

Draft JSERC (Procedure, Terms & conditions for the Grant of Transmission Licence and other related matters) Regulations, 2019



JHARKHAND STATE ELECTRICITY REGULATORY COMMISSION

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CHAPTER I:

GENERAL

A1: PREAMBLE

- 1.1 The State Electricity Regulatory Commission has been entrusted with the functions under section 86 (1) (a) and section 86 (1) (c) of the Electricity Act 2003 to determine tariff for transmission system within the State and facilitate intra-state transmission and wheeling of electricity.
- 1.2 In future, the projects will be awarded on tariff based competitive bidding process under section 63 of the Electricity Act, 2003. Therefore, the existing Transmission Licensee might not execute the projects. The developer will be selected through tariff based competitive bidding process.
- 1.3 The successful bidder shall approach the State Electricity Regulatory Commission with an application for grant of Transmission Licence in the State. Therefore, there is a need to have in place detailed procedures, terms and conditions for the grant of a Transmission Licence to the successful bidders.
- 1.4 In exercise of the powers conferred under Section 181 of the Electricity Act, 2003 and all other powers enabling it in this behalf, the Jharkhand State Electricity Regulatory Commission (JSERC) hereby makes the following regulations for grant of Transmission License in the State of Jharkhand.

A2: SHORT TITLE, COMMENCEMENT AND EXTENT

- 2.1 These Regulations shall be called the Jharkhand State Electricity Regulatory Commission (Procedure, Terms & Conditions for the Grant of Transmission Licensee) Regulations, 2019;
- 2.2 These Regulations shall come into force from the date of its publication in the Official Gazette of the Government of Jharkhand;
- 2.3 These Regulations shall extend to the entire state of Jharkhand;

A3: DEFINITIONS AND INTERPRETATION

- 3.1 In these Regulations, unless the context otherwise requires-
 - a) “**Act**” means the Electricity Act, 2003;

- b) **“Agreement”** means the agreement, contract, memorandum of understanding, or any other covenant on any aspect relating to the intra-state transmission of electricity, entered into between the Licensee, the long-term customers and the State Transmission Utility or the deemed Licensee;
- c) **“Applicant”** means a Person who has made an application for grant of Licence or, for amendment of Licence, as the case may be;
- d) **“Application”** means the application made for grant of Licence or, for amendment of Licence, as the case may be, and includes annexures, enclosures to such application;
- e) **"Central Transmission Utility"** means any Government company which the Central Government may notify under sub-section (1) of section 38 of the Act;
- f) **“Commission”** means the Jharkhand State Electricity Regulatory Commission;
- g) **“Deemed Licensee”** means a Person, who is deemed to be a Licensee for intra-State transmission of electricity under any of the provisions to Section 14 of the Act;
- h) **“Financial Year”** means a period of twelve months commencing on 1st April of a year and terminating on 31st March of the following year;
- i) **“Generating Company”** means any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical Person, which owns or operates or maintains a generating station;
- j) **"Generating station" or “ station”** means any station for generating electricity, including any building and plant with step-up transformer, switch yard, switch-gear, cables or other appurtenant equipment, if any used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;
- k) **“Grid Code”** means the JSERC (State Grid Code) Regulations, 2008 and its amendments;

- l) **“Grid Coordination Committee” or “GCC”** means the Committee constituted by the Commission as per the Section 5 of State Grid Code;
- m) **“Guidelines for Competitive Bidding”** means the guidelines issued by the Central Government from time to time in terms of Section 63 of the Act for development of transmission projects;
- n) **“Licence”** means a Licence granted by the Commission under Section 14 of the Act to a Person to undertake intra-state transmission of electricity;
- o) **“Licensee”** means a Person who has been granted a Licence, and includes a deemed Licensee. In the present regulations, Licensee refers to Transmission Licensee;
- p) **“Person”** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical Person;
- q) **“Petition”** means and includes all petitions, applications, complaints, appeals, replies, rejoinders, supplemental pleadings, other papers and documents filed in relation thereto, and the word “Petitioner” shall be construed accordingly;
- r) **“Proceedings”** means and includes proceedings of all nature that the Commission may conduct in the discharge of its function under the Act;
- s) **“Project”** means an element or elements of the intra-state transmission system;
- t) **“Secretary”** means the Secretary of the Jharkhand State Electricity Regulatory Commission;
- u) **“Standards”** means the technical standards, safety requirements, grid standards and any other standards specified by the Central Electricity Authority under Section 73 of the Act;
- v) **“State Transmission Utility”** means the State Transmission Utility notified by the State Government under sub-section (1) of Section 39 of the Act;
- w) **“Transmission Charges”** means the transmission charges approved or adopted, as the case may be, by the Commission for the project;
- x) **“Transmission Licensee”** means a Licensee authorised to establish or operate transmission lines;

- y) **“Transmission System”** means the network of Intra-State Transmission available in the State;

Words or expressions used and not defined in these Regulations but defined in the Act or the JSERC (State Grid Code) Regulations 2008 and its amendments shall have the meanings respectively assigned to them in the Act or the Grid Code.

CHAPTER-II:

A4: PROCEEDINGS BEFORE THE COMMISSION

- 4.1 All proceedings before the Commission under these regulations shall be governed by the JSERC (Conduct of Business) Regulations, 2016, including amendments and statutory re-enactments thereof.

PROCEDURE FOR THE GRANT OF TRANSMISSION LICENCE

A5: APPLICATION FOR THE GRANT OF LICENCE

- 5.1 Any Person intending to engage in the business of transmission of electricity in the State of Jharkhand shall make an Application to the Commission for grant of Licence in the form specified in Appendix–I and in the manner directed by the Commission and accompanied by such fee as may be prescribed under JSERC (Conduct of Business) Regulations, 2016 and as amended from time to time.
- 5.2 In case of the Person selected for implementation of the project in accordance with the Guidelines for Competitive Bidding, the Application shall also contain information, as may be required under these guidelines.
- 5.3 The fee shall be payable by Bank draft drawn in favour of Secretary, Jharkhand state Electricity Regulatory Commission payable at Ranchi.
- 5.4 Any Person intending to apply for Licence shall duly comply with the conditions and requirements laid down by the Commission.
- 5.5 The Application for grant of Licence shall be signed by the applicant or by an authorised signatory on behalf of the applicant and shall be addressed to the Secretary of the Commission. The Application shall be filed in six (6) sets accompanied by documents and particulars required to be provided as per the Application form specified in Appendix – 1 to the Regulations.

- 5.6 The application for Licence shall be supported by an affidavit of the Person acquainted with the facts stated therein and duly notarised.
- 5.7 Before making an application, the applicant shall serve a copy of the application on each of the long-term customers of the Project and shall submit evidence to that effect along with the application and shall also post the complete application along with annexures and enclosures on its web site, the particulars of which shall be given in the application.
- 5.8 The Application shall be kept on the web site till such time the Licence is issued or the application is rejected by the Commission.

A6: RECOMMENDATIONS OF THE STATE TRANSMISSION UTILITY

- 6.1 The applicant shall immediately on making application in manner specified above, forward a copy of the application along with all the enclosures to the State Transmission Utility for its recommendations.
- 6.2 The State Transmission Utility shall acknowledge receipt of the application and shall within thirty (30) days of the receipt of said application, send its recommendations, if any, to the Commission.
- 6.3 The State Transmission Utility shall submit a report to the Commission on the following aspects within thirty (30) days of receipt of copy of the application for grant of Licence.
- a) Definite need identification;
 - b) Regulatory approval of the Commission during planning stage;
 - c) Recommendations/ Consensus/ sign-off on the scheme(s) by GCC;
 - d) Comments/ suggestions of stakeholders received during planning and its treatment;
 - e) Comments/ Suggestions from RPC if any – minutes of the meeting etc. may be attached;
 - f) Whether the assets mentioned in the application form part of Intra – State Transmission System;
 - g) Results of the system studies carried out by STU along with initial assumptions and inputs considered;

- h) Major deviations to be brought out clearly with cost impact and reasoning;
 - i) Status of upstream/ downstream transmission system;
 - j) Whether the completion schedule mentioned in the application is feasible, synchronizes with expansion of other upstream/ downstream parts;
 - k) Technical suitability of the assets;
 - l) Justifiability of the estimated cost and completion schedule indicated in the application;
 - m) Any other relevant information the State Transmission Utility desire to convey to the Commission;
- 6.4 The recommendations, if any, and report by the State Transmission Utility shall be reviewed by the Applicant and endorsed. If required, the Applicant shall discuss the report with the State Transmission Utility.
- 6.5 The Commission shall take into consideration the comments of the STU but the recommendations and the report of the STU shall not be binding on the Commission.

A7: PUBLIC NOTICE

- 7.1 The Commission may, upon scrutiny of the application, require the applicant to furnish within a period to be specified, such additional information or particulars or documents as the Commission may consider it necessary for the purpose of considering the application.
- 7.2 If the Commission finds that the application is complete and accompanied by all requisite information, particulars and documents and is in compliance with all the requirements, the Secretary shall intimate the applicant if the application is ready for being considered for grant of Licence, in accordance with the procedures provided in the Act and these Regulations.
- 7.3 The applicant shall, within fifteen (15) days after admittance of the application, publish a notice of its application in Appendix-II attached to these regulations, in at least two daily newspapers, one in English and one in Hindi, having wide circulation in the area of transmission of electricity for which the Licence is sought. The applicant shall also make available copies of the application in its website.

- 7.4 In the notice published in the newspapers under clause 7.3, it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, JSERC at the address of the Commission with a copy to the applicant, by any Person, including the long-term customers, within 30 days of publication of the notice.
- 7.5 The Applicant shall within fifteen (15) days from the date of publication of the aforesaid notice submit to the Commission an affidavit with the details of the notice published along with copies of the relevant newspapers in which the notices have been published.
- 7.6 The Applicant may file its comments, duly supported by an affidavit, on the recommendations made by the STU and the suggestions and objections, if any, received in response to the public notice published by him, within 15 days of the receipt of such recommendation and objections, with an advance copy to the State Transmission Utility or the Person who has filed the suggestions and objections on the proposal made in the application as the case may be.

A8: SERVICE OF NOTICE OF THE APPLICATION

- 8.1 The Commission may direct that the 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.

A9: HEARING AND LOCAL INQUIRY

- 9.1 Upon compliance by the applicant of all the conditions pertaining to the submission of documents, obtaining of permissions and publication of the notice and upon the expiry of the time for filing of the objections is over, the Commission may consider the application through a hearing or without hearing as it considers appropriate.
- 9.2 If any Person objects to the grant of Licence applied for under the Act, the Commission may, if it considers necessary, cause a local inquiry to be held for which the notice in writing shall be given to the Applicant and the Person who has submitted objections, if any.
- 9.3 Where a local inquiry is ordered and held under clause 9.2 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 enquiry.

- 9.4 In case a local inquiry is ordered and conducted under clause 9.2 above, a memorandum of the result of the inquiry made shall be prepared and signed by the Applicant, objector or Person designated for the purpose and such other Person as the Commission may direct.
- 9.5 The result of the local enquiry shall be considered by the Commission while hearing the application for grant of Licence.
- 9.6 The Commission on deciding to follow a public hearing shall give notice of hearing along with the name of place, date and time of hearing to the applicant, the State Government, the local authority and such other authority, Person or body as the Commission considers appropriate.

A10: GRANT OF TRANSMISSION LICENCE

- 10.1 A Licence shall not be granted –

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

Provided that no objection shall be so considered unless it is received before the expiration of thirty (30) days from the date of the publication of such notice as aforesaid;

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

- 10.2 Before granting a Licence under section 14 of the Act, the Commission shall publish a notice in two daily newspapers one in English and other in Hindi language having wide circulation in the area for which Licence is sought, stating the name and address of the Person to whom it proposes to issue the Licence;
- 10.3 After hearing, under clause 9.1 of these regulations, the Commission may decide to grant or refuse to grant Licence and if it decides to grant Licence, it may do so on general terms and conditions and with such modifications to the general conditions and on such specific conditions as the Commission may decide.

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

- 10.4 When Commission has approved grant of transmission Licence, the Applicant shall be informed of such approval and also the conditions to be satisfied by the applicant including the initial and annual Licence fees to be paid by the applicant for grant of the Licence. The Licence shall be in the form specified in Appendix –III of these Regulations.

Provided that the Commission may add or alter or amend the form specified for a Licence as it may at its discretion, deem necessary.

- 10.5 On receiving an intimation in writing from the applicant that he is willing to accept a Licence on the terms approved by the Commission and after the applicant satisfies the conditions imposed for grant of the Licence, the Commission may direct the applicant to publish Licence or such part thereof in abridged form as the Commission considers to be appropriate.
- 10.6 The Commission may issue a Licence for intra-state Transmission of electricity on being satisfied that the Applicant qualifies for issue of such Licence under the provisions of the Act, rules and regulations for the time being in force.
- 10.7 The Commission shall after issue of a Licence, forward a copy of the Licence to the State Government, State Transmission Utility, Central Transmission Utility, Central Electricity Authority, local authority, and to such other Person/body as the Commission considers necessary.

A11: DATE OF ISSUE AND DURATION OF LICENCE

- 11.1 The Licence shall commence from the date that the Commission may direct for its enforcement.
- 11.2 The Licence shall be in force for a period of twenty five years, from the date of issue unless it is revoked by the Commission.

A12: DEPOSIT OF MAPS AND COPY OF LICENCE

- 12.1 When a Licence has been granted, four (4) sets of maps and proforma containing the particulars specified in clause (12.2) below shall be signed and dated to correspond with the date of the notification of the grant of the Licence.
- 12.2 The particulars to be given in the proforma under clause (12.1) above shall be as under:

- a) A short title descriptive of the proposed utility together with the address and description of the applicant, and if the applicant is a company, the names of all the Directors of the company;
 - b) Type of Licence granted;
 - c) Location of the proposed area of operation;
 - d) A description of the proposed area of operation; and
 - e) The general conditions, the deviation therefrom and also the specific conditions, if any, which the Commission has laid down in the Licence with justification for any deviation granted from general conditions;
- 12.3 While two sets of such maps and proforma shall be deposited with the Commission, one set each shall be deposited with State Transmission Utility and Applicant after due attestation by the Secretary or an officer authorised by the Secretary in this behalf.
- 12.4 The Licensee, whenever required by the Commission shall furnish maps and proforma in an electronic form.
- 12.5 Every Person who is granted a Licence shall within thirty (30) days of the grant thereof arrange to keep the following as specified by Central Electricity Authority.
- a) Adequate number of copies of the Licence printed;
 - b) Adequate number of maps prepared showing the area of activity or area of supply as specified in the Licence;
 - c) A copy of such Licence and maps for public inspection at all reasonable times at his head office, at his local offices (if any) and at the office of every local authority within the area of activity or area of supply as the case may be.
- 12.6 Every such 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 within the area of activity or area of supply as the case may be, and shall also make necessary arrangements for the sale of printed copies of the Licence to all Persons applying for the same, at a price not exceeding normal photocopying charges thereof.

CHAPTER III:
TRANSMISSION CHARGES

A13: DETERMINATION OF TRANSMISSION CHARGES

- 13.1 In case the Licensee has been selected for implementation of the project in accordance with the Guidelines for Competitive Bidding, the transmission charges shall be adopted by the Commission in accordance with Section 63 of the Act.
- 13.2 In all other cases, the transmission charges, incentive, or disincentive and other charges shall be determined in accordance with the terms and conditions for determination of tariff specified by the Commission under Section 61 and 62 of the Act and in force from time to time.

CHAPTER IV:
TERMS AND CONDITIONS OF LICENCE

A14: OBLIGATIONS OF LICENSEE

- 14.1 The Licensee shall, during the validity of the Licence, maintain insurance in accordance with prudent utility practices or as may be necessary under-
- a) Any of the agreements; and
 - b) the laws in force in India:
- Provided that the Licensee may opt for self-insurance.
- 14.2 The Licensee shall build the project in a time-bound, efficient, coordinated and economical manner as per the timeline submitted before the Commission. Any delay and cost overruns, shall be brought to the notice of the Commission, STU and State Transmission Licensee.
- 14.3 The Licensee shall, establish, operate and maintain the project in accordance with the prudent utility practices and the agreements.
- 14.4 The Licensee shall comply with such directions of the State Load Despatch Centre under section 31 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 thereof, as may be issued from time to time for maintaining the availability of the project:

Provided that without prejudice to any other action which may be taken against the Licensee under any other law for the time being in force, the Commission, on an application made by the State Load Despatch Centre or the Regional Load Despatch Centre and after hearing the Licensee, on being satisfied that the Licensee has failed to maintain the availability of the transmission system may issue such directions to the State Load Despatch Centre or the Regional Load Despatch Centre or the State Transmission Utility (in case of private Licensee(s)) to take control of the operations of the transmission system of such Licensee for such period and on such terms, as the Commission may decide.

- 14.5 The Licensee shall strictly comply with 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.
- 14.6 The Licensee shall provide non-discriminatory open access to its transmission system for use by any other Licensee, including a distribution Licensee or an electricity trader, or generating company or any other Person in accordance with the JSERC (Intra-state open access regulations) 2016, as amended from time to time.
- 14.7 On application made for grant of a connection by any Person intending to use the Transmission System, the Licensee shall offer to enter into an agreement with such Person for connection to the Transmission System or for modification of such an existing connection and such offer shall make provision for:
- a) carrying out of works necessary to make the required connection, including the installation of meters;
 - b) the connection charges to be paid as directed by the Commission ; and
 - c) the completion date and such other terms as are relevant to the circumstances.
- 14.8 The Licensee shall pay the Licence fee in accordance with the JSERC (Conduct of Business) Regulations, 2016 or such other regulations as may be in force from time to time.
- 14.9 Wherever prior approval of the Commission is required, the Licensee shall make an appropriate application before the Commission in accordance with JSERC (Conduct of Business) Regulations, 2016 as amended from time to time including statutory re-enactment thereof.
- 14.10 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;

- 14.11 The Transmission Licensee shall prepare and submit to the Commission on an annual basis, a statement showing in respect of each of the 5 succeeding financial years forecasts of circuit capacity, power flows and loading on the Transmission System under standard planning criteria, together with:
- a) such further information as shall be reasonably necessary to enable any Person seeking use of the Transmission System to identify and evaluate the opportunities available when connecting to and making use of such system; and
 - b) a statement prepared by the Transmission Licensee indicating its views as to those parts of its Transmission System most suited to new connections and transport of further quantities of electricity.
- 14.12 The Transmission Licensee should comply with the data requirements and procedures laid out in the JSERC (Planning, Coordination, Development and Approval of an economic and efficient Intra-State Transmission System) Regulations, 2019. The Transmission Licensee is obligated to provide the required data to the STU, as per formats to be specified by the Grid Co-ordination Committee, to support in the periodic planning of intra-state transmission system and also in undertaking system studies by the STU.

A15: PROHIBITED ACTIVITIES

- 15.1 The Transmission Licensee shall not, without prior approval of the Commission:
- a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee; or
 - b) merge its utility with the utility of any other Licensee;
- Provided that the Licensee shall, before obtaining the approval give not less than one month's notice to every other Licensee who transmits or distributes, electricity in the area of such Licensee who applies for such approval.
- c) at any time assign his Licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise.
- Provided that any agreement relating to any transaction specified in subsection (a) to (c), unless made with, the prior approval of the Commission, shall be void.
- 15.2 The Transmission Licensee shall not make use of the assets of his system for a purpose other than transmission of electricity, except with the prior approval of the Commission.

- 15.3 The Transmission Licensee shall not enter into any arrangement for wheeling of electricity with a Person who is not authorised to do so under the provisions of the Act.
- 15.4 The Transmission Licensee shall not engage in the business of trading of electricity.
- 15.5 The Transmission Licensee shall not acquire or retain any ownership or beneficial interest in a Distribution Licensee, Trading Licensee, Generating Company or Generating Stations engaged in selling of electricity into the Licenced Area.
- 15.6 The Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any Person, except when made or issued for the purposes of the Licenced business. Loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.
- 15.7 The Licensee shall not commence any new provision of services to Persons other than in the area of supply for the transportation of electricity through the Licensee's Transmission System, except with the general or special approval of the Commission. In circumstances requiring immediate remedial action in the interest of continuity of supply in any other area of supply, the Licensee may commence the activity referred to in this sub clause provided the Licensee informs the Commission of such occurrence and circumstances within fifteen (15) days.

A16: ASSIGNMENT OF LICENCE

- 16.1 In case of default by the Licensee in debt repayment, the Commission may, on an application made by the lenders, assign the Licence to a nominee of the lenders.

A17: TERM OF LICENCE

- 17.1 The transmission Licence shall, unless revoked earlier, continue to be in force for a period of twenty five (25) years from the date of issue.
- 17.2 If the useful life of the transmission asset for which transmission Licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant Licence for another term for which the Licensee may make an application in accordance with section A5: of these regulations, two years before the expiry of the initial period of Licence:

Provided that when the Licensee does not make an application for grant of Licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life.

17.3 In case the tariff of the Project is to be determined as per Section 62 of the Act, the tariff of such assets beyond the period of 25 years shall be determined in accordance with the tariff regulations applicable at that point of time.

17.4 As all future projects to be developed through competitive bidding, the bidders shall be required to quote the tariff up to 35th year from date of commercial operation which shall be considered for bid evaluation:

In case the license is granted for another term, the tariff for the extended period up to 35th year shall be payable on the basis of the rate quoted at the bidding and adopted by the Commission for the respective year of operation. The tariff of such transmission assets beyond 35th year of License shall be determined in accordance with the following guidelines:

- a) For computation of Return on Equity, equity base shall be 30% of the Gross Block or the actual equity invested in the project as per balance sheet as at the end of 35th year whichever is lower, subject to prudence check by the Commission;
- b) Other financial and technical norms i.e. Return on Equity, Interest on Loan, O&M Expenses, Interest on working capital, target availability, incentive etc. shall be considered on the basis of norms of tariff prevalent during the period in which 35th year of License is due to expire.

17.5 In case the Project covered under clauses (17.3) of this regulation decides to undertake renovation and modernization of the Transmission System after 35th year of the License, it shall make an application to the Commission before the end of the license period for prior approval of the cost of renovation and modernization. The Commission shall review and approve after conducting due prudence check. The approved schemes shall then be considered by the Commission for tariff determination in accordance with the prevalent norms.

A18: CONSEQUENCES OF LATE PAYMENT OR NON-PAYMENT OF LICENCE FEE

18.1 Notwithstanding the liability of the Licensee to pay the late payment surcharge under the JSERC (Conduct of Business) Regulations, 2016 or any other regulations in force, 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.

A19: ACCOUNTS OF THE LICENSEE

19.1 The Licensee shall

- a) Maintain separate accounts for each business in accordance with JSERC (Power Accounting Regulations), 2016 as amended from time to time.
- b) Prepare 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:
 - charged from or to any other business together with a description of the basis of that charge; or
 - 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.

A20: INSPECTION OF ACCOUNTS

20.1 Any Person authorized by the Commission shall be entitled to inspect and verify the accounts of the Licensee at any reasonable point of time and the Licensee shall be under obligation to render all necessary assistance to the Person so authorized for inspection of accounts.

A21: SUBMISSION OF INFORMATION & PRUDENTIAL REPORTING BY THE LICENSEE

21.1 The Licensee shall submit such information, as may be called for from time to time by the Commission or the State Load Despatch Centre, in order to fulfil responsibility of supervision and control over the Intra-State Transmission System entrusted under the Act.

Provided that the State Load Despatch Centre may from time to time, report to the Commission, such of the developments, as they consider appropriate in regard to performance of Licensee.

21.2 The Licensee is obliged to report to the Commission under the circumstances given. Such reporting shall be done before such undertaking any change:

- a) Any change in major shareholding, ownership or management of the Licensee; and
- b) Any proceedings initiated by one or more of the parties signing the agreement for interpretation, amendment or termination of the agreement.

A22: AMENDMENT OF LICENCE

22.1 The Commission may of its own motion or on an application made by the Licensee or on receiving complaint or information from any Person or otherwise make such alterations and amendments in the terms and conditions of Licence if the Commission is of the opinion that the public interest so requires.

22.2 The application for amendment of the Licence made by the Licensee, shall be in such form as may be directed by the Commission. Such application shall be accompanied with a statement of the proposed amendment and shall be supported by an affidavit.

22.3 The applicant shall within seven (7) days from the date of admission of the application for amendment, publish a notice in two daily newspapers, one in English language and other in Hindi language, having wide circulation in area of operation of the transmission Licence sought to be amended, giving the following particulars:

- a) Brief Details of existing Transmission Licence;
- b) Proposed amendments to the existing Transmission Licence; and
- c) Brief reasons for seeking the amendment.

- d) The names, addresses and other necessary details of the Person(s) nominated by the applicant in major cities or towns of area of proposed transmission Licence, who can make available for inspection application and other documents or from whom they can be purchased in Person or by post at reasonable charges, not exceeding photocopying charges;
- e) A statement that any Person, desirous of making any suggestion or objection to the proposed amendment, may do so by filing written petition in six copies addressed to the Secretary, JSERC within thirty (30) days from the date of the first publication of the notice.

22.4 Where an amendment to a Transmission Licence is proposed by the Commission suo-motu, the Commission shall publish a notice in two daily newspapers one in English language and the other in Hindi language having wide circulation in the area of operation of the Transmission Licence sought to be amended, giving the following particulars:

- a) Name of the Transmission Licensee and address of main office in the area of supply;
- b) Description of alteration or amendment proposed to be made by the Commission;
- c) Brief reasons for proposed alteration or amendment;
- d) A statement that any Person, desirous of making any suggestion or objection to the proposed amendment, may do so by filing written petition in six copies addressed to the Secretary within thirty (30) 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.

22.5 Unless otherwise specified in writing by the Commission, the procedure specified in these Regulations for grant of Licence, in so far it can be applied, shall be followed while dealing with an application for amendment of the Licence.

22.6 In case of an application proposing alterations or modifications in respect of area of supply, comprising the whole or any part of any cantonment, aerodrome, forests, dockyard or camp or of any building or place in the occupation of the Government for defence purpose, the Commission shall not make any alterations or modifications except with the consent of Central Government.

A23: CONTRAVENTION BY THE LICENSEE

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

A24: REVOCATION OF THE TRANSMISSION LICENCE

24.1 The Commission may revoke a transmission Licence on its own or on application of the Licensee or on receiving any complaint from any Person in accordance with the Section 19 of the Act.

A25: DEEMED GRANT OF TRANSMISSION LICENSEE

25.1 Until otherwise directed by the Commission, any other license existing before this regulations shall be deemed to have applied for and granted the Transmission Licence.

CHAPTER V:

MISCELLANEOUS

A26: DISPUTE RESOLUTION

26.1 All disputes or differences 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 and reconciliation in accordance with the agreements.

26.2 In the event of failure of the parties to resolve the disputes or differences in the manner stated in clause above, these shall be referred by the Licensee to the Commission for adjudication or arbitration, within one month of recording of such failure.

A27: POWER TO RELAX

27.1 The Commission may, for reasons to be recorded in writing, relax any of the provisions of these regulations on its own motion or on an application made before it by any Person.

A28: POWER TO REMOVE DIFFICULTIES

28.1 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 being inconsistent with the provisions of the Act, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

A29: REPEAL AND SAVINGS

29.1 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent powers of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission.

29.2 Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

(By order of the Commission)

(A.K. Mehta)

Secretary

Jharkhand State Electricity Regulatory Commission

APPENDIX-I: APPLICATION FORM FOR THE GRANT OF TRANSMISSION LICENCE

Before the Jharkhand State Electricity Regulatory Commission, Ranchi

Case No. _____ of _____ (year)

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 Nos. :
- 6) Fax No. :
- 7) E-mail ID :
- 8) Place of Incorporation / Registration:
- 9) Year of Incorporation / Registration:
- 10) Geographical Area within which the Applicant proposes to undertake transmission:
- 11) Following documents are to be enclosed :
 - a) Certificate of registration/incorporation:
 - b) Certificate of commencement of business:
 - c) Memorandum of Association and Articles of Association:
 - d) Original power of attorney of the signatory to commit the Applicant or its promoter:
 - e) Details of Income Tax Registration:
 - f) All the documents required in the Regulations:

12) Details of Financial Data of Applicant:

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)

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

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

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

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

14) Certificate of Credit Rating

15) Certificate of ‘Standard’ borrowal account

16) Certificate stating that RBI has not classified the Applicant as a ‘willful defaulter’.

17) List of documents enclosed in support of above:

Name of the document

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

18) 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 of conductor

b) Sub-Stations

S. No	Name (location)	Voltage Class (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) Documents to support how need was identified – system studies by STU, assumptions etc.
- f) Approvals required as per Regulations
- g) Any other relevant information

19) Whether Applicant himself shall be financing the proposed transmission of electricity fully on its own balance sheet:

- a) If Yes, proposed equity from the Applicant
 - i. Amount
 - ii. Percentage

20) 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
- f) Amount
- g) Percentage of total equity
- h) Currency in which the equity is proposed
- i) Consent letter of the other agency to associate with the Applicant for equity participation to be enclosed.
- j) Nature of proposed tie-up between the applicant and the other agency.

21) Details of debt proposed for the transmission activity:

- a) Details of lender:
- b) Amount to be sourced from various lenders:
- c) Letters from the lenders in support of the above to be enclosed.

22) Organization & Managerial Capability of the Applicant :

(The Applicant is required to enclose proof of their Organizational & Managerial Capability, in terms of the Regulations, in form of proposed organizational structure & curricula vitae of various executives proposed office and communication facilities, etc.).

23) 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.)

24) Data relating to the applicant's future business

- a) 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.
- b) Five year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

(Signature of the Applicant)

Dated :

APPENDIX-II: 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 Hindi language having circulation in each of the State/Union Territory where any element of the Project or the long-term customer is situated 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 Jharkhand State Electricity Regulatory Commission, Ranchi 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, Substation (location)	Line length ¹ / Capacity ²	Estimated Completion Cost ³ or Levelised Transmission Charges ⁴ (If applicant is selected in accordance with Guidelines for Competitive Bidding)	Commissioning Schedule	Remarks

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 and 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 are 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.

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) or Office of the Commission in accordance with the procedure specified by the Commission.
3. Objections or suggestions, if any, be filed before the Secretary, Jharkhand State Electricity Regulatory Commission, (Give address of the Office of the Commission), with a copy of the objection(s)/suggestion(s) to the applicant or its authorized agent, within 30 days of the publication of the notice in the newspaper.

Place:

Date :

Name and Designation of the Authorised Signatory

APPENDIX-III: TRANSMISSION LICENCE

1. The Jharkhand State 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..... (hereinafter referred to as the Licensee) to construct, own, 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 Jharkhand State Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2019 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 Jharkhand State Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2019.
3. This Licence is not transferable, except as provided in the Jharkhand State Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2019 and its amendments.
4. The grant of Licence to the Licensee shall not in any way or manner restrict the right of the Commission to grant a Licence to any other Person within the same area for the transmission system other than the Project described in the schedule attached to this Licence. The Licensee shall not claim any exclusivity.
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.

Place:

Date: