

GUJARAT ELECTRICITY REGULATORY COMMISSION (GERC)

LICENSING OF TRANSMISSION

Notification No. 2 of 2005

In exercise of the powers conferred under Section 181 read with Section 15, 16 and 18 of the Electricity Act, 2003 (36 of 2003) and Section 65 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (Gujarat Act No. 24 of 2003) read with Section 20 and 22 thereof and all powers enabling it in that behalf, the Gujarat Electricity Regulatory Commission hereby makes the following Regulations, namely:-

Chapter 1

Preliminary

1. Short Title, Extent and Commencement

- (i) These Regulations shall be called the Gujarat Electricity Regulatory Commission (Licensing of Transmission) Regulations, 2005.
- (ii) These Regulations extend to the whole of the State of Gujarat.
- (iii) These Regulations shall come into force on the date of their publication in the Gazette.

2. Definitions and Interpretation

2.1 In these Regulations, unless the context otherwise requires: -

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

The Accounting Statement shall show separately the requirements mentioned above for the Licensed Business and Other Business(es) in which the Transmission Licensee may engage.

- (b) "Acts" shall refer to the Electricity Act and the Gujarat Act, read together;
- (c) "Annual Accounts" means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act, 1956, where applicable, and/or in accordance with standard accounting practice in any other case;
- (d) "Applicant" means a person who has made an application for a grant of licence for intra-state transmission of power;
- (e) "Area of Activity" or "Area of Licence" means the area of activity stated in the Transmission Licence within which the Transmission Licensee is authorised to operate and maintain transmission lines;
- (f) "Auditors" means the Transmission Licensee's auditors, and if the Transmission Licensee is a company, auditors holding office in accordance with the requirements of the Companies Act 1956 (1 of 1956), as amended from time to time;
- (g) "Business Plan" means a plan in relation to the Licensed Business, containing all the details specified in Regulation 19;

- (h) "Electricity Act" means the Electricity Act, 2003 (36 of 2003);
- (i) "Commission" means the Gujarat Electricity Regulatory Commission;
- (j) "Conduct of Business Regulations" means the Gujarat Electricity Regulatory Commission (Conduct of Business) Regulations, 2004, as amended from time to time and includes any statutory re-enactment thereof;
- (k) "Distribution Licence" means a licence to operate and maintain a distribution system for supplying electricity to the consumers in the area of licence, and "Distribution Licensee" shall be construed accordingly;
- (l) "Grid Code" means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Electricity Act and includes the Indian Electricity Grid Code as applicable and in force on the date of commencement of these Regulations;
- (m) "Gujarat Act" means the Gujarat Electricity Industry (Reorganisation & Regulation) Act, 2003;
- (n) "Licence" means a licence granted under Section 14 of the Electricity Act read with Section 20 of the Gujarat Act, and "Licensee" shall be construed accordingly, and shall include any person who is a deemed licensee under the Acts;
- (o) "Licensed Business" means the business of Transmission of electrical energy in the Area of Licence as authorised under the Transmission Licence;
- (p) "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;

- (q) "Open Access" means the non-discriminatory provision for the use of transmission lines or transmission system or associated facilities with such lines or system by any Licensee or consumer or a person engaged in generation accordance with the Electricity Act and the regulations specified by the Commission;
- (r) "Other Business" means any business of a Transmission Licensee other than the Licensed Business of intra-state transmission, which the Transmission Licensee engages in for the optimum utilization of its assets;
- (s) "Regulations" means the Gujarat Electricity Regulatory Commission (Licensing of Transmission) Regulations, 2005;
- (t) "Secretary" means the Secretary of the Gujarat Electricity Regulatory Commission;
- (u) "Trading Licence" means a Licence granted to undertake trading in electricity as an electricity trader, and "Trading Licensee" shall be construed accordingly;
- (v) "Transmission Licence" means a Licence granted to establish or operate transmission lines in the area specified in the Licence, and "Transmission Licensee" shall be construed accordingly;
- (w) "Year" means a period of twelve months from 1st April of a calendar year to 31st March of the following calendar year;

Words and expressions used and not defined in these Regulations but defined in the Acts shall have the meanings assigned to them in the Acts. Expressions used herein but not specifically defined in these Regulations or in the Acts but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law.

Expressions used herein but not specifically defined in the Regulations or in the Acts or any law passed by a competent legislature shall have the meaning as is generally assigned in the electricity industry.

2.2 Interpretation

In the interpretation of these Regulations, unless the context otherwise requires:

- (a) words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
- (b) the terms “include” or “including” shall be deemed to be followed by “without limitation” or “but not limited to” regardless of whether such terms are followed by such phrases or words of like import;
- (c) references herein to the “Regulations” shall be construed as a reference to these Regulations as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- (d) the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of these Regulations;
- (e) references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

2.3 Review

These Regulations may be reviewed by the Commission from time to time, *inter alia* for securing harmonization with the regulation of open access and/or to cater to the needs of developing power markets, in accordance with Section 66 of the Electricity Act, 2003.

Chapter - 2

Qualifying Requirements for Applicant

3. Qualifying Requirements

The applicant to be entitled for grant of licence, shall fulfil the following technical and financial requirements, namely:

(1) **Technical experience (capability):**

The applicant shall have experience (capability) 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 sub-stations only) or both (if the assets in respect of which the application for grant of licence has been made, includes both 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 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.

(2) **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.

Note 1

In case of consortium, affiliates may meet the qualifying requirements of the financial capability collectively.

Note 2

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

Chapter - 3

General Provisions

4. All proceedings under these regulations shall be governed by the Gujarat Electricity Regulatory Commission (Conduct of Business Regulations) 2004 as amended from time to time.

5. **Applications for Grant of Licence**

(a) The application for grant of Licence for intra-state transmission shall be made to the Commission in the form specified in **Schedule-1** of these Regulations, and shall be accompanied by licence application fee as may be prescribed by the State Government. Such fee shall be payable by Bank Draft/Pay Order drawn in favour of the Secretary, Gujarat Electricity Regulatory Commission.

(b) Every application for grant of a licence shall be signed by or by an authorised signatory on behalf of the Applicant and shall be addressed to the Secretary of the Commission. The application shall be filed in 6 (six) sets and each set shall be accompanied by:

i. Maps of the proposed area of licence on a scale of not less than 10 cm to a km or, if no such maps are available, of not less than that of the largest scale ordinance maps available or such other scale as may be approved by the Commission in a specific case;

ii. a detailed description of the existing transmission network within the State in the licensee's proposed Area of Activity, including the single line diagram of the transmission network as well as an executive summary of the existing facilities, details of other

equipment/apparatus in his area including number and details of sub-stations, details of power transformers, a description of the metering mechanism and other relevant details of the system including details of ownership of the said facilities.

- iii. A detailed project report in relation to the construction, operation and/or maintenance of the transmission system proposed to be undertaken by the Applicant in the Area of Activity (hereinafter the “project”);
- iv. a list of all the local authorities (viz. Gram Panchayat, Taluka Panchayat, District Panchayat, Municipal Area) vested with the administration of any portion of the proposed Area of Licence through which the proposed transmission line will pass;
- v. an approximate statement describing any land which the Applicant proposes to acquire for the purpose of the Licensed Business and the means of such acquisition;
- vi. a statement of the capital proposed to be expended in the Area of Licence and such other particulars as the Commission may require;
- vii. relevant information pertaining to the availability of adequate number of competent personnel to construct, operate and/or maintain the transmission system effectively and efficiently, the availability of infrastructure facilities and the financial capacity to carry out the project;
- viii. a copy of the Memorandum and Articles of Association of the company, where the Applicant is a body corporate, and similar applicable documents of incorporation, registration or agreement in case of other business entities;
- ix. a receipt for payment of application fee as specified in accordance with clause (a) above;

- x. an affidavit by the Applicant to verify the information disclosed in the application;
- xi. where the Applicant is a company, details of any group company engaged in the business of generation, distribution, transmission or trading, whether within the State of Gujarat or in any other State;
- xii. where the Applicant is not a company, details of the business of generation, distribution, transmission or trading, whether within the State of Gujarat or in any other State, in which the Applicant is directly or indirectly interested;
- xiii. Brief history of the promoters where the Applicant is a company;
- xiv. such other documents or information as the Commission may seek.

(c) Where an application is made in the manner specified above, the Applicant shall forward a copy of the application to the State Transmission Utility for its recommendations simultaneously with filing it before the Commission.

(d) The application for grant of licence for intra-state transmission, along with annexures and enclosures thereto, shall also be submitted to the Commission and the STU on compact disc (CD) after taking necessary measures for data protection, virus detection etc..

(e) The Applicant shall post the completed application, along with annexures and enclosures, on its own websites or where it does not have such website, on any other website, to provide access to the application through the Internet.

(f) **Recommendation of STU**

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

(ii) The State Transmission Utility shall whether it sends its recommendations or not, within a period of thirty days submit a report to the Commission on the following aspects, namely:

(a) Whether the assets in respect of which the application for grant of licence has been made, form part of the intra-state transmission system,

(b) Whether the assets in respect of which the application for grant of licence has been made, form part of the transmission plan,

(c) Justifiability of completion schedule envisaged for the assets in respect of which the application for grant of licence has been made,

(d) Technical viability of the assets in respect of which the application for grant of licence has been made,

(e) Justifiability or otherwise of the estimated completion cost indicated by the applicant,

(f) Any other information considered relevant:

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

Provided further that the recommendations and the report of the State Transmission Utility shall not be binding on the Commission.

6. Receipt and Acknowledgement of Application

Upon receipt of the application for grant of licence, the Secretary shall enter the particulars thereof in a register to be maintained for this purpose and allot a reference number to the application. The Secretary shall send an acknowledgement to the Applicant at the address stated in the application including the date of receipt and the reference number.

7. Public Notice of Application

- (a) The Applicant shall, within seven days after making an application, publish a public notice in one issue each of a daily news paper in English language and two daily news papers in Gujarati language having wide circulation in the area of transmission for which the licence is sought, with the following particulars, namely: -
- i) Name of the Applicant in bold at the top clearly bringing out whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address if any;
 - ii) A statement that the Applicant has submitted an application to the Gujarat Electricity Regulatory Commission for grant of Licence for intra-state transmission under sub-section (1) of Section 15 of the Electricity Act;
 - iii) Financial and technical strength, management profile and share holding pattern, if any, of the Applicant;
 - iv) Geographical areas within which the Applicant will undertake transmission of electricity as stated in the application submitted to the Commission;
 - v) A statement to the effect that the application and other documents filed before the Commission from time to time, are available with the Applicant for inspection by any person;
 - vi) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed Transmission licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;

vii) A statement to the effect that complete application is available on the website of the Applicant or any other authorised website and can be downloaded free of cost;

viii) A statement that objections, if any, may be filed before the Secretary, Gujarat Electricity Regulatory Commission within 30 days from the publication of the notice giving the address of office of the Commission.

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

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

(b) In addition to the above, the Commission may direct that notice of the application be served on any designated representative of the Central Government, the State Government, any local authority or any other authority or person or body as the Commission may deem appropriate.

(c) The Applicant shall within 7 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit with the details of the notice published and shall also file relevant copies of the newspapers in which the notices are published.

8. Public Inspection of Application and Documents

(a) From the date of publication of notice in accordance with Regulation 7 above, the Applicant shall make available at its own office and the office/s of its agents (if any) and also with every local authority locating along the route of the transmission line as may be specified by the

Commission from time to time, copies of the application and all the documents submitted therewith;

- (b) The Applicant shall furnish, to all persons applying, printed copies of its application, together with the attachments thereto, at the reasonable cost of photocopying such material.

9. Scrutiny of Application and Calling for Additional Information

- (a) The Secretary may, upon scrutiny of the application, require the Applicant to furnish, as far as practicable, such additional information or documents as may be considered necessary for the purpose of dealing with the application, within a period of thirty (30) days from the date of receipt of the application.
- (b) If the Secretary finds that the application and the accompanying documents are complete in all respects and after the Applicant has complied with the procedure prescribed for validly submitting an application, the Secretary shall certify that the application is complete for being considered for grant of a Transmission Licence in accordance with the procedures provided in the Acts and these Regulations.

10. Objections and Suggestions

- (a) Any person intending to object to the grant of the Transmission Licence shall file objections within one month from the date of issue of the first advertisement referred to in Regulation 7 above. The objections shall be addressed to the Secretary of the Commission.
- (b) Upon receipt of such objections, the Secretary shall imprint the reference number of the concerned licence application on the same and shall place such objections in the file relating to the concerned licence application.

- (c) The Secretary shall serve copies of all the objections received by him from the Applicant within one week of the last date for filing of objections specified in sub clause (viii) of clause (a) of Regulation 7 above.
- (d) The Applicant may submit comments on the objections or suggestions received in response to the notice within thirty (30) days of receipt of the objections from the Secretary.

11. Local Inquiry

- (a) The Commission may, if it considers necessary upon a perusal of the objections and/or comments thereon, or at any time during the course of proceedings for the grant of Transmission Licence, cause a local inquiry to be held, of which notice in writing shall be given to both the Applicant and the objector.
- (b) Where a local inquiry is ordered and held under clause (a) above, the Commission shall, in its order requiring the local inquiry or by further order in writing, specify the time within which the local inquiry is to be completed.

Provided that the Commission may, for reasons to be recorded in writing, extend the time fixed by it for the local inquiry.

- (c) Where a local inquiry is ordered and conducted under clause (a) above, a memorandum of the results of the local inquiry shall be prepared and shall be signed by the Applicant, the Officer or person designated for the purpose of conducting the inquiry and such other person as the Commission may direct.
- (d) The results of the local inquiry shall be considered by the Commission while hearing the application for the Transmission Licence.

12. Hearing of Application and Grant of Transmission Licence

- (a) After compliance by the Applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and after the expiry of the time for receiving objections, the Commission may, if it deems fit, proceed to list the application for regular hearing.
- (b) After inquiry, if any, and the hearing of the application, if conducted, the Commission may decide to grant or to refuse the Transmission Licence. Provided, however, that the Commission shall in no event reject an application without giving the Applicant an opportunity of being heard, either by requiring the Applicant to file responses in writing or by conducting an oral hearing.
- (c) If the Commission decides to grant the Transmission Licence, the licence shall be in the form specified in Schedule-2 of these Regulations. Provided that the Commission may add to alter or amend the form specified for a licence as it may in its discretion deem necessary.
- (d) The Commission may issue a Licence for intra-state transmission on being satisfied that the Applicant qualifies for issue of such Licence under the provisions of the Acts, rules and regulations for the time being in force. The Commission, while granting Licence, shall consider the recommendations received from the STU, provided that such recommendations shall not be binding on the Commission.
- (e) Before granting the Transmission Licence, the Commission shall publish a notice of its proposal to grant the Transmission Licence in two daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the Transmission Licence, with such other details as the Commission considers appropriate.

- (f) When the Commission has approved a licence, the Secretary shall inform the Applicant of such approval and of the form in which it is proposed to grant the licence and the conditions to be satisfied by the Applicant including the fees to be paid for the grant of license within fourteen (14) days.
- (g) Where the Commission has decided to refuse the application, the Secretary shall inform the Applicant of such refusal within fourteen (14) days enclosing a copy of the reasoned order of the Commission in support of such refusal.
- (h) If the Applicant is willing to accept the licence with the modifications, changes or additions and subject to such other terms and conditions as the Commission directs under sub-clause (b) above, the applicant shall acknowledge acceptance to the Commission within fifteen (15) days of receipt of the approval from the Commission.

13. Commencement of the Transmission Licence

The Transmission Licence shall commence from such date as the Commission may specify.

14. Duration of the Transmission License

The Transmission Licence shall be valid for a period of twenty-five years from the date of its commencement unless it is revoked by the Commission.

15. Deposit of Maps

When a Transmission Licence has been granted, four (4) sets of maps showing the route of the transmission line along with locations and with such details as the Commission may specify, shall be signed and dated to correspond with the date of the notification of the grant of the Licence. One set of such maps shall be deposited with the Commission, one set

shall be deposited with the STU and the other two sets shall be deposited with the Transmission Licensee.

16. Deposit of Copies of Licence

- (a) Every person who is granted a Transmission Licence shall, within thirty (30) days of the grant thereof:
- i) have adequate number of copies of the Transmission Licence printed;
 - ii) have adequate number of maps prepared showing the area of transmission specified in the Transmission Licence;
 - iii) arrange to exhibit a copy of such Transmission Licence and maps for public inspection during working hours at his head office, at his local offices (if any) and at the office of every local authority within the area of supply as the Commission may specify in this regard.
- (b) Every Transmission Licensee shall, within the aforesaid period of thirty (30) days, supply, free of charge, one copy of the Licence and the relevant maps to every local authority as may be specified by the Commission in this regard and shall also make necessary arrangements for the sale of printed copies of the Transmission Licence to all persons applying for the same, at a price not exceeding normal photocopying charges per copy, or on payment of such charges as the Commission may specify.

17. Amendment of Licence

- (a) Where a Transmission Licensee has made an application for amendment of a Licence under the Acts, the Transmission Licensee shall, within fifteen days of making such application, publish a notice in one issue each of a daily news paper in English language and two daily news papers in

Gujarati language having wide circulation in the area of operation of the Transmission Licence sought to be amended, giving the following particulars:

- i) Brief Details of existing Transmission Licence;
- ii) Proposed amendments to the existing Transmission Licence; and
- iii) Brief reasons for seeking the amendment.
- iv) The names, addresses and other necessary details of the person(s) nominated by the applicant in major cities or towns of area of proposed transmission licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
- v) A statement that any person, desirous of making any suggestion or objection with reference to the application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within thirty days from the date of the first publication of the notice.

(b) All objections to an application for amendment pursuant to publication of notice under clause (a) above shall be considered by the Commission if received within thirty (30) days of the date of publication of the notice.

2) Where an amendment to a Transmission Licence is proposed by the Commission suo motu, the Commission shall publish a notice in one issue each of a daily news paper in English language and two daily news papers in Gujarati language having wide circulation in the area of operation of the Transmission Licence sought to be amended, giving the following particulars:

(a)

- (i) Name of the Transmission Licensee and address of main office in the area of supply;
- (ii) Description of alteration or amendment proposed to be made by the Commission;
- (iii) Brief Reasons for proposed alteration or amendment;
- (iv) A statement that any person, desirous of making any suggestion or objection with reference to application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within within thirty days from the date of the first publication of the notice.

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

- (b) The provisions of these Regulations relating to grant of Transmission Licence shall, as far as may be practicable and necessary, apply to the consideration and disposal of an application for amendment of the Transmission Licence.

18. Payment of Fees

- (a) The Licensee shall pay an Initial Licence fee as may be specified within 30 days, or such other period as the Commission may allow after the commencement of the Licence.

- (b). For each subsequent Year that the Licence remains in force, the Licensee shall, pay to the Commission Annual Licence Fee as may be specified.
- (c) Where the Transmission Licensee fails to pay any of the fees due under sub-clause (a) or (b) above by the dates specified:
 - i) The Transmission Licensee shall be liable to pay interest on the outstanding amount at the prevailing bank rate, the interest being payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made; and
 - ii) The Transmission Licensee shall be subject to proceedings for the recovery of the fees; and
 - iii) The Commission may revoke the Transmission Licence pursuant to the provisions of the Acts.

Provided that nothing contained in this clause shall be deemed to discharge any liability that the Transmission Licensee may be subject to under the Acts or any other law for the time being in force.

Chapter- 4

General Conditions of the Transmission License

19. Compliance

- (a) The Transmission Licensee shall comply with the requirements of laws in force and, in particular, the Acts, the Grid Code, Transmission Operating Standards, Transmission Planning and Safety Standards, rules, regulations, orders and directions issued by the Commission from time to time;
- (b) The Transmission Licensee shall duly comply with the orders and directions issued in the discharge of their functions by the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities;
- (c) The Transmission Licensee shall coordinate with Regional Electricity Boards or Regional Power Committees, the Regional Load Despatch Centres/State Load Despatch Centres and Central Transmission Utility/State Transmission Utility, Licensees and/or the generating companies, as may be required, in relation to all activities relating to the Licensed Business;
- (d) The Transmission Licensee shall pay the licence fee specified under these Regulations in accordance with the time-schedule specified hereunder;
- (e) The Transmission Licensee shall pay such fee as may be specified by the Commission to the State Load Despatch Centre;
- (f) Where the Transmission Licensee fails, omits or neglects to undertake any transmission activity for four consecutive quarters, the Transmission Licence shall be subject to revocation in accordance with the provisions of the Acts;

- (g) The Transmission Licensee shall not enter into any agreement leading to abuse of its dominant position, if any, or enter into a combination which is likely to cause or causes an adverse effect on competition in the electricity industry;
- (h) The Transmission Licensee shall maintain up-to-date records of its customers and the transactions undertaken by it with other parties and shall provide the same to the Commission as and when it is required to do so;
- (i) The Transmission Licensee shall establish adequate communication facilities such as telephone, fax, computer and internet facilities before undertaking transmission;
- (j) The Transmission Licensee shall render all assistance to any person authorised by the Commission to regulate or to assist in the carrying out of the Transmission Licensee's duties.

20. Activities of the Licensee

- (a) The Transmission Licensee shall duly discharge the duties of the Transmission Licensee specified under Section 40 of the Electricity Act, 2003.
- (b) The Transmission Licensee shall provide non-discriminatory open access to the transmission system for use of Licensees and generating companies including captive generating plants and consumers in accordance with the laws, rules and regulations for the time being in force, 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 consumers, subject to payment of surcharge to meet the current level of cross subsidy as envisaged in Section 40 read with sub-section (2) of Section 42 of the Electricity Act, 2003.

21. Prohibited Activities

(a) The Transmission Licensee shall not, without prior approval of the Commission under Regulation 20 below:

- i) Acquire by purchase or take over or otherwise acquire the utility of any other Licensee; or
- ii) Acquire or retain any ownership or beneficial interest in a Distribution Licensee, Trading Licensee, generating company or generating set engaged in selling electricity into the Licensed Area; or
- iii) Merge its utility with the utility of any other Licensee;
- iv) Assign or transfer its Transmission Licence to any person, by sale, lease, exchange or otherwise.

Provided, however, that the Transmission Licensee will be entitled to utilise the Transmission Licence as a means of facilitating funding or financing the Licensed Business in the ordinary course of business including loans and credit facilities from banks and financial institutions, subject to the conditions:

- (1) that the Transmission Licensee shall inform the Commission about such arrangements at least 15 days prior to the effective date of the relevant agreements;
- (2) the Transmission Licensee shall act in a prudent and reasonable manner in such utilisation of the Transmission Licence; and
- (3) the Transmission Licensee shall retain operational control over assets in the transmission system.

(b) The Transmission Licensee shall not, either directly or through its subsidiary, engage in the business of trading of electricity.

- (c) The Transmission Licensee shall not make use of the assets of the system for a purpose other than transmission of electricity, except with the prior approval of the Commission as provided for in Regulation 23.

Provided that where the Transmission Licensee engages in any such business, such proportion of the revenue as may be specified by the Commission shall be utilised for reducing charges for transmission and wheeling and separate accounts shall be maintained to ensure that such business does not in any manner encumber the transmission assets or be subsidised by the Licensed Business.

- (d) Wherever prior approval of the Commission is required, the Transmission Licensee shall submit an appropriate application before the Commission.

22. Transfer of Assets

- (a) The Transmission Licensee shall not, in a single transaction or a set of related transactions, transfer its utility or any part thereof by sale, lease, exchange or otherwise, without complying with the conditions stipulated in this Regulation 22.
- (b) The Transmission Licensee shall give to the Commission prior written notice of its intention to transfer its utility and disclose all relevant facts. The Commission may, within thirty (30) days of the receipt of the notice, seek further information in support of the transaction and shall, generally within thirty (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 sixty (60) days of the filing of the application, allow the transfer arrangement subject to such terms and conditions or modifications as may be considered appropriate or reject the same, by means of a reasoned order.

(c) The Transmission Licensee may transfer its utility as is specified in any notice given under clause (b) if:

- i) the Commission confirms in writing that it consents to such transfer, subject to such conditions as the Commission may impose; or
- ii) the Commission does not, within the time specified under Clause (b) for the decision of the Commission, give any response to the notice of the Transmission Licensee that it intends to deal with the application of the Transmission Licensee.

(d) The Transmission Licensee may transfer its utility where:

- i) the Commission has issued directions for the purposes of this Regulation 22 containing a general consent (whether or not subject to conditions) to transactions of a specified description, and/or the transfer of a specified description, and the transfer is in accordance with any conditions to which the consent is subject; or
- ii) the transfer in question is required by or under the mandate of any law; or
- iii) the asset in question was acquired and used by the Transmission Licensee exclusively or primarily in connection with any Other Business that it has been authorised to carry on pursuant to Regulation 14 and does not constitute a legal or beneficial interest in land, or otherwise form part of the transmission system or is not otherwise an asset required for the Licensed Business.

(e) Notwithstanding what is stated above, the Transmission Licensee will be entitled to utilise the assets as a means of facilitating funding

or financing the Licensed Business in the ordinary course of business including loans and credit facilities from banks and financial institutions, subject to the conditions:

- i) that the Transmission Licensee will inform the Commission about such arrangements at least fifteen (15) days prior to the effective date of the relevant agreements;
- ii) the Transmission Licensee acts in a prudent and reasonable manner in such utilisation of assets; and
- iii) the Transmission Licensee retains Operational Control over assets in the transmission system.

23. Other Business

The Transmission Licensee may, with prior intimation to the Commission, engage in any Other Business for the optimum utilization of its assets. Where the Transmission Licensee engages in such other business, it shall ensure that:

- (a) the Licensed Business is not prejudiced and/or adversely affected in any manner by the carrying on of the Other Business;
- (b) the transmission assets of the Transmission Licensee are not encumbered to support the Other Business;
- (c) the Licensed Business does not subsidise the Other Business;
- (d) If there are no investments involved in the Other Business, a maximum of 25% of the profit earned by the Transmission Licensee from such new business, after meeting all reasonable expenses including corporate tax towards this income, may be retained by the

Transmission Licensee in that business, and the balance shall be used towards reducing its charges for transmission and wheeling to its customers;

(e) If the Transmission Licensee makes an additional investment for the purpose of the Other Business, the Transmission Licensee may charge the new business a fee for making use of the transmission assets, which shall be not less than 75% of the fee which such new business would have paid for similar assets/services from an independent agency/company, and the fee so collected may be used towards reducing its charges for transmission and wheeling to its customers;

(f) separate accounting records are 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 each such Other Business are separately identifiable from those of the Licensed Business; and

(g) the assets used in the transmission system for the purpose of the Other Business are not transferred without the prior approval of the Commission.

24. Accounts and Audit

(a) The Transmission Licensee shall:

- i) Maintain separate information and statement of accounts for the Licensed Business and any Other Business;
- ii) Maintain the statement of accounts in such form and containing such particulars as may be specified by the Commission and till such time as these are specified by the Commission, the accounts shall be

maintained in accordance with the Companies Act, 1956 (1 of 1956) as amended from time to time, where such Act is applicable;

- iii) Keep the accounts of the Licensed Business separate from any Other Business carried on by the Transmission Licensee, whether licensed or otherwise;
 - iv) 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:
 - 1. Charged from or to any Other Business together with a description of the basis of that charge; or
 - 2. Determined by apportionment or allocation between the various business activities together with a description of the basis of the apportionment or allocation;
 - v) Provide, in respect of the Accounting Statements prepared in accordance with foregoing clauses, a report by the Auditors in respect of each year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenue, costs, assets, and liabilities, reserves reasonably attributable to the business to which the statements relate, and
 - vi) Submit to the Commission copies of the accounting statements and Auditor's report not later than six months after the end of the year to which they relate.
- (b) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the Transmission Licensee and the Transmission Licensee shall render all necessary assistance to such person.

- (c) The Transmission Licensee shall not 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 approval from the Commission.

Provided that during the financial year that a Transmission Licensee changes the basis of charge or apportionment or allocation in its Accounting Statements from those adopted for the immediately preceding financial year, the Commission may direct the Transmission Licensee to prepare such Accounting Statements on the past basis in addition to preparing Accounting Statements on the basis which it has adopted.

- (d) If the Transmission Licensee is carrying on any Other Business for the optimum utilisation of its assets, it shall prepare on a consistent basis from such accounting records and deliver to the Commission:
- i) The Accounting Statements in respect of the Other Business;
 - ii) In respect of the first six months of each financial year, an interim profit and loss account, cash flow statement and balance sheet in respect of the Other Business;
 - iii) An auditor's report for each financial year, stating whether in their opinion, these statements have been properly prepared in 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
 - iv) A copy of each interim 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.

- (e) The Transmission Licensee shall ensure that the Accounting Statements in respect of each financial year and the Auditor's report in respect of each financial year mentioned hereinabove are publicised 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, or such price as the Commission may specify.

25. Provision of Information

(a) The Transmission Licensee shall furnish to the Commission, without delay, such information, documents and details related to the Licensed Business or 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, the Central Electricity Authority, the State Transmission Utility and State Load Dispatch Centre.

(b) Where information is required by the Commission under clause (a) above, it shall be furnished in such form as may be specified by the Commission.

(c) The Transmission Licensee shall furnish all such information to the State Load Dispatch Centre as may be required, with a copy to the Commission, on a quarterly basis on the 15th day of April, July, October and January for the quarters January to March, April to June, July to September and October to December respectively and the format for submission of information shall be complete in all respects and no column shall be left blank

Provided that the report sent to the State Load Dispatch Centre shall be placed on the website of the Transmission Licensee or any other authorised website.

26. Prudential Reporting

The Transmission Licensee shall, as soon as practicable, report the following to the Commission:

- (a) Any significant change in its circumstances which may affect the Transmission Licensee's ability to meet its obligations;
- (b) Any material breach of the provisions of the Acts, rules and the regulations, directives and orders issued by the Commission, the Grid Code, or the terms of agreements/ arrangements entered into by the Transmission Licensee with other Licensees or generating companies; and/or
- (c) Any change of more than five (5) per cent in the shareholding pattern, ownership, control or management of the Transmission Licensee.

The information referred to in clause (a) above shall also be reported to the STU.

27. Major Incident

- (a) The Transmission Licensee shall notify the Commission of any Major Incident affecting any part of the transmission or distribution system, including generator interconnection facilities, which has occurred and shall,
 - i) submit a report giving full details of the facts of the incident and its cause. 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; and
 - ii) give copies of the report to the Commission and to all parties involved in the Major Incident.
- (b) The decision of the Commission as to what is a Major Incident shall be final.

(c) Besides taking action for violation of the Regulations, the Commission shall be entitled to require the Transmission Licensee to file a report of any Major Incident in accordance with clause (a) above in any situation where the Commission reasonably believes a Major Incident has occurred but has not been reported by the Transmission Licensee.

28. Business Plan

(a) The Transmission Licensee shall submit a Business Plan within three months of the Transmission Licence coming into force, for such period as the Commission may direct, and shall update such plan annually. The Business Plan shall contain year-wise load growth, year wise transmission loss reduction proposal and specific action plans, metering plan for metering interface points, investment plan as detailed in Regulation 29 herein, treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters.

(b) The Commission may require the Transmission Licensee to intimate, by the end of the first quarter of each financial year, the progress made in implementing the Business Plan of the previous financial year indicating the differences between actual implementation and the Business Plan approved by the Commission.

29. Investments

(a) The Transmission Licensee shall duly comply with any regulations, guidelines, directions and orders that the Commission may issue from time to time in regard to investments to be made in the Transmission Business.

- (b) The Transmission Licensee shall make the investments in a prudent manner, being guided by the duty to build, maintain and operate an efficient, co-ordinated and economical transmission system in the State.
- (c) The Transmission Licensee shall submit to the Commission, an investment plan, as a part of the Business Plan under Regulation 19 above, giving details of investment schemes to be undertaken during the concerned period for the approval of the Commission.
- (d) The Transmission Licensee shall demonstrate to the satisfaction of the Commission that:
 - i) there is a need for such investments in the transmission system as are proposed in the investment plan; and
 - ii) 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.
- (e) The Transmission Licensee shall intimate, by the end of the first quarter of each financial year,
 - i) the annual investment plan with details of investment schemes to be carried out during the financial year; and
 - ii) the progress made in implementing the annual investment plan of the previous financial year indicating the differences between actual implementation and the investment plan approved by the Commission.
- (f) 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 may be directed by the Commission.

- (g) The Transmission Licensee shall not make any Major Investment outside of the proposals in the investment plan, without the express permission of the Commission. For the purposes of this Regulation 29, 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 decided by the Commission from time to time by a general or special order.
- (h) The Transmission Licensee shall be entitled to make investment in the Transmission Business other than those covered under clause (g) 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 Licensed Business and such investment was made in an efficient, co-ordinated and economical manner.
- (i) The Transmission Licensee shall submit to the Commission along with its annual application for determination of tariff filed under Section 62 of the Electricity Act, 2003, the highlights of the annual investment plan consisting of the schemes approved by the Commission, schemes submitted before the Commission for approval and all schemes not requiring prior 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.

Provided that if any unforeseen contingencies require reallocation of funds within the schemes listed in the annual investment plan, the Transmission Licensee may do so to the extent such reallocation in

respect of individual projects does not exceed an amount decided by Commission by a general or special order. The Transmission Licensee shall give due intimation of such relocation to the Commission within 7 days of making the investment

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 (h) above.

30. Rights of the Licensee

- a) A Transmission Licensee may, from time to time, carry out works such as to lay down and place electric lines, electric plant and other works and do all other acts necessary for the transmission electricity within his area of transmission.
- b) A Transmission Licensee may install an overhead line, subject to the prior approval of the Appropriate Government.

31. Investigation of certain matters by the Commission

- (a) The Commission may, on being satisfied that a Transmission Licensee has failed to comply with any of the conditions of the Transmission Licence or has failed to comply with any of the provisions of the Acts or rules or regulations made thereunder, at any time, by order in writing, direct any person (referred to as "Investigating Authority") specified in the order to investigate the affairs of any Transmission Licensee and to report to the Commission on any investigation made by such Investigating Authority.
- (b) The Investigating Authority shall conduct the investigation in accordance with the provisions of the Electricity Act, 2003.

- (c) On receipt of investigation report from the Investigating Authority, the Commission may, in accordance with the provisions of the Electricity Act, 2003 and after giving such opportunity to the Transmission Licensee to make a representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-
- i. require the Transmission Licensee to take such actions in respect of any matter arising out of the report as the Commission may think fit; or
 - ii. cancel the Transmission Licence.
- (d) The Commission may also take any other action in accordance with the provisions of the Acts.

32. Revocation of the Licence

- (i) The Commission may revoke a Transmission Licence in accordance with the applicable provisions of the Electricity Act, 2003 and the State Act, after giving opportunity of being heard, in any of the following circumstances, namely:-
- (a) where the conditions subject to the existence and maintenance of which the transmission licence was granted cease to exist
 - (b) where the Transmission Licensee, in the opinion of the Commission, has made wilful and prolonged default in doing anything required of him by or under the Acts or the rules or regulations made thereunder;
 - (c) where the Transmission Licensee has committed breach of any terms or conditions of his Transmission Licence, the breach of which is expressly declared by such Transmission Licence to render it liable to revocation;

(d) where the Transmission Licensee fails, within the period fixed in this behalf by his Transmission Licence, or any longer period which the Commission may have granted therefor, 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 Transmission Licence; or to make the deposit or furnish the security, or pay the fees or other charges required by his Transmission Licence;

(e) where in the opinion of the Commission the financial position of the Transmission Licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his Transmission Licence.

Provided that the licence shall not be revoked except after an enquiry by the adjudicating officer appointed by the Commission under Section 143 of the Act in the manner prescribed by the State Government.

- (ii) Where in its opinion the public interest so requires, the Commission may, on an application, or with the consent of the Transmission Licensee, revoke his Transmission Licence as to the whole or any part of his Area of Activity upon such terms and conditions as it thinks fit.
- (iii) On receipt of report of inquiry made under sub-section (i), the Commission may pass appropriate orders, including revocation of Transmission Licence, after giving opportunity to the Transmission Licensee to make representation in connection with the report.
- (iv) No Transmission Licence shall be revoked under sub-clause (i) unless the Commission has given to the Transmission Licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the Transmission Licence, and has considered any

cause shown by the Transmission Licensee within the period of that notice, against the proposed revocation.

- (v) The Commission may, instead of revoking a Transmission Licence under clause (i), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be observed by the Transmission Licensee and shall be of like force and effect as if they were contained in the Transmission Licence.
- (vi) Where the Commission revokes a Transmission Licence under this Regulation, it shall serve a notice of revocation upon the Transmission Licensee and fix a date on which the revocation shall take effect.
- (vii) Where the Commission has given notice for revocation of Licence under clause (iv), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under the Acts, the Transmission Licensee may, after prior approval of the Commission, sell his utility/business to any person who is found eligible by the Commission for grant of a Transmission Licence.

33. Provisions applicable to Deemed Licensees

The general conditions of Transmission Licence specified in these Regulations shall be applicable to a deemed licensee under the first, second, third and fifth proviso to Section 14 of the Act.

Chapter 5

Miscellaneous

34. Savings

- (a) Nothing in these Regulations shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be

necessary to meet the ends of justice or to prevent abuse of process of the Commission.

- (b) Nothing in these Regulations shall bar the Commission from adopting a procedure at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient in order to deal with such a matter or class of matters.
- (c) Nothing in these Regulations shall, expressly or impliedly, bar the Commission from dealing with any matter or exercising any power under the Acts, and the Commission may deal with such matters, and exercise such powers and functions in such manner as it thinks fit.

35. 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 anything, not inconsistent with the provisions of the Acts, which is in its opinion necessary or expedient for the purpose of removing the difficulty.

**P. S. SHAH
SECRETARY**

AHMEDABAD
30th March, 2005

Application form for grant of Transmission Licence

Particulars of the Applicant

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

- f) Draft licence
- g) All the documents required in the Regulations.

Details of Financial Data of Applicant

12. 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 5 (five) financial years. (Specify financial year as applicable)

<u>(DD/MM/YY)</u> to <u>(DD/MM/YY)</u>	In Home Currency	Exchange rate used	In equivalent Indian Rupees

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

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

<u>(DD/MM/YY)</u> to <u>(DD/MM/YY)</u>	In Home Currency	Exchange rate used	In equivalent Indian Rupees

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

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

Name of the documents:

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

(d)

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

(b) If, yes, proposed equity from the Applicant

(i) Amount:

(ii) Percentage:

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

(a) Name, designation & Address of reference person of the other Agency:

(b) Contact Tel. No.:

(c) Fax No.:

(d) E-mail ID:

(e) Proposed equity from the other Agency

(i) Amount:

(ii) Percentage of total equity:

(iii) Currency in which the equity is proposed:

(f) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed.

(g) Nature of proposed tie-up between the Applicant and the other agency.

20. Details of debt proposed for the transmission activity:

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

(Signature of the Applicant)

Dated:

GUJARAT ELECTRICITY REGULATORY COMMISSION

AHMEDABAD

TRANSMISSION LICENCE

1. The Gujarat Electricity Regulatory Commission (hereinafter referred to as "Commission"), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003 and Section 20 of the Gujarat Electricity Industry (Reorganisation and Regulation) Act, 2003 (hereinafter referred to as "the Acts"), hereby grants this 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 general conditions of the Transmission Licence specified under the Gujarat Electricity Regulatory Commission (Licensing of transmission) Regulations, 2005 and other Regulations specified by the Commission (herein after referred to as "Regulations"), including statutory amendments, alterations, modifications, reenactments thereof, 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 Agreements, 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 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: Ahmedabad

Date:

SCHEDULE

1.0 Project Related Details:

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

Sr. No.	Name of the transmission element	Scheduled date of commissioning

SECRETARY

Place: Ahmedabad

Date: