

**Central Electricity Regulatory Commission ( CERC )**  
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**PUBLIC NOTICE**

**Subject : Draft Regulations on Grant of Licence for inter-State Transmission of Electricity.**

In exercise of powers conferred under Electricity Act, 2003 (the Act), the Commission had published draft regulations on procedure, terms and conditions, for grant of licence for inter-state transmission in electricity in September, 2004. Subsequently, Ministry of Power, Government of India, on 17<sup>th</sup> April, 2006 issued guidelines for encouraging competition in development of transmission projects as also for competitive bidding for transmission service. Therefore, the aforesaid draft regulations have been revised in accordance with these guidelines.

2. Notice is hereby given under sub-section (3) of Section 178 of the Act read with Section 23 of the General Clauses Act, 1897, that objections/suggestions/comments on the draft regulations may be sent to the undersigned latest by 10.11.2006.

**Sd/-**

**( S.K. Chatterjee )**  
**Assistant Secretary**

**New Delhi dated the 04<sup>th</sup> October, 2006**

**CENTRAL ELECTRICITY REGULATORY COMMISSION**  
**Core 3, 7<sup>th</sup> Floor, Scope Complex, Lodhi Road, New Delhi-110003**  
**Tele: 24364911, Fax: 24360010**

**DRAFT NOTIFICATION**

In exercise of powers conferred under Section 178 of the Electricity Act, 2003 and all other powers enabling in this behalf and after previous publication, the Central Electricity Regulatory Commission hereby makes the following regulations, namely:

**CHAPTER- I -- PRELIMINARY**

**1. Short Title and Commencement:-**

- (a) These regulations may be called the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2006
- (b) These regulations shall come into force from the date of publication in the official gazette.

**2. Definitions and Interpretation**

- (1) In these regulations, unless the context or subject-matter otherwise requires:

“Act”	means “The Electricity Act, 2003 (36 of 2003)”;
“Agreement”	means the agreement, contract or memorandum of Understanding, or any such covenant on any aspect relating to the Project , entered into between the

	licensee, the long-term customers and Central Transmission Utility;
“Applicant”	means a person who has made an application for grant of licence or amendment of licence, as the case may be;
“Application”	means the application for grant of licence as prescribed under these regulations along with annexures and enclosures, made to the Commission for grant of licence under sub-section (1) of Section 15 of the Act or for amendment of the licence under sub-section (1) of Section 18 of the Act;
“Bid Process Coordinator”	means agency notified by the Central Government for coordinating the bid process for procurement of transmission services in accordance with Guidelines for Competitive Bidding.
“Central Transmission Utility”	means the Central Transmission Utility notified by the Central Government under sub-section (1) of Section 38 of the Act;
"Change in Law"	in the context of licensee selected through competitive bidding, means the coming into effect or repeal (without re-enactment or consolidation) in India of any Law (including rules and regulations framed pursuant to any Law) or any amendment to any Law or any judgment of a relevant court of Law, after the date specified in the bid document, which requires any additional investment or recurring expenditure by the licensee;

“Commission”	means the Central Electricity Regulatory Commission referred to in Section 76 of the Act;
"Deemed licensee	means a person, who is deemed to be a licensee under Section 14 of the Act or a person exempted from requirement of obtaining licence for inter-state transmission under Section 13 of the Act.
Empowered Committee	means Empowered Committee referred in Guidelines for encouraging competition in Transmission
“Financial Year”	means a period of twelve (12) months from 1 <sup>st</sup> April of a year to 31 <sup>st</sup> March of the following year;
“Grid Code”	means the Grid Code specified by the Commission under Clause (h) of sub-section (1) of Section 79 of the Act and includes the Indian Electricity Grid Code as amended from time to time
Guidelines for Competitive for Bidding	means Tariff based Competitive bidding Guidelines Transmission Service notified by Government of India, Ministry of Power on 17 <sup>th</sup> April, 2006 and any amendment thereof.
Guidelines for encouraging competition	means Guidelines for encouraging competition in development of transmission projects notified by Government of India, Ministry of Power on 17 <sup>th</sup> April, 2006 and any amendment thereof.

“Licence”	means a licence granted under Section 14 of the Act to undertake inter-State transmission in electricity;
“Licensee”	means a person who has been granted a licence and includes deemed licensee.
“Long-Term customer”	means long-term customer as defined in the Central Electricity Regulatory Commission (Open Access in inter-state Transmission) Regulations 2004, as amended from time to time; "
“Project”	means an element or elements of the inter-state transmission system described in the schedule attached to the licence;
“Regulation”	means these regulations;
“Related Company”	A company will be said to be related company of another company, if one is subsidiary company of another or these two companies are subsidiary companies of same holding company; Where terms subsidiary company and holding company will carry same meaning as in the Companies Act, 1956.
“Short-term Customer”	means any customer other than long term customer;
“Standards”	means the technical standards, safety requirements and grid standards specified by the Central Electricity Authority under Section 73 of the Act;

“Transmission Charges “ means annual transmission charges approved by the Commission for the project.

“Transmission Plan” means plans referred in clause 10 of the Guidelines for encouraging competition namely perspective plan/short term plan prepared by CEA or Network Plan prepared by CTU.

(2) Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these regulations and not defined, but defined in the Act or the Grid Code shall have the meanings assigned to them respectively in the Act or the Grid Code.

(3) The General Clauses Act, 1897 (10 of 1897) as amended from time to time shall apply for the interpretation of these regulations as it applies for interpretation of an Act of Parliament.

(4) References in the licence to Schedules shall, unless the context otherwise requires, be construed as references to Schedules of the licence.

## **CHAPTER-II --- SELECTION OF PROJECT AND IMPLEMENTING AGENCY**

### **3. Selection of Projects**

The Empowered Committee shall segregate inter-State transmission schemes identified in the Transmission Plan into:

- (i) Schemes to be undertaken through competitive bidding and
- (ii) Schemes to be undertaken by CTU / other deemed licensee
- (iii) Schemes to be undertaken through Joint Venture route

#### **4 Implementation of Project requiring licence**

##### **(1) Implementation by an agency selected through Competitive Bidding**

In case of the projects, which are selected by the Empowered Committee for implementation through competitive bidding, selection of the implementing agency shall be done in accordance with the Guidelines for Competitive Bidding.

##### **(2) Implementation by a Joint Venture Company**

The Empowered Committee may, in exceptional cases<sup>1</sup>, decide a project to be undertaken through joint venture route. The guiding factor for adopting Joint Venture route shall be the conditions where private sector equity participation is required but open competition is not anticipated;

Provided that Central Transmission Utility/ deemed licensee shall be one of the one of the partners of the Joint Venture Company with at least 26% equity participation.

### **CHAPTER-III --- PROCEDURE FOR GRANT OF LICENCE**

#### **5. Proceedings before the Commission**

All proceedings before the Commission under these regulations shall be governed by the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, as amended from time to time, including statutory re-enactment thereof.

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<sup>1</sup> Existence of several project specific JV companies with no potential for growth is not desirable.

**6. Grant of licence**

(1) No person shall be eligible for grant of license unless it is selected for implementation of the project in accordance with Regulation 4(1) of these Regulations or is a Joint Venture Company as per Regulation 4(2) of these Regulations.

(2) The application shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by a fee of Rupees one lakh presently prescribed by the Central Government or such other fee as may be prescribed by the Central Government from time to time.

(3) In case of applicant selected for implementation in accordance with Regulation 4(1), the application shall be filed within 30 days of selection and shall be accompanied by recommendation of selection by the Empowered Committee and copy of the evaluation report made public by Bid Process Coordinator. In case applicant is a Joint Venture Company, the application shall be accompanied by recommendation of the Empowered Committee for executing the project through Joint venture Route.

(4) The application made shall be supported by affidavit of the person acquainted with the facts stated in the application.

(5) Before making an application, the applicant shall serve a copy of the application on each of the long-term customer of the project.

(6) The applicant shall post complete application along with annexures and enclosures on its web site, so as to facilitate access to the application by any person through Internet.

(7) The application shall be kept on the website at least for 30 days from the date of publication of the notice of application in accordance with clause (10) of this regulation.

(8) While making the application, the applicant shall indicate whether copy of the application has been served on each of the long-term



customer and whether the application has been posted on the website, indicating the address of the website whereon the application has been posted.

(9) Immediately on making the application, the applicant shall forward a copy of such application to the Central Transmission Utility.

(10) The applicant shall, within 7 days after making the application, publish a notice of his application in at least two daily newspapers, one in English language and one in vernacular language, having circulation in each of the State/Union Territory where any of the assets of the Project and the long-term customers are situate, in the same language as of the daily newspaper in which the notice of the application is published, as per Form-II attached to these regulations.

(11) The suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, 7<sup>th</sup> Floor, Core-3, Scope Complex, Lodi Road, New Delhi-110003 (or other address where the office of the Commission is situate) by any person, including the long-term customers within 30 days of publication of the notice, with a copy to the applicant.

(12) The applicant shall within 15 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published, indicating the name of the newspapers in which the notice has been published and the date and place of its publication and shall also file before the Commission relevant copies of the newspapers in which the notice has been published.

(13) The applicant may file his comments duly supported by an affidavit on the suggestions and objections, if any, received in response to the public notice within 45 days of its publication in the newspapers, with an advance copy to the person who has filed the suggestions and objections on the proposals made in the application;

(14) The Central Transmission Utility shall send its recommendations, if any, to the Commission within a period of thirty days from the date of receipt of application.

Provided that the recommendations, if any by the Central Transmission Utility shall be endorsed to the applicant;

Provided further that the recommendations of the Central Transmission Utility shall not be binding on the Commission.

(15) Before granting a licence, the Commission shall –

(a) Publish a notice in two such daily newspapers, as the Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence, and

(b) Consider all suggestions or objections and the recommendations, if any, of the Central Transmission Utility.

(16) The Commission may after consideration of the application as aforesaid, issue a licence as per Form-III attached to these regulations subject to the provisions of the Act, the rules and regulations made thereunder or reject the application for reasons to be recorded in writing, if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or the provisions of any other law for the time being in force or the assets in respect of which the application for grant of licence has been made or for any other valid reason:

Provided that the Commission may in its discretion, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or any person who has filed suggestions and objections, or any one or more of them before taking a decision to issue the licence or reject the application;

Provided further that the applicant shall be given a reasonable opportunity of being heard before rejecting his application.

(17) The Commission shall within 15 days of making the order to grant the licence send a copy of the licence to the Central Government, the Central Electricity Authority, the Central Transmission Utility, the applicant and the long-term customers.

## **CHAPTER –IV---- QUALIFYING REQUIREMENTS FOR APPLICANT**

### **7. Qualifying Requirements**

The applicant shall be entitled for grant of licence, if it fulfils the following requirements, namely:

(1) The applicant shall have experience in development, establishment and arranging finances for projects in Power Sector or other infrastructure sectors.

Provided that cumulative capital cost of such projects completed by the applicant during last 10 years should be at least equal to 50% of the estimated capital cost of the Project (rounded off to nearest one million Rupees).

Provided further that capital cost of such projects considered shall be in proportion to the equity owned by the applicant in the completed projects.

(2) Net worth of the applicant for the last three financial years shall not be less than the 25% of the estimated capital cost of the Project (rounded off to nearest one million Rupees).

#### **Note 1**

In case applicant is a consortium, affiliates may meet the qualifying requirements collectively.

**Note 2**

The applicant shall be required to submit necessary evidence in support of its claim of meeting the qualifying requirements.

**Note 3**

If applicant is a new entity and is relying on a Related Company for meeting qualifying requirements, such Related Company shall hold equity of at least 26% in the applicant company;

Provided that if Commission grants licence to the applicant, such Related Company shall continue to hold minimum of 26% equity for at least 3 years after the date of commercial operation of the Project.

**CHAPTER V – PAYMENTS AND RECOVERIES**

**8. Transmission Charges**

(1) In case Project is owned or operated by a licensee which is a Joint Venture Company, determination and payment of Transmission charges , incentives, disincentive etc for the Project shall be done in accordance with the terms and conditions for determination of tariff specified by the Commission from time to time.

(2) If licensee has been selected for implementation of the Project through competitive bidding, in accordance with the Guidelines for Competitive Bidding:

(a) The Commission shall adopt the tariff determined through the process of bidding.

(b) The Target Availability shall be 98% for AC system and 95% for HVDC system.

(c) One twelfth of the annual Transmission Charges approved by the Commission shall be payable by the long-term customers on monthly basis and adjustment on account of variation in actual availability from Target Availability shall be carried out after the year end as per following formula:

Actual Transmission Charges payable

= Annual Transmission charges approved by the Commission X (Actual Availability-Target Availability) /Target Availability .

(d) Calculation of availability shall be done as per the procedure stipulated in the Notification dated 26.03.2004 on terms & conditions of tariff, as amended from time to time.

(e) Transmission Charges shall be recovered by the licensee directly from long-term customers unless the agreements provide for a different arrangement.

(f) The transmission charges shall be shared by the long-term customers in accordance with the relevant provisions of the terms & conditions of tariff as amended from time to time. Recovery of transmission Charges from short-term customers shall be in accordance with Central Electricity Regulatory Commission (Open access in Inter-State Transmission) Regulations, 2004 as amended from time to time.

(g) A rebate of 2.0% shall be allowed in case of payment through Letter of Credit, otherwise a rebate of 1% shall be allowed for payment within one month of presentation of bills.

(h) Delay in payment of Transmission Charges shall invite a Delayed Payment Surcharge of 1.25%.

**9. Impact of Change in Law on transmission Charges:**

Impact of change in law on transmission charges shall be dealt with as per relevant provisions in the agreements.

**10. Treatment of recoveries from licensee:**

Any recoveries from the licensee by way of seizure of deposits or imposition of liquidated damages, after setting off liabilities of the project, shall be-

- (a) Distributed among the long-term customers in the ratio in which transmission charges are (to be) shared, if such recoveries are made-
  - (i) after Date of commercial operation or
  - (ii) during construction phase of the project, if the licensee from whom recoveries are made continues to construct the project or the project is completed by another licensee selected through competitive bidding.
- (b) Used as grant towards construction of the project, if the licensee from whom recoveries are made is not able to complete the project and the project is completed either by Central Transmission Utility or another a joint venture company.

**CHAPTER – VI ---- TERMS AND CONDITIONS OF LICENCE**

**11. Obligations of Licensee**

The licensee shall be subject to the following obligations, namely:

- (a) The licensee shall build, maintain and operate the Project in a time-bound, efficient, co-ordinated and economical manner,
- (b) The licensee shall operate the Project in accordance with instructions issued by the Regional Load Despatch Center from time to time,
- (c) The licensee shall construct, operate and maintain the Project in accordance with the prudent utility practices and Agreements,
- (d) The licensee shall strictly comply with the requirements of all laws in force and, in particular, the Act, the rules and

- regulations framed pursuant to the Act, the Grid Code, the Standards, orders and directions issued by the Commission,
- (e) The licensee shall provide non-discriminatory open access to its transmission system for use by any other licensee, whether the transmission licensee, distribution licensee or electricity trader, or generating company or any other person in accordance with the Central Electricity Regulatory Commission (Open access in inter-state transmission) Regulations, 2004, as amended from time to time,
  - (f) The licensee shall pay the licence fee specified under these regulations in accordance with the time-schedule specified in regulation 10 of these regulations.
  - (g) The licensee shall make an appropriate application before the Commission in accordance with Central Electricity Regulatory Commission (Conduct of Business Regulations), 1999 as amended from time to time including statutory re-enactment thereof, wherever prior approval of the Commission is required.
  - (h) The licensee shall render all assistance to any person authorised by the Central Transmission Utility or Commission for inspection of the project.
  - (i) The licensee shall comply with regulations, if any, prescribed by the Commission regarding utilisation of assets for any business other than transmission of electricity
  - (j) Within 3 months of the date of financial closure of the project, the licensee shall effect and maintain during the validity of the licence period, insurance against various risks and such insurance as may be required/necessary under:
    - (i) Any of the agreements
    - (ii) The laws of India
    - (iii) In accordance with prudent utility practices

**12. Prohibited Activities**

(1) The licensee shall not undertake any of the following activities, without prior approval of the Commission:

- (a) Acquire by purchase or take over or otherwise the utility of any other licensee; or
- (b) Merge his utility with the utility of any other licensee.

(2) Every licensee shall, before obtaining approval under clause (1) of this regulation give not less than one month's notice to every other licensee who transmits or distributes electricity in the area of the licensee who applies for such approval.

(3) The licensee shall not assign his licence or transfer his utility, or part thereof to any person by sale, lease, exchange or otherwise, without prior approval of the Commission.

Provided that in case of default by the licensee in debt repayment, the Commission may, on an application from the lenders, assign the licence to the nominee of the lenders subject to fulfillment of qualifying requirements specified in Chapter-III by such nominee.

(4) Any agreement relating to any transaction of the nature described in clause (1) or clause (3) of this regulation unless made with the prior approval of the Commission, shall be void and shall constitute violation of terms and conditions of the licence.

(5) A transmission licensee may not engage in any business for optimum utilisation of its assets without prior intimation to the Commission, at least 30 days before the proposed date of commencement of such business:

Provided that a proportion of the revenues derived from such business shall, as may be specified by the Commission, be utilised for reducing its charges for transmission and wheeling:



(6) The licensee shall not modify any part of the Project except with the prior approval of the Commission or in accordance with the guidelines, if any, issued by the Commission.

(7) The licensee shall not enter into any contract or otherwise engage in the business of trading of electricity.

**13. Term of Licence**

The licence shall unless revoked earlier, continue to be in force for a period of 25 (twenty five) years from the date of issue:

Provided that after expiry of the initial term of licence, the Commission may grant renewal of licence for such further period or periods and on such terms and conditions as the Commission may consider appropriate on the basis of an application to that effect made by the licensee;

Provided further that in case of renewal of licence, the procedure for application of licence contained in these regulations shall apply *mutatis mutandis*.

**14. Payment of Licence Fee**

The licensee shall pay to the Commission the licence fee of the amount specified hereunder payable by means of a Bank Draft drawn in favour of Assistant Secretary, Central Electricity Regulatory Commission, New Delhi

(a) Initial licence fee of Rs.1,00,000 (Rupees one lakh), within seven days of grant of licence

(b) After the assets are declared under commercial operation the licensee shall be required to pay a sum equal to 0.05 % (one twentieth of one percent) of annual transmission charges approved by the Commission, subject to a minimum of Rs. 1,00,000/- (Rs. one lakh only) as annual licence fee for each financial year within thirty (30) days of the commencement of the financial year.

(c) The licence fee shall be recoverable separately (in addition to approved transmission charges) by the licensee from the long-term customers in the manner similar to transmission charges.

(d) For the period between the date of commercial operation and end of the financial year, *pro rata* of yearly licence fee as provided in clause (b) of this regulation shall be paid within 30 (thirty) days of commencement of the commercial operation.

(e) For the period between start of the financial year and end of the term of the licence, *pro rata* of yearly licence fee as provided in clause (b) of this regulation shall be paid within 30 (thirty) days of commencement of financial year:

**15. Late Payment Surcharge**

In case the licensee fails to pay to the Commission the licence fee specified under Regulation 10 of these regulations 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.

**16 . Other Consequences of Late Payment or Non-payment of Licence Fee**

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 60 days, shall be construed as breach of the terms and conditions of the licence and the licensee shall be liable to be revoked.

**17. Accounts of the Licensee**

The licensee shall -

(a) Maintain separate accounts for each business undertaking utilising assets of the Project. The statement of accounts shall be in such form and contain such particulars as may be laid down by the Commission and till such time these are

specified by the Commission, the accounts shall be maintained in accordance with the Companies Act, 1956, as amended from time to time.

- (b) Prepare on a consistent basis from such records accounting statements for each financial year comprising a profit and loss account, a balance sheet and a statement of source and application of funds together with notes thereto and showing separately the amounts of any revenue, cost, asset, liability, reserve, or provision which has been either:
  - (i) Charged from or to any business together with a description of the basis of that charge ; or
  - (ii) Determined by apportionment or allocation between the various business activities together with a description on the basis of the apportionment or allocation,
- (c) Get the accounting statements prepared in accordance with foregoing clauses, duly certified by the Auditors in respect of each Financial Year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenues, costs, assets, liabilities, reserves reasonably attributable to the business to which the statements relate.

**18. Inspection of Accounts**

Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee at any point of time and the licensee shall render all necessary assistance to the person so authorised.

**19. Submission of Information**

- (a) The licensee shall submit such information, as may be called for by the Commission from time to time.

- (b) Regional Load Despatch Centres, in order to fulfill responsibility of supervision and control over Inter-State Transmission System entrusted under the Act and Central Electricity Authority, in order to fulfill responsibility of monitoring of the projects entrusted under the Guidelines for encouraging competition, may require the licensee to furnish the information, in specified formats and at specified intervals. Regional Load Despatch Centres and Central Electricity Authority may from time to time report to the Commission, such of the developments, as they consider appropriate in regard to performance of licensee.

**20. Prudential Reporting**

The licensee shall, as soon as practicable, report to the Commission:

- (a) Any change in major shareholding, ownership or management of the licensee.
- (b) Any proceedings initiated by one or more of the parties signing the Agreement for termination of the Agreement.

**21. Amendment of Licence**

(1) The Commission may amend or alter terms and conditions of the licence in public interest, with the consent of the licensee or on an application from the licensee upon such terms and conditions, as it thinks fit:

Provided that no such amendment or alteration shall be made except with the consent of the licensee unless such consent has not been received within 30 days of the communication of the notice containing the proposed amendment or alteration in the terms and conditions along with reasons for the same.

(2) Where the licensee has made an application proposing alteration or amendment to the licence, the procedure specified under regulation 4 of these regulations, shall apply *mutatis mutandis* in such manner that the

application for grant of licence shall be construed as the application for alteration or amendment of licence.

(3) Where any amendment to the licence is proposed to be made in public interest and otherwise than on the application of the licensee, the Commission shall publish a notice of the proposed amendment to the licence in two such daily newspapers, as the Commission may consider necessary, stating the name of the licensee with such other details as the Commission considers appropriate.

(4) The Commission shall not make any amendment to the licence unless all suggestions or objections received within 30 days from the date of publication of the notice have been considered.

## **22. Revocation of Licence**

(1) The Commission may at any time revoke the licence, in accordance with Section 19 of the Act, in any of the following circumstances, namely:-

- (a) Where the licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under the Act, or the rules or the regulations made there under;
- (b) Where the licensee violates any of the terms and conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation.
- (c) if any element of the Project remains unavailable for a cumulative period of 500 hours or more over a consecutive period of 6 months.
- (d) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period allowed by the Commission –

- (i) to show, to the satisfaction of the Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence;  
or
    - (ii) to make the deposit or furnish the security, or pay the fees or other charges as required by his licence.
  
  - (e) Where in the opinion of the Commission the financial position of the licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him by his licence.
- (2) The Commission may revoke the licence for the Project or a part thereof in public interest, with the consent of the licensee or on an application made by the licensee upon such terms and conditions, as it thinks fit.
- (3) The Commission may, instead of revoking a licence under clause (1) of this regulation, permit the licence to remain in force subject to such further terms and conditions as it thinks fit and, any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.
- (4) If the licence is proposed to be revoked under clause (1) of this regulation, the Commission shall serve a notice of at least three months stating the ground on which revocation is proposed and shall duly consider the cause shown by the licensee within the notice period only.
- (5) While revoking a licence, the Commission shall fix a date on which the revocation shall take effect.
- (6) Where the Commission has given notice of revocation of licence under clause (4) above, the licensee may, after prior approval of the

Commission, sell his utility to a person found eligible by the Commission for grant of licence or to the Central Transmission Utility.

(7) If the Commission is satisfied that the Project has been abandoned by the licensee, thereby affecting operation and maintenance of the Project, the Commission may direct the Central Transmission Utility or any other person found eligible by the Commission, to immediately take over operation and maintenance of the Project even before the licence is revoked.

(8) In case of revocation of the licence, the sale of the utilities of the licensee shall take place in accordance with Section 20 of the Act provided sale has not already taken place under clause (6) above.

## **CHAPTER VII - CONDITIONS TO BE COMPLIED BY DEEMED LICENSEES**

- 23.** Deemed licensee shall take up only those projects for execution, which have been identified by the Empowered Committee in accordance with Regulation 3.
- 24.** Deemed licensee shall discharge all the obligations listed in Regulation 11 {except 11(f) }, shall not engage in prohibited activities listed in Regulation 12 and shall maintain accounts in accordance with Regulation 17.

## **CHAPTER VIII - MISCELLANEOUS**

**26. Dispute Resolution**

(1) All disputes or differences arising out of or related to inter-state transmission of energy, including the transmission charges and those arising out of or connected with the interpretation of the licence or the

terms and conditions thereof, shall as far as possible be resolved by mutual consultation/ reconciliation as stipulated in the Agreements..

(2) In the event of failure of the parties to resolve these disputes or differences in the manner stated above, these shall be referred to the Commission for adjudication arbitration.

27. **Communication**

(1) All communications relating to the licence shall be in writing and shall be delivered either in person, or by registered post or speed post at the place of business of the addressee.

(2) All communications shall be regarded to have been given by the sender and received by the addressee –

(a) when delivered in person to the addressee or to his authorised agent; or

(b) on expiry of 15 days from the date of sending by registered/speed post at the address of the addressee.

28. **Power to Relax**

The Commission may, when it considers necessary or expedient to do so and for reasons to be recorded in writing amend, vary, relax or depart from any of the provisions of these regulations, with or without public hearing as deemed fit.

29. **Repeal and Saving**

(1) Save as otherwise provided in these regulations, Central Electricity Regulatory Commission (Procedure, Terms & Conditions for grant of Transmission Licence and other related matters) Regulations, 2003 are hereby repealed.

(2) Notwithstanding such repeal, anything done or purported to have been done or any action taken or purported to have been taken under the repealed regulations, shall be deemed to have been done or purported to have been done or taken or purported to have been taken under these regulations.



(3) The projects for which the Commission has approved a process of implementation prior to coming into effect of these regulations in deviation from the repealed regulations, shall be treated as special cases and these regulations shall be applied to the extent they are not inconsistent with already approved process for such projects.

**SECRETARY**

**Application Form for Grant of Transmission licence****1. Particulars of the Applicant**

- i) Name of the Applicant :
- ii) Status : Individual/ partnership firm/Private Limited Company/ Public Limited Company
- iii) Address :
- iv) Name, Designation & Address of the Contact Person :
- v) Contact Tel. No. :
- vi) Fax No. :
- vii) Email ID :
- viii) Place of Incorporation/Registration :
- ix) Year of Incorporation/Registration :
- x) Following documents are to be enclosed:
  - (a) Certificate of registration

(b) Original Power of Attorney of  
the signatory to commit the  
Applicant or its promoter

**2. Particulars of the Project for which licence is being sought:**

(a) Transmission Lines:

S.No.	Name (end-points location)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)

(b) Sub-stations

S.No.	Name (location)	Voltage Level(s) (kV)	Transformer (Nos. and MVA capacity)	Reactive / capacitive compensation (device with MVAR capacity)	No. of bays

(c) Commissioning schedule;

(d) Identified Long-term transmission customers of the Project:

(Agreements or status of discussion on Agreements to be submitted along with application)

- (e) Any other relevant information
3. In case applicant is Joint Venture Company in accordance with Regulation 4(1) :
- (a) Estimated completion cost of the Project:  
*(The estimated cost should be indicated in INR, along with the base month and year of the estimated cost)*
- (b) Enclose recommendation of the Empowered Committee for execution of the project through JV route.
4. In case applicant has been selected in accordance with Regulation 4(2), enclose:
- (a) Recommendation of selection by the Empowered Committee
- (b) Copy of evaluation report made public by the Bid Process Coordinator.
5. Details in support of qualifying requirement of experience as per Regulation 7:  
[To be filled in by the applicant or by each participant separately in case of Joint Venture Company/ consortium (As applicable)]  
Attach a detailed note indicating details such as description of the projects undertaken, capital cost, equity participation, responsibilities of the applicant in these projects, certificate of good performance by the owner/client.
6. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each year) for immediate past (3) Three financial years. (Specify financial year as applicable)  
[To be filled in by applicant or by each participant separately in case of Joint Venture Company/ consortium (As applicable)]

(DD/MM/YY) to (DD/MM/YY)

	<b>In Home Currency</b>	<b>Exchange rate used</b>	<b>In equivalent Indian Rs.</b>
a) Year 1(     ) to (     )	-----	-----	-----
b) Year 2(     ) to (     )	-----	-----	-----
c) Year 3(     ) to (     )	-----	-----	-----

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

7. List of documents enclosed:

**Name of document**

- a) \_\_\_\_\_
- b) \_\_\_\_\_
- c) \_\_\_\_\_
- d) \_\_\_\_\_

(Signature of Applicant)

Dated :

Place:

**Form II**

**(Form of Public Notice)**

**Monogram, if any, of the applicant**

**Name of the applicant (In bold letters)**

**Address of the applicant (In bold letters)**

**NOTICE (In bold letters)**

**(Under sub-section (2) of Section 15 of the Electricity Act, 2003)**

**(In bold letters)**

(To be published in at least two daily newspapers, one in English and the other in the vernacular language having circulation in each of the State/Union Territory where any of the assets of the Project and the long-term customer are situate in the same language as of the daily newspapers.)

1. .... (Give here name of the applicant in BOLD LETTERS), having its Registered Office at .....(Give the address in BOLD LETTERS), which is incorporated under the Companies Act, 1956, has made an application before the Central Electricity Regulatory Commission, New Delhi under sub-section (1) of Section 15 of the Electricity Act, 2003 for grant of transmission licence in respect of the transmission lines, sub-stations and other assets, the details of which are given below:

Sl. No.	Name of the line/Sub-station (location)	Line length <sup>1</sup> / Capacity <sup>2</sup>	Estimated Completion Cost <sup>3</sup> (If applicant is Joint Venture Company)/ Levelised Transmission Charges <sup>4</sup> (If applicant is selected through competitive bidding)	Commissioning Schedule	Remarks <sup>5</sup>

**Explanatory note:**

***These are explanatory notes for submitting above information and not to be included in the public notice.***

- 1. In case of a transmission line.*
- 2. In case of a sub-station.*
- 3. The estimated cost in INR along with the base month and year of the estimated cost.*
- 4. Levelised Transmission Charges based on tariff quoted and discount factor & escalation factor used for evaluation by Bid Process Coordinator.*
- 5. In the remarks column, in addition to any other details that may be considered necessary, it should be clearly mentioned whether any of the assets will traverse or will be located, wholly or partly, in any cantonment, aerodrome, fortress, arsenal, dockyard or camp or any of the buildings or place in occupation of the Government for Defence purposes or up to a distance of 2 kms for these establishments or reserve forest.*

2. Complete application and other documents filed before the Commission are available on the web site ..... (Give web site address) for access by any person. The application can also be inspected at the office of the Company at..... (Give address or reference to address, if given in the monogram) with ..... (Give name of the person authorised to allow inspection)

3. Objections or suggestions, if any, be filed before the Secretary, Central Electricity Regulatory Commission, 7<sup>th</sup> Floor, Core 3, Scope Complex, Lodi Road, New Delhi-110 003, with a copy of the objection(s)/suggestion(s) to the authorised person of the applicant, within 30 days of the publication of the notice in the newspaper.

Place :

Name and Designation of the

Date :

Authorised signatory

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**TRANSMISSION LICENCE**

1. The Central 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), 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 Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2005 which shall be read as part and parcel of this licence.
2. The conditions such as but not limited to, completion schedule, transfer value, liquidated damages, Project Implementation Guarantee Deposit, escalation due to domestic inflation, which are specified in bid documents and provisions in the Agreements, shall be treated as part of this licence, unless these provisions are contrary to the Central Electricity Regulatory Commission ((Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2006.
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 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.

**SECRETARY**

Place: New Delhi.

Date: .....

**SCHEDULE**

**1.0 Project Related Details:**

The Project comprises of following elements of the Inter-State Transmission System:

<b>S.No.</b>	<b>Name of the transmission element</b>	<b>Scheduled date of commissioning</b>

Place: New Delhi

**SECRETARY**

Date: .....