset where:
- (a) the Commission has issued directions for the purposes of this regulation 21 containing a general approval (whether or not subject to conditions) to :
 - i) the transactions of a specified description, and/or
 - ii) the Transfer or relinquishment of Operational Control over assets of a specified description, and/or
 - iii) the Transfer or relinquishment of Operational Control in accordance with any conditions to which the approval is subject, or
 - (b) the Transfer or relinquishment of Operational Control in question is mandated under any other law; or
 - (c) the asset in question was acquired and used by the Transmission Licensee exclusively or primarily in connection with any Other Business 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 Licenced Business.
- 21.5 The Transmission Licensee will be entitled to utilise the assets as a means of facilitating financing its investment requirement or including collateral for debt financing, securitisation of receivables subject to the conditions:
- (a) that the Transmission Licensee will inform the Commission about such arrangements at least 15 days ahead of the effective date of the relevant agreements;
 - (b) the Transmission Licensee acts in a prudent and reasonable manner in such utilisation of assets; and
 - (c) the Transmission Licensee retains the Operational Control over assets in the Transmission System.
- 21.6 Notwithstanding anything contained in this regulation in case of any emergency, the Transmission Licensee may provide the assets subject to the condition that the

Transmission Licensee shall immediately after such a transaction seek post-facto approval of the Commission giving the detailed facts about the situation and the details of the transaction. It shall be the obligation of the Transmission Licensee to establish to the satisfaction of the Commission of the occurrence of any emergency necessitating the provision of the assets.

22. Compliance with Electricity Grid Codes

22.1 The Transmission Licensee shall ensure due compliance with the Indian Electricity Grid Code, Regional Grid Code and the Assam Electricity Grid Code and Transmission Performance Standards regulations in operation.

22.2 The Assam Electricity Grid Code is an interface document which lays down basic rules, guidelines and standards to be followed by various participants in the State Grid to plan, develop, maintain and operate an Intra-State Transmission System in a most efficient, reliable and economic manner in order to achieve the Transmission Licensee Performance Standards. The Assam Electricity Grid Code also lays down the rules, guidelines and standards to be followed by all users of the State Grid to operate and maintain an efficient and coordinated power system in the State which is integrated with the North-Eastern Regional Grid as per the provisions of Indian Electricity Grid Code (IEGC). The Assam Electricity Grid Code includes, but is not limited to, the:

(a) Planning Code which includes:

i) System Planning specifying the procedures and standards to be applied by Assam Gridco in the planning and development of the transmission system and by other Users connected or seeking Connection to the Assam Gridco transmission system. This section deals with procedure to be followed by Assam Gridco in the development of the EHV transmission system in the long term taking into account the requirements to be met by generators and users to be newly connected and the transmission system performance standards issued by the Commission.

ii) Connection Requirements specifying the technical requirements and standards to be complied with by Assam Gridco and other Users connected or seeking connection to the EHV transmission system.

(b) Load Despatch & System Operation Code which includes sections on:

i) I) System Operation: specifying the conditions under which Assam Gridco shall operate the EHV transmission system, the Generating Companies shall operate their plants and the Distribution Licensees shall operate their Distribution Systems in so far as necessary to protect the security and quality of supply and safe operation of the State Grid by SLDC under both normal and abnormal operating conditions.

ii) Schedule and Despatch: specifying the procedures relating to the scheduling and despatch of Generating Units and drawal by Distribution Licensees to meet State demand and Drawal allocation.

iii) Outage Planning: specifying the procedures relating to the co-ordination of outages for scheduled maintenance of the EHV transmission system, generating units and distribution system operating in the State Grid.

(c) Protection Code specifying the requirement and co-ordination responsibility and optimum standards of protection that are required to be installed by Users of the State Grid.

- (d) Metering Code specifying the commercial and operational metering to be provided by each User. It also sets out the requirement and procedures for metering in the State Grid.
- 22.3 The Assam Electricity Grid Code shall be formulated from time to time by the State Transmission Utility in consultation with the Central Transmission Utilities, State Transmission Utilities of other States, Transmission Licensees, other Licensees and Generating Companies and implemented with the approval by the Commission.
- 22.4 The Assam Transmission Performance Standards Regulations issued by the Commission include:
- (a) Guaranteed Standards for consumer related services and quality of power subject to compensation to affected person;
 - (b) Overall Standards of Performance for consumer related services, efficiency indicators and quality, continuity and reliability of services by Licensee; and
 - (c) Performance reporting requirements.
- 22.5 The Commission may, on reasonable grounds and after consultation with any affected Generating Companies, Distribution Companies, the Transmission Licensee, the State Transmission Utility, the State Load Despatch Centre and Electricity Traders, issue directions relieving the Transmission Licensee of its obligation in respect of such parts of the Assam Electricity Grid Code and to such extent as may be decided by the Commission.

23. Connection with and use of transmission system:

- 23.1 The Transmission Licensee shall make such arrangements for non discriminatory open access for generators and consumers to connect and use Transmission System subject to the availability of adequate transmission capacity in accordance with the Assam Electricity Grid Code and the Electricity Supply Code regulations.
- 23.2 All consumers seeking to connect to and use the transmission system of a transmission licensee shall apply to the distribution licensee for the supply of electricity in accordance with the Electricity Supply Code regulations. The Distribution Licensee will be responsible for taking care of all matters related to supply with the Transmission Licensee on behalf of the consumer.
- 23.3 If any person intends to obtain connection to a generating station and to use the transmission system to evacuate power, the Transmission Licensee shall offer to enter into a transmission services agreement with such person for connection to the transmission system or for modification of such an existing connection and such offer shall make provision for:
- (a) the cost of carrying out of works necessary to make the required connection, including the installation of meters;
 - (b) the connectivity charges to be paid by such person as directed by the Commission ; and
 - (c) the cost of carrying out of any necessary works to reinforce the Transmission Licensee's transmission system;
 - (d) the cost of carrying out any necessary works to reinforce the transmission and distribution systems of any Licensee impacted by the generating station; and

- (e) the completion date and such other terms as are relevant to the circumstances.
- 23.4 The cost of any necessary works to reinforce the Transmission Licensee's transmission system and other Licensee's transmission and distribution systems will be shared and recovered from the users of these systems through the transmission charges, distribution wheeling charges, and retail tariffs in a manner determined by the Commission.
- 23.5 The Transmission Licensee shall offer terms for agreement in accordance with clauses 23.1 or 23.2 as soon as practicable to the intending user of the System. The Transmission Licensee shall not be obliged to offer to enter into any agreement if
- (a) adequate transmission capacity is not available in the Transmission system, provided that the existence or absence of such available capacity shall be subject to determination by the State Transmission Utility and in case of any dispute pertaining to the same on such determination the same shall be subject to the decision of the Commission;(Already included somewhere else?)
- (b) it is likely to result in breach of its duties under the Act; or
- (c) it is likely to result in breach of any rules or Regulations relating to safety or Standards applicable to the Transmission Business including, the prevailing Rules;
- (d) being in breach of the Assam Electricity Grid Code or
- (e) the Person making the application does not undertake to comply with the Assam Electricity Grid Code to the extent that it is applicable to that Person; or
- (f) the person making the application fails to pay the applicable charges for the transmission system determined by the Commission.
- 23.6 If, after a period which appears to the Commission to be reasonable for the purpose, the Transmission Licensee has failed to enter into an agreement with any intending user of the Transmission System, the Commission may at the request of such intending user settle such terms in dispute between the Transmission Licensee and that person and, the Transmission Licensee shall forthwith thereupon enter into and implement such agreement in accordance with terms as settled by the Commission.
- 23.7 In accordance with regulation 17 of these regulations, the Transmission licensee will comply with the Terms and Conditions for Open Access regulations issued by the Commission which define the procedures for granting open access to an open access customer who is not connected to the licensee's transmission system.
- 23.8 The Transmission Licensee shall prepare and submit to the Commission on an annual basis, a statement showing in respect of each of the five succeeding financial years forecasts of circuit 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 statement prepared by the Transmission Licensee indicating its views as to those parts of its Transmission System most suited to new connections and transport of further quantities of electricity.
- 23.9 At the request of a Person or a Generator who wishes to connect to and use the

Transmission System, the Transmission 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 Generator has requested use of and connection to the Transmission System.

- 23.10 The Transmission Licensee may make a charge for any statement given or sent to persons seeking to connect to and use the system, of an amount reflecting the Transmission Licensee's reasonable costs of providing such a statement.
- 23.11 The Transmission Licensee is entitled to undertake all activities necessary, related or incidental to the conduct of the Transmission Business, which would include installing and operating appropriate communication network to implement information technology based solutions like remote metering etc. for the Licensed Transmission Business.

24. Expected revenue calculation, tariffs and government subsidies:

- 24.1 The Transmission Licensee shall calculate the expected revenue from tariff charges which it is permitted to recover, in accordance with the provisions of the Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.
- 24.2 In calculating the expected revenue from charges which are permitted to be recovered, the Licensee shall duly account for all costs which have been incurred for Other Business from the Licensed Business and in the event of such costs being incurred commonly for both the Licensed Business and Other Business, the Licensee shall apportion such costs. All such costs pertaining to Other Business shall be duly adjusted by the Licensee for the benefit of the Licensed Business.
- 24.3 In addition to the sharing of costs under Clause 24.2 above, the Licensee shall account for and adjust in favour of the Licensed Business such percentage of the gross turnover of the Other Business as the Commission may decide, subject to the maximum of 10% of the gross turnover of each of the Other Businesses.
- 24.4 The cost to be shared from the Other Business under Clause 24.2 above and the amount to be adjusted in favour of the Licensed Business in terms of Clause 24.3 above shall be the income of the Licensed Business of the Licensee and shall be utilized for reducing the charges of transmission or wheeling, as the case may be, of electricity by the Licensee.
- 24.5 If the State Government requires the grant of any subsidy to any consumer or class of consumers in the transmission tariff determined by the Commission, in consistence with the provision of section 65 of the Act the State Government shall, notwithstanding any direction which may be given under section 108 of the Act, pay, in advance and in such manner as may be specified by the Commission, the amount to compensate the licensee or any other person affected by the grant of subsidy in the manner the Commission may direct.
- 24.6 Provided that no such direction of the State Government shall be operative if the payment is not made in accordance with the provisions of the Act and specifications of the Commission, and the licensee shall charge to the consumers the tariff fixed by the Commission from the date of issue of Orders by the Commission in this regard.

25. Payment of Licence fees:

- 25.1 The Licensee shall pay to the Commission the amount of Licence fee specified hereunder payable by means of a Bank Draft drawn in favour of The Secretary, Assam Electricity Regulatory Commission, Guwahati, Assam
- 25.2 The Licensee shall pay to the Commission an initial Licence fee of Rs.1,00,000 (Rupees one lakh), payable within seven days of grant of Licence.

- 25.3 After the assets are declared under commercial operation the Licensee shall be required to pay a sum equal to 0.1 % (one tenth of one percent) of annual aggregate revenue requirement approved by the Commission in the most recent tariff order, subject to a minimum of Rs. 1, 00,000/- (Rs. One lakh only) and a maximum of Rs. 10, 00,000/- (Rupees ten lakhs only) as annual Licence fee for each financial year within thirty (30) days of the commencement of the financial year.
- 25.4 In the first year of operation, for the period between the date of commercial operation and end of the financial year, Licence fee as provided in clause 25.3 of this regulation shall be paid on pro rata basis within 30(thirty) days of commencement of commercial operation.
- 25.5 In the terminal year of operation, for the period between start of the financial year and end of the term of the Licence, Licence fee as provided in clause 25.3 of this regulation shall be paid on pro rata basis within 30 (thirty) days of commencement of financial year:
- 25.6 In case the Licensee fails to pay to the Commission the Licence fee specified above or a part thereof, the Licensee shall be liable to pay late payment surcharge on the outstanding amount at a simple interest at the rate of 1.25% per month or a part thereof, for the period the Licence fee or a part thereof remains unpaid with effect from the date of granting of Licence.
- 25.7 Notwithstanding the liability of the Licensee to pay the late payment surcharge, the delay in payment or non-payment of the Licence fee or a part thereof, for a period exceeding 30 days, shall be construed as breach of the terms and conditions of the Licence and the Licence shall be liable to be revoked.
- 25.8 The Transmission Licensee shall be entitled to take into account any fee paid by it under this regulation as an expense in the determination of aggregate revenues to be charged to the Tariffs, but shall not take into account any interest paid pursuant to this clause.

26. Contravention by 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 or likely contravention of the terms and conditions of license by the Licensee.

27. Revocation of Licence:

- 27.1 Subject to the provisions of section 19 of the Act and the Regulations framed thereunder; the Commission may, at any time initiate proceedings against the Transmission Licensee for revocation of the Transmission Licence and if the Commission comes to a conclusion that it is necessary in the public interest to do so, revoke the Transmission Licence:
- (a) where the Transmission Licensee violates any of the terms or conditions of his Licence the breach of which is expressly declared by such Licence to render it liable to revocation;;
 - (b) where the Transmission Licensee in the opinion of the Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereafter;
 - (c) where the Transmission Licensee fails, within the period fixed in this behalf by his Licence, or any longer period which the Commission may have granted therefor:
 - i) to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his Licence; or

- ii) to make deposits or furnish the security, or pay the fees or other charges required by his Licence;
 - (d) where in the opinion of the Commission the financial position of the Transmission Licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him; and
 - (e) where the Transmission Licensee has failed to comply with all the Regulations, codes, and standards and also orders and directions of the Commission or otherwise has committed an act which renders the Transmission Licence revocable on any other grounds specified in the Act or the Rules or Regulations framed there under.
- 27.2 The Commission shall give notice of the proceedings for the revocation of the license to the licensee and to such other person, authority or body as the Commission may consider necessary.
- 27.3 Subject to the provisions of Act, and the procedure contained therein, the inquiry by the Commission for revocation of the license, in so far it is applicable, shall be in the same manner as provided in Chapter II of the Conduct of Business Regulations.
- 27.4 Provided that the licensee shall be given not less than three months notice in writing to show cause against the proposed revocation and the notice to show-cause issued to the licensee shall clearly state the grounds on which the Commission proposes to revoke the license.
- 27.5 If the Commission decides to revoke the license, the Commission shall communicate the order of revocation to the licensee stating the effective date from which such revocation shall take effect.
- 27.6 The Commission may instead of revoking the license pass any other order imposing such terms or conditions subject to which the Licensee shall be permitted to operate thereafter.
- 27.7 Before revoking a Transmission Licence the Commission shall, if in its opinion it feels necessary, refer the matter to the State Government and explore alternative arrangements for discharging the duties of the Transmission Licensee.
- 27.8 Where the Commission has given notice for revocation of Licence, the licensee may, after prior approval of the Commission, sell the undertakings of the Licensee to a person who is found eligible by the Commission for grant of Licence, without prejudice to any proceeding which may be initiated or any penalty which may be imposed against the person whose Licence is revoked.

28. Dispute resolution:

- 28.1 The Commission shall be entitled to adjudicate on the dispute or nominate person(s) as arbitrator(s) to settle disputes between the Transmission Licensee and any other licensees or between the Transmission Licensee and a generating company in pursuance of clause (f) of sub-section (1) of section 86 read with Section 158 of the Act and the regulations of the Commission.
- 28.2 The proceedings for adjudication and settlement of disputes under clause 28.1 above may be commenced and conducted by the Commission or the disputes may be referred to the arbitration of others, as the case may be, in accordance with the Conduct of Business Regulations specified by the Commission.

29. Application of General Conditions to the State Transmission Utility:

The provisions of these General Conditions shall apply to the State Transmission Utility except the provisions relating to revocation of the Transmission Licence and

the functions of State Load Dispatch Centre under section 39 of the Act and activities of the State Transmission Utility under clauses (b) and (c) of sub-section (2) of section 39 of the Act.

30. Miscellaneous conditions:

- 30.1 All issues arising in relation to interpretation of these General Conditions and as to the terms and conditions thereof 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.
- 30.2 The Commission may at the time of grant of Transmission License waive or modify the application of any of the provisions of these General Conditions either in the order granting the License or by Special Conditions made applicable to a specific Transmission Licensee.
- 30.3 The General conditions contained herein shall apply to all applicants for grant of Transmission License after the coming into force of the Act and also to all deemed Transmission Licensees under section 14 proviso first, second, third and fifth of the Act.

CHAPTER IV – MISCELLANEOUS PROVISIONS

31. Issue of orders and directions

Subject to the provisions of the Electricity Act, 2003 and these regulations, the Commission may, from time to time, issue orders and directions in regard to the implementation of these regulations and the procedure to be followed and on various matters, which the Commission has been empowered by this regulation to direct, and matters incidental or ancillary thereto.

32. Power to remove difficulties:

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission may, by general or special order, do or undertake or direct the Licensees to do or undertake things, which in the opinion of the Commission is necessary or expedient for the purpose of removing the difficulties.

33. Power to amend:

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

APPENDIX – 1**ASSAM STATE ELECTRICITY REGULATORY COMMISSION****FORM – 1 : Application Form for Intra State Transmission Licence in the State of Assam**

The applicant must submit the completed application in six copies to the Secretary, Assam State Electricity Regulatory Commission, along with non refundable application fee of Rs.20,000/- (Rupees Twenty Thousand) in form of a DD drawn in favour of Secretary, Assam State Electricity Regulatory Commission, payable at Guwahati.

PART-A : GENERAL INFORMATION OF APPLICANT

1. Details of Applicant
 - a. Full Name of the Applicant :
 - b. Full Address of the Applicant :
 - (1) Registered Office Address
 - (2) Local Office Address
 - c. Name, Designation & Address of the Authorised Person :
 - d. Contact Telephone Numbers :
 Fax Number(s) :
 Email ID :
2. Nature and Details of Ownership
 - a. Company/ Firm/ Co-op Society/ Individual/ Others :
 - b. Details of Incorporation/ Registration
 - Place of Incorporation/ Registration :
 - Year of Incorporation :
 - Registration Number :
 - c. Names and Addresses of Directors :
3. Principal Shareholders/ Partners/ Members :
4. Details of the area of transmission for which the Licence is sought :

- a. Boundaries of the proposed Area :
of Transmission
 - b. Coverage of the Transmission Network :
 - c. Funding arrangements (source and :
application) to meet the obligations
5. Arrangement proposed with the State Transmission Utility
 6. Arrangement, if any, proposed with other Licensees
 7. Arrangement, if any, with Generating Companies
 8. Resume of the Organisation giving details of
 - a. Management capability
 - b. Financial Strength
 - c. Ability to attend to the activities in a sustainable manner
 9. Prior Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium (As applicable)]

General Information	
Name & Address of the project(s) developed	

Brief description of project(s) developed	
Cost of the project(s) developed – Rs. Lakhs.	
Name & Address of the Client company(s) for whom the project(s) were developed	
Name, Designation & Address of Reference person of Client Co(s)	

10. Details of The Assets and facilities required for the Business

(i) Is the applicant acquiring Existing Assets or Creating New Assets?

Funding	
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Funding	
<p>Proposed means of Finance</p> <p>Equity (Rs. Lakhs)</p> <p>Applicant</p> <p>Co-promoters</p> <p>Others</p> <p>Debt (Rs.Lakhs)</p> <p>Domestic</p> <p>Indian Financial Institutions</p> <p>Commercial Banks</p> <p>Others (specify)</p> <p>International (Foreign Currency in Million)</p> <p>Supplier's Credit</p> <p>Direct Borrowing</p> <p>Others (specify)</p> <p>Equivalent INR (with Exchange rate used)</p> <p>Others (Rs. Lakhs)</p>	

Funding	
<p>In case Asset Procurement/ Project is proposed to be jointly funded by an External Agency</p> <p>Name & Address of the Agency, and contact details of the reference person of the Agency (<i>name, address, telephone/fax numbers, email etc.</i>)</p> <p>Proposed Equity from the Agency (Rs. Lakhs)</p> <p style="padding-left: 40px;">Agency's equity as a percentage of total equity (%)</p> <p style="padding-left: 40px;">Nature of proposed tie-up between Applicant and the other agency.</p>	
<p>Details of debt proposed for the Asset Procurement / Project</p> <p style="padding-left: 40px;">Details of Lenders (<i>name & address</i>).</p> <p style="padding-left: 40px;">Details of Loan packages indicating the loan amount, currency, Term of loan, interest rate, up-front fees, Commitment charges etc.</p> <p style="padding-left: 40px;">(Attach Loan Agreement Copy)</p> <p style="padding-left: 40px;">Whether any guarantee is being sought for the loans from any agency. Is Yes, provide details</p>	<p>Yes/ No</p>

EPC	
<p>Whether the Applicant is proposing to employ an EPC Contractor</p> <p>If Yes, Name, Address & contact details of the same.</p> <p>Proposed Contract Value</p> <p>Foreign Currency</p> <p>Equivalent INR (with Exchange rate used)</p>	<p>Yes/ No</p>

Other Contracts	
<p>Whether the Applicant is proposing to employ any Contractor(s) for O&M work.</p> <p>If Yes, Name, Address & contact details of the same.</p> <p>Period of the Contract</p> <p>Details of the experience of the O&M contractor in similar business(es)</p>	<p>Yes/ No</p>

Note:

1. *Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.*
2. *Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.*

11. Appropriate Expertise (Personnel)

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm
a.				
b.				
c.				
d.				
e.				

12. Financial Details of other business ventures of the applicant)

[To be filled in by the applicant or by each participant separately in case of JVC / consortium
(As applicable)]

General Information					
Names of Subsidiary Business Units	Products Manufactured/ Services				
Financial Indicators					
Fixed Assets					
Gross Fixed Assets					
Accumulated Depreciation					
Net Fixed Assets					
Equity					
Promoters'					
Government/ Financial Institutions					
Public					
Others					
Financial Indicators					
Liabilities					
Long Term					
Short Term					

Income					
Sale of Power					
Others					
Expenses					
Admin. & General Expense					
Repairs & Maintenance					
Employee Cost					
Interest & Financial Charges					
Long Term					
Short Term					
Others					
Overall Turnover (Rs. Lakhs)					
Profits & Returns (Rs. Lakhs)					
Net Profits					
Dividends Paid					
Operating Ratios					
Return on Equity					
Return on Capital Employed					
Return on Net Fixed Assets					
Liquidity Ratio					
Debt Service Coverage Ratio					
Current Ratio					
Quick Ratio					
Capital Adequacy & Credit worthiness					
Debt/ Net worth					
Debt/ Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

13. Baseline Information (Business for which License is sought)

General Information	
Asset Base	
Transformers (Nos.)	
200 mVA	

150 mVA	
100 mVA	
50 mVA	
25 mVA	
10 mVA	
Others	
HT Line (Ckt. Kms)	
220 kV	
132 kV	
66 kV	
Metering Status	
Metered Consumers (as a % of Total Consumers)	
Billing Status	
Billing (as a % of Total Input)	
Estimated Losses	
Technical Losses (%)	
Commercial Losses (%)	
Revenue Realization	
Revenue Realization per Unit Sale (Rs./ Unit)Collection	
Efficiency (%)	

PART – B: LIST OF DOCUMENTS TO ACCOMPANY LICENSE APPLICATION

1. Information relating to pre-existing License (if any), of the applicant with copy of License / sanction.
2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents.
3. Certification of incorporation/Registration.
4. Certification for commencement of Business.
5. Original Power of Attorney of the Signatory confirming the authorization from the Applicant or its Promoter.
6. Details of Income Tax registration.
7. Data relating to Management and Financial capability
 - a. Managerial
 - i. Senior management's curriculum vitae
 - ii. Cadre strength for different categories (technical and non-technical)
 - b. Financial
 - i. Bank references asserting that the Applicant is financially solvent
 - ii. Most recent Annual Financial Statements (Balance Sheet)
 - iii. Annual Audited Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or associated company
 - iv. Any accompanying notes and certifications on the above statements from a reputed chartered accountant
 - c. Any other document evidence to substantiate the financial capabilities, technical competence and others.
8. Data relating to the Applicant's Business proposals
 - i. Five year Business Plan (with projection) for the proposed business for which the application relates
 - ii. Five year annual forecasts of costs, , revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

9. A detailed transmission map (including information as sub-stations and configuration of the system) of the proposed area of transmission.
10. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the License and the means of such acquisition
11. Acknowledgement for service of the copy of the application with the annexure and documents to the State Transmission Utility

Date

Signature of the Applicant

APPENDIX – 2**PROFORMA OF PUBLICATION
OF LICENCE APPLICATION BEFORE THE ASSAM STATE ELECTRICITY REGULATORY
COMMISSION****NOTICE**

Notice is hereby given to all the interested persons that Messrs. (name and address of the applicant) has applied to the Assam Electricity Regulatory Commission (the Commission) for grant of Licence for (nature of the Licence) in the area (specify the area of operation or supply) The application and other documents filed by the applicant can be inspected at the office of the applicant, at and the copies of the same will be available from the applicant for a price not exceeding the normal photocopy charges.

Any person interested in objecting to or otherwise making representation in regard to the grant of Licence may forward the objections/representation with the Commission in two (2) copies by hand delivery or by registered post and should serve a copy of the objection/representation to the applicant at the address mentioned above.

The person filing the objection/ representation should give the following particulars.

1. Name and full address
2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available
3. Whether he wish to be heard in person or through authorised representative at the time of hearing.

APPENDIX – 3**ASSAM ELECTRICITY REGULATORY COMMISSION****TRANSMISSION LICENCE**

1. The Assam Electricity Regulatory Commission (hereinafter referred to as "Commission"), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003 (hereinafter referred to as "Act"), hereby grants the Licence to M/s (hereinafter referred to as the Licensee) to construct, maintain and operate (Name of the Project or Area of Transmission), more specifically described in the schedule attached to this Licence, which shall be read as a part and parcel of this Licence, subject to the Act, the rules and the terms and conditions specified under the Assam Electricity Regulatory Commission (Procedure, Terms and Conditions for granting an Intra-State Transmission Licence and other related matters) Regulations, 2004 which shall be read as part and parcel of this Licence.
2. Wherever there is a contradiction between the terms and conditions contained in this Licence and the transmission services agreements established under regulation 23 of these regulations, the provisions of this Licence, as amended from time to time, shall apply.
3. This Licence is not transferable.
4. The grant of Licence to the Licensee shall not in any way manner or 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 or Area of transmission described in the schedule attached to this Licence. The Licensee shall not claim any exclusivity.
5. The Licence shall, unless revoked earlier, continue to be in force for a period of 25 (twenty five) years from the date of issue.

(By the Order of the Commission)

Secretary
Assam Electricity Regulatory Commission