

**MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
SHILLONG**

NOTIFICATION
(8th February 2011)

NO. MSERC/Transmi-Lic/05//2011/01, The following draft of the Meghalaya State Electricity Regulatory Commission (Grant of Licenses for Transmission of Electricity) Regulations, 2011 which the Commission proposes to make in exercise of the powers conferred under sub-sections (1) and (2) of section 181 of the Electricity Act, 2003 and all powers enabling it in that behalf are hereby previously published as required under subsection (3) of section 181 and notice is hereby given that any person or persons who may be interested may send their objections, suggestions or comments to the Secretary of the Commission, New Administrative Building, Lower Lachumiere, Shillong within 30 days of the publication of this notification in the Gazette of Meghalaya for consideration by the Commission.

Secretary
Meghalaya State Electricity Regulatory Commission
Shillong

**THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
(GRANT OF LICENSES FOR TRANSMISSION OF ELECTRICITY)
REGULATIONS, 2011.**

(_____of 2011)

Chapter – 1

Preliminary

1. Short title and commencement

- (1) These regulations shall be called the Meghalaya State Electricity Regulatory Commission (Grants of Licenses for Transmission of Electricity) Regulations, 2011.
- (2) They shall extend to the whole state of Meghalaya.
- (3) They shall come into force on the day of their notification in Gazette of Meghalaya.

2. Definitions

In these regulations, unless the context otherwise requires,

- (1) “**Act**” means the Electricity Act, 2003 (36 of 2003).
- (2) “**Accounts**” means the accounts of the Transmission Licensee prepared in accordance of the Companies Act, 1956 and / or in accordance with the guidelines / directions issued by the Commission from time to time.
- (3) “**Applicant**” means any person who makes an application for license to the Commission for intra-state transmission of electricity under section 15 of the Act.
- (4) “**Area of activity**” means the area specified in the Transmission license by the Commission in which the licensee is authorized to establish, operate and maintain transmission lines and transmission system.
- (5) “**Auditors**” means the auditors appointed by the Transmission licensee and if the transmission licensee is a company, the auditors appointed in accordance with the provisions of the Companies Act, 1956 (1 of 1956), as amended from time to time.
- (6) “**Business Plan**” means a plan of action for a specified period in relation to the licensed business, as directed by the Commission.
- (7) “**Commission**” means the Meghalaya State Electricity Regulatory Commission (MSERC), constituted by the Government of Meghalaya under section 82 of the Act.
- (8) “**Deemed licensee**” means a person as defined under first, third and fifth provisos under section 14 of the Act.
- (9) “**Distribution Licensee**” means a licensee authorized to operate and maintain a distribution system for supplying electricity to the consumers in his area of supply.
- (10) “**Grid Code**” means a code specified by the Commission under clause (h) of sub-section (1) of section 86 of the Act.
- (11) “**License**” means a license granted under section 14 of the Act by the Commission and the ‘licensee’ shall be construed accordingly and includes a deemed licensee under the Act.
- (12) “**Licensed business**” means the business of transmission of electricity in the area specified in the license.
- (13) “**Open Access**” means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or system by any licensee or consumer or a person engaged in generation as per the regulations specified by the Commission.
- (14) “**Other Business**” means any other business of the licensee, other than the licensed business of intra-state transmission, which the licensee undertakes for optimum utilisation of its assets.

- (15) **“Trading Licence”** means a license authorizing a person to purchase electricity for resale thereof and the expression ‘trade’ shall be construed accordingly.
- (16) **“Transmission license”** means a license authorizing a person to establish and operate transmission lines and the ‘transmission licensee’ shall be construed accordingly.

The words and expressions used and not defined in these regulations but defined in the Act or defined in any law applicable to the electricity industry shall have the meanings assigned to them in the Act.

3. Interpretation

In these regulations, the following shall be interpreted as:

- (a) words in singular includes plural and vice versa;
- (b) the terms ‘includes’ and ‘including’ shall be considered as followed by ‘without limitation’ or ‘but not limited to’ whether they are actually followed by similar expressions or not in these regulations;
- (c) the headings inserted are for convenience;
- (d) reference to various Acts, Rules, Regulations and Guidelines shall be construed as amended from time to time.

Chapter – 2

Grant of License

4. Application for grant of license

- (1) Any person who intends to do business in transmission of electricity in the State of Meghalaya shall make an application to the Commission under section 15 of the Act in the format in Appendix – I and in the manner specified from time to time by the Commission.
- (2) The applicant shall also pay the fee prescribed by the Commission.
- (3) The applicant shall also send a copy of the application to the State Transmission Utility to enable it to check the contents of the application and submit its recommendations to the Commission to consider them before taking a decision to grant a license to the applicant.

- (4) The Commission may, if it considers necessary, invite applications through advertisement from public who satisfy the eligibility requirements required to grant a transmission license, as may be specified from time to time.
- (5) The application for grant of a license shall be signed by the applicant himself or by an authorized person and sent to the Commission in six sets. An affidavit authorizing the nominated person to sign the application, on behalf of the applicant, shall also be enclosed to the application.

5. Requirements to be fulfilled by an applicant

The applicant applying for grant of a transmission license to the Commission shall fulfill the following requirements.

- (1) **Technical capability:** The applicant shall have experience / capability in development, design, construction, operation and maintenance of transmission lines or substations or both at the voltage level at which the assets in respect of which an application for grant of license has been made.

Note: The experience in design, construction or maintenance, as the case may be, of the transmission system operating at 66kV level shall be construed as relevant experience at voltage levels of 66kV 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 an application for grant of licence has been made.

Note: The applicant shall be required to submit necessary evidence of his claim of meeting the qualifying requirements.

6. Additional information

The Commission may, on scrutiny of the application, direct the applicant to furnish such information / particulars / documents, as it may require, to examine and take a decision on the application.

7. Publication of application

Every applicant shall within 7 days of submission of the application to the Commission shall publish a notice of such application in two daily largely circulated newspapers, one in English and another in local language, in the manner specified by the Commission.

8. Availability of application and related documents

- (1) The applicant shall make available to the public copies of his application, together with its enclosures, in his office as well as all his local offices in the proposed area of the transmission license to enable the public to offer their suggestions / comments to the Commission to consider them before taking a decision on the application.
- (2) The applicant shall supply a copy of the application to any person who requires it on payment of cost, not exceeding the cost of photo copying.

9. Objections

- (1) Any person who desires to offer comments / suggestions shall submit his response within 30 days from the date of publication of the notice to the Commission.
- (2) The Commission may, at its discretion, refer all the suggestions / comments received to applicant for his views, who shall submit them to the Commission within 15 days from the date of receipt of the suggestions / comments.

10. Hearing and local inquiry

If any person objects to the grant of license to the applicant, the Commission may, if it considers appropriate order an inquiry on the applicant to ascertain the correctness of the objections raised by the person. On receipt of the report, the Commission may take a decision to grant a license based on the merits of the case or not.

11. Grant of transmission licensee

- (1) Before granting a license under section 14 of the Act, the Commission shall publish a notice in two daily newspapers, one in English and another in Hindi or local language of its intention to grant a license to the applicant, indicating the name and addresses of the person to whom it proposed to grant license.
- (2) The Commission shall specify in the license the general or special terms and conditions governing the license, which the applicant has to fulfill. A draft license and the conditions to be covered is in Appendix-II.
- (3) In case, the Commission decides to reject an application for grant of license, an opportunity shall be given to the applicant to present his case, either in writing or oral, before finally rejecting his case duly recording the reasons thereto.

- (4) The Commission shall also specify the license fee to be paid by the applicant, which will be a pass through in the Aggregate Revenue Requirement of the licensee.
- (5) The Commission shall, immediately after issue of orders granting the license, communicate a copy of the license to the Government of Meghalaya and Central and State Transmission Utilities, Central Electricity Authority, State Load Despatch Centre and all other concerned authorities.

12. Recommendations of the State Transmission Utility

- (1) Every applicant shall forward a copy of his application to the State Transmission Utility (STU).
- (2) The State Transmission Utility shall, within 30 days of the receipt of the copy of the application shall submit its recommendation to the Commission on the following.
 - (a) Whether the assets in respect of which an application for grant of licence has been made from part of
 - (i) the intra-state transmission system
 - (ii) the transmission plan
 - (b) justifiability of the proposed completion schedule envisaged for the assets for which application was made.
 - (c) Technical viability of the assets for which application was made
 - (d) Justifiability or otherwise of the estimated completion cost indicated by the applicant
 - (e) Any other information considered relevant

Note: (1) The recommendations and the report of the State Transmission Utility shall be communicated to the Commission for its consideration before issue of the license to the applicant.

(2) The recommendations and the report of the STU are only recommendatory and not binding on the Commission.

13. Date of commencement and duration of the license

- (1) The Commission shall indicate the date of commencement of the license in the license itself.
- (2) The license shall be in force for a period of twenty five years from the date of commencement.

14. Deposit of printed copies of the license

Every transmission license shall supply free of cost one copy of the license and relevant maps to every local authority within the area of activity specified in the license and shall also make arrangements for sale of printed copies of the license to all persons applying for the same at a cost not exceeding the cost of photo copying.

15. Payment of license fee

- (1) The licensee shall pay the initial / annual license fee, as may be specified by the Commission within the time limit fixed.
- (2) If the licensee fails to pay the fees due under sub-regulation (i) above, the licensee shall be liable to pay interest on the outstanding amount, as specified by the Commission, for the period beginning on the day on which it becomes due and ending on the day on which the payment is made. The licensee shall also be subject to the proceedings for recovery of the fees.

16. Compliance of certain conditions by the licensee:

- (a) The licensee shall comply with the following:
 - (i) requirements of law in force, the Acts, the Grid Code, transmission operating standards, transmission planning, safety standards, rules, regulations and orders / directions issued by the Commission from time to time;
 - (ii) the orders / directions issued by the National Load Despatch Centre, Regional Load Despatch Centre, State Load Despatch Centre and other statutory authorities;
 - (iii) Coordinate with the Regional Electricity Boards and Power Committees, Central and State Transmission Utilities, Generating Companies etc in respect of all activities relating to the licensed business;
 - (iv) Shall not omit or neglect to undertake any transmission activity under the license for four consecutive quarters, which will entail to revoking the license under section 19 of the Act;
 - (v) The licensee shall not (a) enter into an agreement leading to abuse of his dominant position or (b) enter into any combination which is likely to cause adverse effect on competition in the electricity industry; and
 - (vi) The licensee shall discharge all the duties of a transmission licensee specified in section 40 of the Act.
- (b) The licensee shall not:

- (i) acquire / purchase or take over the utility of any other licensee
- (ii) have any ownership or beneficial interest in a distribution / trading licence or a generating company
- (iii) merge its utility with any other license
- (iv) assign or transfer its license or part thereof to any person through sale, lease, exchange or otherwise
- (v) make use of assets of the system for a purpose other than transmission of electricity except with the prior approval of the Commission.

(c) Other business:

The transmission licensee may, with prior approval of the Commission, engage in any other business for optimum utilisation of its assets. It shall, however, ensure that:

- (i) the licensed business is not adversely affected in any manner by the other business
- (ii) the assets of the licensed business are not transferred or encumbered to support or subsidize other business
- (iii) a portion of the profits earned by other business shall be utilized in the licensed business towards reducing the transmission and wheeling charges to its consumers
- (iv) separate accounting records are kept for such other business to identify the revenues, costs, assets, liabilities, reserves etc of other business from those of the licensed business.

17. Furnishing of information

- (1) The transmission licensee shall furnish to the Commission, on due date, such information, documents and details relating to licensed business or other business as the Commission may require from time to time for its own purpose or for purposes of GOI, State Government, the Central Commission, CEA, Central and State Transmission Utilities and State Load Despatch Centre, in the form specified.
- (2) Any significant change in its status, ownership, control or management or business which may affect the transmission licensee's ability to meet its obligations.
- (3) Any material breach of the provisions of the Acts, rules and regulations, directives and orders issued by the Commission, the Grid Code or the terms of the agreements / arrangements entered into by the transmission licensee with other licensees or generating companies.

- (4) Information as directed by the Commission under section 128 of the Act.
- (5) Reporting of any incident which will restrict it in meeting its obligations under the licence granted to it, including any act of the Commission or omission by others steps taken by the licensee to reduce the effect of such incident.
- (6) Report to the Commission as soon as possible the occurrence of any other incident which materially affects its functioning, within one month from the date of its occurrence, along with:
 - (b) giving full details of the facts within the knowledge of the licensee regarding the incident and its causes
 - (c) in case of delay, the reasons for the delay
 - (d) furnishing of copies of all documents etc when major incident occurs and also to such person as the Commission may direct

18. Transfer of assets of the transmission licensee

- (a) The transmission licensee shall not transfer its utility or any part thereof by sale, lease, exchange or otherwise without obtaining approval of the Commission.
- (b) The transmission licensee shall apply to the Commission giving prior notice of its intention to transfer its utility duly disclosing all relevant facts.
- (c) The Commission may seek any information, it may require, to consider the application of the licensee.
- (d) The Commission may, within 60 days of filing the application allow such transfer subject to such conditions as it may consider appropriate or reject the application duly recording the reasons thereto after due notice to the licensee.

19. Business plan

- (1) The transmission licensee shall submit to the Commission within three months of its license coming into force, or as the Commission may direct, a business plan containing:
 - (i) year wise load growth
 - (ii) proposed the year wise transmission loss reduction and action plan thereto
 - (iii) metering plan for metering interface points
 - (iv) investment plan giving details of invest schemes to be undertaken during the period
 - (v) treatment of previous losses

- (vi) debts restructuring plan
 - (vii) cost reduction plan
 - (viii) projected profit and loss account, balance sheet, cash flow statements and other important financial parameters
- (2) The transmission licensee shall intimate the Commission by the end of first quarter each year, the progress made in implementing the business plan in the previous financial year indicating the variations from the projected business plan, including investment made.
- (3) The transmission licensee shall comply with all the guidelines, orders and directions issued by the Commission from time to time in regard to investments to be made in the transmission business.
- (4) The transmission licensee shall submit to the Commission along with its annual application for determination of tariff, to be filed under section 62 of the Act;
- (a) the highlights of the investment plan consisting of schemes approved by the Commission;
 - (b) schemes submitted for approval;
 - (c) schemes not requiring approval
 - (d) investments made during financial year
 - (e) reallocation of investments in respect of individual projects not exceeding the limits specified by the Commission, including investments made in schemes which does not find a place in the investment plan.

20. Investment

- (1) The Licensee shall not make any investment under any scheme or schemes except in an economical and efficient manner under the terms of this Licence and in accordance with the Regulations, guidelines, directions and orders issued by the Commission from time to time.
- (2) The Licensee shall promptly report to the Commission, schemes in relation to the Transmission System which the Licensee from time to time proposes to implement together with relevant details, including the estimated cost of such schemes, with requisite break-up and proposed investment plans. The Licensee shall furnish to the Commission such further details and clarifications on the schemes as it may require from time to time. The schemes proposed may be implemented by Licensee subject to the following conditions.

- (a) If the scheme does not involve major investment as defined hereunder without any specific approval from the Commission and within the approved business plan.
 - (b) If the scheme involves major investment for which prior approval of the Commission is required; it shall be implemented after obtaining such approval only.
- (3) The Licensee shall make an application for obtaining prior approval of the Commission for schemes involving major investments as the Commission may specify from time to time, duly justifying that,
- (i) there is a need for the major investment in the Transmission System which the Licensee proposes to undertake.
 - (ii) the Licensee has examined the economic, technical, system and environmental aspects of all viable alternatives to the proposal for investing in or acquiring new transmission system assets, to meet the need and
 - (iii) the Licensee has invited and finalised tenders for procurement of equipment material and/or services relating to such major investment in accordance with a transparent tendering procedure as may be specified by the Commission.
- (4) The Licensee shall submit to the Commission along with the “Expected Revenue Calculation”, the annual investment plan for ensuing financial year and shall make investment in the said financial year in accordance with the approved investment plan. In case of unforeseen contingencies, reallocation of funds within the schemes are required in the annual investment plan, the Licensee may make such reallocation in respect of individual projects with prior intimation to the Commission.

21. Investigation of certain matters by the Commission

- (1) The Commission, may, by order, direct any person, specified in the order, to investigate the affairs of a transmission licensee, in the circumstances specified below, and to submit an investigation report within a specified date:
- (i) if the licensee failed to comply with any of the conditions specified in the license
 - (ii) failed to comply with any of the provisions of the Act, rules or regulations made thereunder and the orders / directions issued by the Commission from time to time.

- (2) the investigation shall be made in accordance with the provisions in Section 128 of the Act.
- (3) on receipt of the report of the investigating authority, the Commission may, after giving an opportunity to the transmission licensee to make a representation on the report of the investigating authority, by order:
 - (a) require the licensee to take such action on any matter arising out of the report; or
 - (b) take action to revoke the license

22. Amendment to the transmission license

- (1) The Commission may, *suo moto* or on an application from the licensee or on receiving a complaint or otherwise, issue an amendment to the transmission license in the manner it deemed fit.
- (2) The application for amendment shall be in such form as specified by the Commission and shall be accompanied by a statement of the proposed amendment, duly justification for amendment.
- (3) The applicant shall, within seven days from the date of submission of the application for amendment, publish a notice in two daily newspapers, one in English and another in local language having wide circulation in the area of operation of the licensee as may be specified by the Commission.
- (4) Where an amendment is proposed to the transmission licence by the Commission, *suo moto*, it shall publish a notice itself as in sub-clause (3) above with the following information:
 - (i) particulars of the licensee,
 - (ii) proposed alteration or amendment to the license
 - (iii) the reasons therefor
 - (iv) calling for suggestions or objections etc to the proposed amendment within 30 days from the date of publication of the notice
- (5) All suggestions or objections received within one month shall be considered by the Commission before issue of orders amending or altering the license.
- (6) In case of an application for alteration or amendment in respect of area of supply comprising the whole or in part of any cantonment, aerodrome, forest, dockyard or building or place in occupation of the Government for defence purpose, the Commission shall not make such alteration or amendment without prior concurrence of Central Government.

23. Contravention of terms and conditions of license

The Commission may pass such order, as it deems fit, in accordance with the provisions of the Act and the rules and regulations made thereunder, if there is contravention of the terms and conditions of the license by the licensee.

24. Revocation of transmission license

- (1) The Commission may revoke a transmission license suo moto or otherwise in accordance with the provisions under section 19 of the Act in any of the following circumstances
 - (i) where the conditions or circumstances under which a transmission license is granted no longer exist;
 - (ii) where the Commission is fully satisfied, after an independent enquiry, that the licensee has willfully defaulted in carrying out its duties under the terms and conditions of the licence, Act or rules and regulations made thereunder or to comply with directives issued by the Commission from time to time.
 - (iii) Where the Commission notices that the licensee's financial, managerial or technical capabilities are not adequate for performing his duties and obligations imposed under the license; or
 - (iv) Where the licensee failed to comply with the directives given under section 29 and 33 (2) of the Act. In this case the license shall not be revoked unless an enquiry is made by the Commission through an adjudicating officer under section 143 of the Act.
 - (v) If the licensee fails to comply with the directions, issued under section 29 (2) and (3) of the Act, he shall be liable to pay a penalty not exceeding Rupees fifteen lakhs.
- (2) The licensee shall be given a notice of not less than three (3) months to the clearly intimating the reasons for revocation of his license to explain as to why his license should not be revoked.
- (3) If the Commission decides to revoke the license of the licensee, it shall indicate in the order the date of effect of such revocation. A copy of the revocation order shall be sent to the State Government, STU, SLD, CEA, Local Authority and to such other authority as the Commission considers necessary.
- (4) The Commission may, instead of revoking the license, continue the license and impose any additional / special conditions on the licensee, which the licensee shall fulfill.

- (5) In case, the licensee is willing to relinquish his license, the Commission may, if considered necessary, permit the transmission licensee to sell his undertaking to any person who is capable of discharging the duties and obligations under the license in public interest, without prejudice to any proceedings which can be initiated or already initiated and to impose any penalty under the provision of the Act and rules or regulations made thereunder.

Chapter – 4 **Accounts and Audit**

25. (1) The transmission licensee shall maintain the statements of accounts in such form and in such manner as specified by the Commission and till such time these are specified by the Commission, the accounts shall be maintained in accordance with the companies Act, 1956 (1 of 1956) as amended from time to time.
- (2) The transmission licensee shall maintain separately the accounts for the licensed business and other businesses.
- (3) The transmission licensee shall prepare, on a consistent basis, accounting statements for each financial year comprising of a profit and loss account, a balance sheet and a statement of resources and application of funds together with notes thereto and showing separately the amount of any revenue, cost, asset, liability, reserve or provisions, which has been either:
- (i) charged from and to any other business together with a description of the basis of the charge; or
 - (ii) the apportionment or allocation between various businesses together with a description of the basis of such apportionment or allocation
- (4) In respect of accounting statement, as in sub-regulation (3) above, the licensee shall furnish to the Commission a report of the auditors stating that, in their opinion, the statements have been prepared properly and give a correct and fair view of the revenue, costs, assets and liabilities, reserves reasonably attributable to the business to which the statements relate.
- (5) The transmission licensee shall not normally change the basis of apportionment or allocation of revenues or expenditure, except with the prior approval of the Commission. Any change made by the licensee in the basis of charge or apportionment or allocation of revenues or expenditure shall be in accordance with the provisions of the Companies Act, 1956 (1 of 1956), the accounting standards or regulations and the guidelines issued by the Commission from time to time.

- (6) When a transmission licensee changed the basis of charge, apportionment or allocation adopted in a financial year, he shall also, if directed by the Commission, prepare and submit to the Commission such account statements on the basis of charge, apportionment or allocation as adopted for the immediately preceding financial year.
- (7) The transmission licensee shall submit to the Commission the specified number of copies of the accounting statements and the auditor's report within six months after the closing of the financial year to which they relate.
- (8) The transmission licensee shall render all assistance to the authorized officer of the Commission to inspect the books of the licensee as and when directed by the Commission.
- (9) The transmission licensee shall furnish to the Commission data or information relating to accounts matters as and when directed.

Chapter – 5

Miscellaneous

26. Power to remove difficulties

The Commission, may by general or special order, remove any difficulty in giving effect to the provisions of these regulations.

27. Power to amend

The Commission may, at any time, *suo moto* or otherwise, alter, modify or amend any of the provisions of these regulations.

28. Savings :

Nothing contained in these regulations shall restrict or affect the powers of the Commission

- (a) to issue any directives or orders, as it deems fit, in implementing the provisions of the Act or law as amend from time to time.
- (b) To deal with any matter or exercise any power under the Act for which regulations are yet to be framed, as it deems fit.

(c) To adopt any procedure which is at variance with any of the provisions of these regulations duly recording the reasons thereto in writing.

Application form for grant of Transmission Licence

1. Name of the Applicant :
2. Address :
3. Name, Designation & Address of the contact person :
 Contact Tel. Nos. :
 Fax No. :
 E-mail ID :
4. Form of Incorporation, if any :
5. Place of Incorporation / Registration :
6. Year of Incorporation / Registration :
7. Geographical Area within which the applicant proposes to undertake transmission :
8. Following documents are to be enclosed :
 Certificate of registration/incorporation :
 Certificate of commencement of business :
 Memorandum of Association and Articles of Association :
 Original power of attorney of the signatory to commit the Applicant or its promoter :
 Details of Income Tax Registration :
 All the documents required in the Regulations :
9. Details of Financial Data of Applicant
 (a) Networth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each financial year) for the immediate past 5 (five) financial years (Specify financial year as applicable)

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

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

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

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

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

Certificate of Credit Rating

Certificate of 'Standard' borrowal account

Certificate stating that RBI has not classified the Applicant as a 'willful defaulter'.

10. List of documents enclosed in support of Sl. Nos. 9 (a) (b) above:

Name of the document

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

11. (a) Whether Applicant himself will be financing the proposed transmission of electricity fully on its own

If Yes, proposed equity by the Applicant

- (i) Amount
- (ii) Percentage

12. 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.

13. 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.

14. Organisation & Managerial Capability of the Applicant :

The Applicant is required to enclose proof of their Organizational & Managerial Capability of officers and staff, in terms of the Regulation 5 of proposed organizational structure & curricula vitae of various executives, proposed office, communication facilities, etc..

15. Approach & Methodology :

The Applicant is required to describe the 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 for 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.

16. Data relating to the applicant's future business

- (i) Five year Business Plan for transmission of electricity for which the application is 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 including the assumptions underlying the figures provided.

(Signature of the Applicant)

Dated :

PART - I

TRANSMISSION LICENCE

- (1) The Meghalaya State Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 hereby grants this licence to M/s. _____ having its registered office at _____ to construct, maintain and operate intra-state transmission lines, substations and associated installations etc in the area specified in the Schedule attached to this licence and with the powers and upon the terms and conditions specified here in.
- (2) The licence is not transferable.
- (3) The grant of licence to the licensee shall not in any manner restrict the right of the Commission to grant a licence to any other person within the same area for the transmission system described in the schedule attached to this licence. The licensee shall not therefore claim any exclusivity.
- (4) The licence shall, unless revoked earlier, continue to be in force for a period of 25 (twenty five) years from the date of issue of the license.

2. Definitions

Unless the context otherwise requires in these regulations:

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

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

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

“Accounts” means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act, 1956, and/or in accordance with the guidelines / directions issued by the Commission from time to time;

“Area of Activity” means the area specified in the Transmission Licence by the Commission within which the Transmission Licensee is authorized to establish, operate and maintain transmission lines;

“Auditors” means the auditors appointed by Transmission Licensee and if the transmission licensee is a company the auditors appointed in accordance with the provisions of the Companies Act, 1956 (1 of 1956), as amended from time to time.

“Authorized” means authorized by licence granted under Section 14 of the;

“Business Plan” means a plan of action for a specified period in relation to the licensed business, as directed by the Commission.

“Central Commission” means the Central Electricity Regulatory Commission constituted under Section 76 of the Act.

“Commission” means the Meghalaya State Electricity Regulatory Commission constituted under Section 82 of the Act.

“Consumer” means any person who is supplied into electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under the Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person as the case may be;

“Deemed Licensee” means any person engaged in the business of transmission or supply of electricity under the provisions of the repealed laws or any Act specified in the schedule on or before the appointed date;

“Distribution system” means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the point of connection to the installation of the consumers;

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

“Grid Code” means the Code specified by the Commission in accordance to Section 86(l)(h) of the Act.

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

“Licensed Business” means the business of Transmission of electricity in the area specified in the Transmission licence;

“Major Incident” means an incident associated with the Transmission of electricity, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise directed by the

Commission and shall also include any other incident which the Commission expressly declares to be a major incident;

“Open access” means the non-discriminatory provision for the use of transmission lines or distribution system or associated facilities with such lines or systems by any licensee or consumer or a person engaged in generation as per the regulations specified by the Commission.

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

“Other Business” means any other business of the Transmission Licensee other than the Licensed Business of the intra-state transmission, which the licensee undertakes for optimum utilisation of its assets.

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

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

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

“State” means the State of Meghalaya

“State Government” means the Government of Meghalaya.

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

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

“Transmission License” means a license granted to a person to establish and operate transmission lines or transmission system and the transmission licensee shall be construed accordingly.

“Transmission Operating Standards” means the standards specified for operation of the Transmission System of the licensee as approved by the Commission;

“Transmission Planning and Security Standards” means planning of the transmission system to cater to the requirements of the transmission system of the licensee and the security standards of maintenance of the Transmission System as approved by the Commission;

“Transmission System” means the system consisting mainly of extra high voltage electric lines having nominal voltage of 66 kV and higher and shall include all plant and

equipment in connection with transmission, owned or controlled by the Transmission Licensee.

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

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

Words, terms and expressions used and not defined in the regulations but defined in the Act or in any law applicable to the electricity industry shall be as assigned to them in the Act or in any law applicable.

3. Terms of the Licence

- (1) The Transmission Licence shall come into force on the date mentioned by the Commission in the order granting licence on specified terms and conditions and shall remain in force for a period of twenty five years, unless it is revoked earlier by the Commission under section 19 of the Act.
- (2) The Commission reserves the right to change at any time, *suo motto* or otherwise, the terms and conditions specified in licence in accordance with the provisions of the Act or this Licence.

4. Compliance with Laws, Rules and Regulations

- (1) The Transmission Licensee shall comply with the provisions of the Act and the Rules or Regulations made and the provisions of all other applicable laws.
- (2) The Transmission Licensee shall comply with the General Conditions except where the Transmission Licensee is exempted from any of the Conditions by the Commission for any deviation.
- (3) The Transmission Licensee shall duly comply with the orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other functions under the Act.

PART - II

General Conditions

5. The Licensee shall always comply with the Orders and Directions issued by the Commission from time to time on any matter.

6. Activities which the transmission licensee is prohibited to do

The licensee is prohibited from carrying out following activities:-

- (a) The licensee shall not acquire any interest in the business of a distribution license.
- (b) The licensee shall not, either directly or through its subsidiary, engage in the business of trading of electricity.
- (c) When the licensee is engaged in "Other Business" (reference: Section 41 of the Act) the main transmission business shall not subsidize the "Other Business" or encumber its transmission assets in any way to support such other business.
- (d) The licensee shall not show undue preference to any person.

7. Activities requiring prior consent

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

- (a) undertake any transaction to acquire by purchase or take over or otherwise the utilities of any transmission licensee.
- (b) merge his utility with the utility of any other transmission licensee
- (c) assign his licence or transfer its utility or any part thereof to any person by sale, lease, exchange or otherwise.

8. Conditions to be complied by the Licensee

The licensee shall comply with the following:

- (1) requirements of law in force, the Acts, grid code, transmission operating standards, transmission planning, safety standards, rules, regulations and orders / directions issued by the Commission from time to time.
- (2) the orders / directions issued by the National Load Despatch Centre, Regional Load Despatch Centre, State Load Despatch Centre and other statutory agencies.
- (3) Omit or neglect any transmission activity under the license for four consecutive quarters, which will entail to revoking the license under section 19 of the Act.
- (4) Shall not enter into:
 - (i) agreement leading to abuse of his dominant position; or
 - (ii) any combination which is likely to cause adverse effect on completion of electricity industry
- (5) The Licensee shall perform the duties stipulated in Section 40 of the Act in addition to fulfilling the terms and conditions stipulated in the licence.
- (6) The Licensee shall build, maintain and operate an efficient coordinated transmission system.
- (7) The licensee shall operate the transmission system always economically so that the transmission charges are kept at the minimum.

- (8) The Licensee shall operate the transmission system in such a manner that the parameters are maintained in the ranges prescribed in the Central Grid Standards and the State Grid Code all the time and ensure that the system is available at all times to inject power to enable the distribution licensee or other customers to draw power as required.
- (9) The licensee shall coordinate with Regional Power Committee, Regional and State Load Despatch Centres, Central Transmission Utility, State Transmission Utility, generating companies and licensees to ensure uninterrupted supply to the consumers.
- (10) The licensee shall obtain prior approval from the Commission before entering into any agreement with another company for supply of power to consumers in his area.
- (11) The licensee shall maintain up to date records of energy transmitted for each element of the system and produce the same to the Commission whenever required.
- (12) The licensee shall establish adequate communication and information system / facilities before commencing transmission of power.
- (13) The licensee shall act in a prudent and reasonable manner in obtaining credit facilities under the license.
- (14) The licensee shall always retain operational control over its assets.
- (15) The Licensee shall seek approval of the Commission before advancing loans, or issuing any guarantee for any obligation of any person except when made or issued for the purposes of the Licensed Business. However loans to employees pursuant to their conditions of service and advances in the ordinary course of business are exempted from the requirement of obtaining approval of the Commission.
- (16) The Licensee may provide or obtain any goods or services to another licensee, in connection with its transmission business, subject to the following conditions.
 - (a) the transaction will be on an arms-length basis;
 - (b) the transaction shall be in accordance with the regulations framed by the Commission relating to the provision of goods and services with respect to the transmission business; and
 - (c) the licensee shall give 15 days notice to the Commission prior to commencement of the proposed arrangement.

9. Other Business

- (1) The licensee may carryout any Other Business, other than licensed business, for optimum utilization of its assets with prior intimation to the Commission.

- (2) The licensee shall carry out any Other Business in a way that the main transmission business shall not subsidize such Other Business or encumber its assets in any way to support such business.
- (3) A proportion of the revenues derived from such Other Business shall be utilized for reducing the transmission charges and wheeling charges.
- (4) Separate accounts shall be maintained for the main transmission business and each of the Other Businesses such that of revenues, expenses, assets and liabilities pertaining to each of the Other Businesses can be identified and distinguished from those of the licensed transmission business.

10. Accounts

- (1) Unless otherwise specified by the Commission, the financial year for the purposes of licensed business shall be from 1st April to 31st March.
- (2) The transmission licensee shall, in respect of the licensed business and any other business:
 - (a) prepare and maintain, on a consistent basis, all accounting records and deliver to the Commission:
 - (i) accounting statements such as profit and loss, balance sheet or any other statement in the manner specified by the Commission, and as per the provisions of the Companies Act, 1956 (1 of 1956) as amended from time to time.
 - (ii) Submit to the Commission, on specified dates, the profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time.
 - (iii) In respect of the accounting statements prepared, an auditor's report, for each financial year, stating that, in their opinion, the statements have been properly prepared in accordance with the Companies Act, 1956 and give a true and fair view of the revenues, costs, assets, liabilities, reserves and the provisions of, or reasonably attributable to such business to which the statements relate.
 - (iv) Copies of the audited accounting statements together with auditor's report shall be submitted to the Commission within six months after the end of the financial year.
- (3) The transmission licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses for preparation of accounting

statements in respect of a financial year from the basis applied in respect of the previous financial year, without prior intimation to the Commission. Any change in the basis of charge or apportionment or allocation of revenues or expenses shall be consistent with provisions of the Companies Act, 1956 (1 of 1956), the accounting standards or rules and guidelines issued by the Commission from time to time in this regard.

- (4) Where, in relation to the accounting statements in respect of a financial year, the licensee has changed the basis of charge or apportionment or allocation from that adopted for the immediately preceding year, the licensee shall, if requested by the Commission, prepare accounting statements on the basis which it applied for the immediately preceding year, in addition to preparing accounting statements on the basis which it has adopted.
- (5) As directed by the Commission, the transmission licensee shall:
 - (a) prepare and publish its annual accounts in the manner specified by the Commission;
 - (b) provide the accounting principles adopted
 - (c) prepare the accounts and statements in accordance with the generally accepted Indian accounting standards.
- (6) The references to costs on liability, reasonably attributable to the licensed business or other business shall be construed as excluding taxation.
- (7) The transmission licensee shall maintain separate accounts for the licensed business and other business to ensure that the assets and liabilities of the licensed business are not encumbered by other business of the licensee.
- (8) Any person authorized by the Commission shall inspect and verify the accounts of the transmission licensee and the licensee shall render all necessary assistance to such person.

11. Furnishing of information

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

12. Major Incidents

- (1) The licensee shall report to the Commission any major incident that has occurred which effects the supply in the area of the transmission licensee. Any deviation from

standard operating conditions which was triggered by cross boundary effect, in the system of generators, distribution system or in the system of extra high voltage consumers resulting in the loss of equipment or life of a person or animal, shall be deemed a major incident.

- (2) The licensee shall
 - (i) submit a detailed report giving facts of each incident, the causes and the adverse effects on the total power system. (The total power system comprises the transmission system, generating units, distribution system and the system of the EHT consumers).
 - (ii) submit a note on the licensee's analysis of the major incident and the remedial measures taken for preventing recurrence of such major incidents.
 - (iii) send copies of the report and the note to the State Load Despatch Centre, State Transmission Utility, State Government, and Chief Electrical Inspectorate etc.
- (3) The decision of the Commission whether a particular incident is a major incident or not shall be final.
- (4) The Commission may direct the licensee to submit a report on any incident which comes to its notice. In such a case, the licensee shall submit a detailed report as in sub-regulation (2), to the Commission.
- (5) (i) The Commission may direct an independent authority to inquire on any major incident and submit a report.
 - (ii) The Commission may analyse the report and the information received from all sources and decide whether the major incident occurred is a Force Majeure event or is caused by violation of conditions of licence or provisions of Grid Code or the rules and regulations made under the Act.
- (6) The Commission may decide the following:
 - (b) remedial measures to be taken on one or more of the operators (or owners) of the parts of the total power system (including the transmission licensee) to prevent recurrence of similar major incidents.
 - (c) Punitive measures to be imposed on one or more persons for lapses which caused the major incident.
 - (d) Compensation to be paid by one party to another party [by the owner (or operator) of a segment of the total power system to the owner (or operator) of another segment of the total power system].
- (7) The Commission shall send its views and decisions on the major incident to the State Load Despatch Centre, Chief Electrical Inspector, State Transmission Utility etc.

13. Business Plan

The licensee shall comply with the provisions in Regulation 19 relating to submission of business plan.

14. Investment

The licensee shall comply with the provisions in Regulation 20 relating to investment plan.

15. Transfer of Assets

- (1) The Licensee shall not transfer or relinquish operational control over any of the assets pertaining to its licensed business such as transmission equipment, lines, land, building, or any other asset.
- (2) The Licensee shall give, to the Commission, written notice of its intention to transfer or relinquish operational control over any of its assets and obtain prior approval before affecting such transfer.
- (3) The Licensee may utilize the assets as a means of facilitating funding or financing the Licensed Business in the ordinary course of business, subject to the conditions.
 - (a) That the Licensee will inform the Commission about such arrangements at least 15 days prior to the effective date of the relevant agreements.
 - (b) The Licensee acts in a prudent and reasonable manner in such utilisation of assets.

16. Rights of the Licensee

- (1) The licensee may erect and commission any overhead transmission lines, lay cables of transmission voltage and construct substations in accordance with the transmission plans in order to fulfill the conditions stipulated in the licence. He shall comply with the safety regulations issued by the Central Electricity Authority and relevant laws under Section 67, 68 and 69 of the Act in acquisition of land for lines and substations and while executing works.
- (2) The licensee shall inform the Commission and STU whenever construction work on a new transmission component is commissioned.

17. Payment of Licence Fee

- (1) Within such period, after coming into force of this licence, the Transmission Licensee shall pay to the Commission an initial fee, as specified by the Commission, on a pro-rata basis for the balance period of the financial year.
- (2) As long as licence remains in force, the licensee shall pay to the Commission an annual fee as specified on or before 15th April of every year. The Commission may review the quantum of annual licence fee after every three years and notify the same.
- (3) Where the licensee fails to pay to the Commission the stipulated fees by the due dates:
 - (i) the licensee shall be liable to pay to the Commission interest on the outstanding amount a specified rate of interest rate per month, the interest being payable for the period beginning on the day on which the amount becomes due and ending on the day when payment is made; and
 - (ii) the licensee shall be subject to the proceedings for the recovery of such fee specified in the Act and
 - (iii) the Commission may revoke the licence pursuant to Section 19 of the Act for any continuous default in payment of license fee
 - (iv) The licensee shall be entitled to take into account any fee paid by it in the determination of aggregate revenue but shall not take into account any interest paid pursuant to the condition 3 (i) above.

18. Revocation of Licence

Subject to the provisions of Section 19 of the Act and the Regulations (Licensing for Transmission of Electricity) framed thereunder, Commission may at any time initiate proceedings against the Transmission Licensee for revocation of the Transmission licence and if so satisfied in such proceedings that the public interest so requires, it may revoke the Transmission licence in any of the circumstances stated in the Regulation 23 of the MSERC Transmission Licensing Regulations, 2010.

19. Amendment of Licence Conditions

The Commission may *suo moto* or on application by the transmission licensee may alter or amend or modify the terms and conditions of the license subject to provision of Section 18 of the Act Regulation 21 of the MSERC Regulations (Licensing for Transmission of Electricity) Regulations, 2010.

PART - III

20. Technical Conditions

The transmission licensee shall abide by the following technical conditions

- (1) The Licensee shall ensure that the Transmission System is capable of providing an efficient, coordinated and economical system of Transmission.
- (2) The Licensee shall
 - (i) plan and develop its Transmission System in accordance with the Transmission System Planning and Security Standards and the Grid Code as approved by the Commission; and
 - (ii) operate the Licensee's Transmission System in accordance with the Transmission System Operating Standards and the Grid Code as approved by the Commission and in coordination with the National / Regional Load Despatch Centre, State Transmission Utility and State Load Despatch Centre
- (3) The Licensee shall, within 60 days from the date when Licence becomes effective; submit to the Commission the existing
 - Planning and Security Standards } Standards for its Transmission System
 - Operating Standards }

 - Planning and Security Standards } Standards for its Power Supply System
 - Operating Standards }Including those relating to:
 - Generation Capacity connected to its Transmission System in MW
- (4) The Licensee shall, within six months, or such longer time as the Commission may allow, after Licence has become effective, prepare, in consultation with the Suppliers, Generating Companies, Central Transmission utility, Regional Electricity Boards , State Transmission Utility, State Load Despatch Centre and such other Person, as the Commission may specify, and submit to the Commission for approval the Licensee's proposals for Transmission Planning and Security Standards. Transmission Operating Standards, Power Supply Planning and Security Standards and Power Supply Operating Standards.

- (5) The transmission licensee shall submit a quarterly report to the Commission on
- (a) its performance in accordance with the approved standards to enable it to review the need for revision of the standards, as and when necessary.
 - (b) an annual report on its performance based on the approved standards under clause (a)
 - (c) The Commission shall review the performance of the transmission licensee and issue necessary orders / directions to the licensee to take corrective actions where necessary.
21. The licensee shall, on an annual basis, prepare a forecast the demand for power within the Area of Transmission and Bulk Supply and prepare and submit the forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time.

22. Compliance with Grid Code by the Transmission Licensee

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

23. Central Scheduling and Despatch

- (1) The Licensee shall undertake operational planning matching to possible output of all Generating Sets or and any other Bulk Supplier and other sources of electrical energy connected to the Licensee's Transmission System (including a reserve of generation to provide a security margin or generation availability) to meet the demand after taking into account, inter alia:
- (i) non-availability of Generating Sets; and
 - (ii) constraints from time to time imposed by technical limitations on the Total System or interconnections with other transmission systems or any part(s) thereof;
 - (iii) consistent with any possible restrictions to be imposed on the supply in exigencies.
- (2) The Licensee shall schedule its drawal of power from the Generating Sets and other sources of power based on merit order despatch taking account of information provided by Suppliers, the Central / State Transmission Utility, State Load Despatch Centre and the Regional Electricity Board / Regional Power Committee together with an appropriate margin for reserve.
- (3) The Licensee shall provide to the Commission such information as the Commission shall require concerning the merit order despatch or any aspect of its operation.

PART - IV

24. Use of System and Connection to System

(1) The licensee shall make such arrangements for use of the Transmission System by third parties on application made by any third party. The Licensee shall enter into an agreement with that person for the use of the Transmission System covering, among others;

- (i) Mode of delivery such electricity, adjusted for losses of electricity, to a designated exit point;
- (ii) charges to be paid by the user, which shall be as approved by the Commission

Explanation: The third parties referred to in this condition 23.1 means

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

25. The Licensee shall enter into an agreement with such Supplier and / or Consumer, as the case may be, for connection to the Transmission System or for modification of such an existing connection and such agreement shall make provision for

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

26. (1) The Licensee shall not be obliged to enter into any agreement if it is likely to involve the Licensee;

- (i) in breach of its duties under Section 17 of the Act or any rules or Regulations relating to safety standards applicable to the Transmission Business including, the Indian Electricity Rules 1956; or
- (ii) in breach of the Grid Code; or
- (iii) in breach of any of the conditions of this Licence; or if

(2) The Licensee has failed to enter into an agreement with any applicant referred in clause 24 above, the Commission may at the request of a party settle such terms in dispute between the Licensee and that Person and issues orders to the Licensee as it may consider appropriate.

The Licensee shall prepare and submit to the Commission on annual basis, a statement as specified by the Commission, showing forecasts of circuits' capacity, power flows and loading on the Transmission System under standard planning criteria, together with details of

- (i) use of system to identify and evaluate the opportunities available when connecting to and making use of such system; and
- (ii) the Licensee indicating the Licensee's views as to those parts of the Licensee's Transmission System most suited to new connections and transmission of electricity.
- (iii) any facility for which any other Person or a Supplier has requested the use of and connection to the Transmission System and not agreed to;
- (iv) amount reflecting the Licensee's reasonable costs of providing such the required supply in item (iii) above.

PART - V

Expected Revenue Calculation and Tariffs

27. Expected Revenue and Tariff Filings

- (1) The Licensee shall follow the methodology, procedures and other directions issued by the Commission from time to time and provisions contained in the Tariff Regulations while filing statements of expected revenue from the existing approved charges.
- (2) The licensee is permitted to recover from its tariffs in any financial year the amount that the Commission determines in accordance with the financial principles and their applications as provided in Section 62 of the Electricity Act 2003.
- (3) The Licensee shall calculate its charges in accordance with the tariff Regulations, the orders of the Commission and other requirements prescribed by the Commission from time to time.
- (4) The Licensee may publish a tariff for its Transmission of electricity reflecting the tariff charges and the other terms and conditions as directed by the Commission.
- (5) The Licensee may apply to the Commission to amend its tariffs in accordance with the Act and applicable Regulations and directions of the Commission duly furnishing the required data for its consideration and orders.

PART- VI

Miscellaneous Matters

28. Miscellaneous Matters

All issues arising in relation to interpretation of these General Conditions shall be a matter for determination by the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act.

29. The Commission may at the time of grant of Transmission Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a Transmission Licence.

30. These General Conditions shall apply to the Transmission Licensee from the date of commencement of the license.

**Transmission Licence
Schedule**

_____ Transmission Licensee
(Name of Licensee)

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

By the Order of the Commission

Secretary

Place:

Date: