

# **ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

**HYDERABAD.**

**(Draft Regulation)**

**Andhra Pradesh Electricity Regulatory Commission**

**Transmission Licence Regulation, 2023**

**Regulation ----- of 2023**

## **Preamble:**

The Andhra Pradesh Electricity Regulatory Commission (APERC), hereinafter referred to as “the Commission”, granted a Transmission Licence to APTRANSCO vide O.P No. 1/2000 under the provisions of the Andhra Pradesh Electricity Reform Act, 1998. Further, in accordance with Section 16 of the Electricity Act, 2003, the APERC notified APERC (Deemed Licence Conditions) Regulation, 2004 (Regulation 8 of 2004) to adopt the ‘General and Special Conditions’ of licenses granted under the AP Electricity Reform Act, 1998, to comply with the Electricity Act, 2003. The procedure for the grant of the licence and exemption from the licence is prescribed by the APERC Conduct of Business Regulation, and its amendments from time to time.

To consolidate the procedure of granting the licence, general and special conditions to take care of the present day requirements, particularly in the context of the development of intra-state transmission systems under Section 63 of the Electricity Act, 2003 through Tariff-Based Competitive Bidding (TBCB), the Commission is of the view that it is necessary to frame an exclusive and separate Regulation on transmission licence. Accordingly, in exercise of the powers conferred under Section 181 read with Sections 14 to 22 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that behalf, the Commission makes the draft Regulation as under:

## **CHAPTER - 1**

### **PRELIMINARY**

#### **1. Short Title, Extent and Commencement**

- a. This Regulation shall be called the Andhra Pradesh Electricity Regulatory Commission (APERC) Transmission Licence Regulation, 2023.
- b. This Regulation shall apply to all transmission licensees in the State and in respect of all applications for Transmission Licence including applications pending before the Commission on the date of publication of this regulation.
- c. This Regulation shall be applicable to all Transmission Licensees who were granted a license under the AP Electricity Reforms Act, 1998 in the State of Andhra Pradesh.
- d. This Regulation shall come into force on the date of its publication in the Andhra Pradesh Gazette.
- e. This Regulation supersedes all the earlier Regulations/stipulations/guidelines/directions issued by the Commission in the matter of Transmission Licence.

## **CHAPTER - 2**

### **GENERAL**

#### **2. Definitions, Interpretation, and Review**

(1) In this Regulation, unless the context otherwise requires: -

- a) **“Act”** means “The Electricity Act, 2003 (36 of 2003);
- b) **“Acts”** means “The Electricity Act, 2003 (36 of 2003 and The Andhra Pradesh Electricity Reform Act, 1998;
- c) **“Accounting Statement”** means for each financial year, accounting statements separately in respect of the Licensed Business and the Other Business, comprising:
  - i. balance sheet, prepared in accordance with the form contained in Part I of Schedule VI to the Companies Act, 1956;
  - ii. profit and loss account, complying with the requirements contained in Part II of Schedule VI to the Companies Act, 1956;

- iii. cash flow statement, prepared in accordance with the Accounting Standard on Cash Flow Statement (AS-3) of the Institute of Chartered Accountants of India;
  - iv. report of the statutory auditors' of the Transmission Licensee;
  - v. cost records prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956
- d) **"Applicant"** means a person who has made an application for the grant of licence for intra-state transmission of power;
- e) **"Area of Activity"** or **"Area of Licence"** means the area of activity stated in the Transmission Licence within which the Transmission Licensee is authorised to operate and maintain transmission lines;
- f) **"Allocation Statement"** means for each financial year, a statement in respect of each of the separate businesses of the Transmission Licensee, showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:
- (i) charged from or to any Other Business together with a description of the basis of that charge; or
  - (ii) determined by apportionment or allocation between the Transmission Business and any Other Business of the Transmission Licensee, together with a description of the basis of the apportionment or allocation;
- g) **"Auditors"** means the Transmission Licensee's auditors, and if the Transmission Licensee is a company, auditors holding office in accordance with the requirements of the Companies Act 1956 (1 of 1956), as amended from time to time;
- h) **"Business Plan"** means a plan in relation to the Licensed Business, containing all the details specified in this Regulation;
- i) **"Commission"** means the Andhra Pradesh Electricity Regulatory Commission;
- j) **"Conduct of Business Regulations"** means the Andhra Pradesh Electricity Regulatory Commission's Conduct of Business Regulations notified by the Commission;
- k) **"Deemed licensee"** means a person authorised under sub-section (a) of Section 14 of the Act and also under the first, second, third, and fifth provisos to Section 14 of the Act to operate and maintain an intra-State Transmission system(s) of electricity;

- l) **“Financial Year”** means a period of twelve months from 1st April of a calendar year to 31st March of the following calendar year;
- 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 the development of transmission projects;
- n) **“Grid Code”** means the Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Electricity Act and includes the Indian Electricity Grid Code issued by the Central Electricity Regulatory Commission (CERC) as applicable from time to time;
- o) **“Licence”** means the licence granted under Section 14 of the Act to establish or operate transmission lines;
- p) **“Licensed Business”** means the business of establishing or operating transmission lines;
- q) **“Major Incident”** means an incident associated with the transmission of electricity which results in a significant interruption of service, substantial damage to equipment, or life or significant injury to human beings or as otherwise specified by the Commission and shall also include any other incident which the Commission declares to be a major incident.
- r) **“Other Business”** means such other business as is referred to in Section 41 of the Act;
- s) **“Reform Act”** means the Andhra Pradesh Electricity Reform Act, 1998.
- t) **“Secretary”** means the Secretary of the Andhra Pradesh Electricity Regulatory Commission;
- u) **“Standards”** means the technical standards, safety requirements and grid standards specified by the Central Electricity Authority (CEA) under Section 73 of the Act;
- v) **“State”** means the State of Andhra Pradesh;
- w) **“State Grid Code”** means the State Grid Code issued by the Commission under clause (h) of sub-section (1) of Section 86 of the Electricity Act;
- x) **“Transmission Licence”** means a Licence granted to establish or operate transmission lines in the area specified in the Licence, and “Transmission Licensee” shall be construed accordingly;
- y) **“Transmission charges”** means the transmission charges approved or adopted, as the case may be, by the Commission for the transmission system(s);

- z) **“Transmission plan”** means the 5-year plan and/or indicative plan for the following 5 years prepared by the State Transmission Utility and approved by the Commission.

(2) **Interpretation**

- a. Words and expressions used and not defined in this Regulation but defined in the Act shall have the meanings assigned to them in the Act. Expressions used herein but not specifically defined in this Regulation or in the Act but defined under any law passed by a competent legislature and applicable to the electricity industry in the state shall have the meaning assigned to them in such law.
- b. In the interpretation of this Regulation, unless the context otherwise requires:
- i. words in the singular or plural term, as the case may be, shall also be deemed to include the plural or the singular term, respectively;
  - ii. references herein to the “Regulation” shall be construed as a reference to this Regulation as amended or modified by the Commission from time to time in accordance with the applicable laws in force;
- c. the headings are inserted for convenience and may not be taken into account for the purpose of interpretation of this Regulation;
- d. references to the statutes, regulations or guidelines shall be construed as including all statutory provisions consolidating, amending or replacing such statutes, regulations or guidelines, as the case may be, referred to.

(3) **Review**

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

## **CHAPTER – 3**

### **PROCEDURE FOR GRANT OF TRANSMISSION LICENCE**

3. All proceedings under this regulation shall be governed by the Andhra Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, as amended from time to time.

4. **Eligibility for Transmission Licence**

The applicants for the Transmission Licence shall meet the technical and financial qualifications prescribed by the Ministry of Power, Government of

India in the Standard REQUEST FOR PROPOSAL (RFP) for Selection of Bidder as Transmission Service Provider from time to time.

**5. Application for Grant of Transmission Licence**

- i. The application for the grant of a Transmission Licence shall be submitted to the Commission in the form specified in Schedule I of this Regulation and shall be accompanied by an application fee as prescribed by the Andhra Pradesh Electricity Regulatory Commission (Fees) Regulation, as amended from time to time and an affidavit as specified in Schedule III. The fee shall be payable by way of a Bank Draft/Pay Order drawn in favour of the Secretary, A.P. Electricity Regulatory Commission.
- ii. Every application for the grant of a Transmission Licence shall be signed by or on behalf of the Applicant by a duly Authorised Person and shall be addressed to the Secretary of the Commission. The application shall be filed in five (5) sets.
- iii. The application for grant of Transmission Licence, along with enclosures thereto, shall be submitted to the Secretary of the Commission also on a compact disc (CD) after taking necessary measures for data protection, virus detection etc.
- iv. The Applicant shall post the complete application along with enclosures on its own website or where it does not have such website; on any other website and provide access to the application through the Internet.
- v. The Applicant simultaneously shall forward a copy of the application to the State Transmission Utility (STU).

**6. Receipt and Acknowledgement of Application**

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

**7. Public Notice of Application**

The Applicant shall, within seven days after making such application, publish a notice as specified in Schedule IV in one English and one Telugu daily

newspaper having wide circulation in the area of Transmission for which the Licence is sought, with the following particulars:

- a. Name of the Applicant in bold at the top clearly bringing out whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act, 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address, if any;
- b. A statement that the Applicant has submitted an application to the Commission for grant of a Transmission Licence under Section 15 of the Act;
- c. Proposed Area of Transmission Licence;
- d. Financial and technical strength, management profile, and shareholding pattern, if any, of the Applicant;
- e. A statement to the effect that the application and other documents filed before the Commission from time to time, are available with the Applicant for inspection by any person;
- f. The names, addresses, and other necessary details of the person(s) nominated by the applicant in the area of the proposed Transmission licence, who can make available the said documents for inspection, the application and other documents or from whom they can be purchased in person, or by post at reasonable charges, not exceeding photocopying charges;
- g. Brief particulars of the proposed Transmission Licence;
- h. A statement to the effect that the completed application is available on the website of the Applicant or any other authorised website and can be downloaded free of cost;
- i. A statement that objections, if any, may be filed before the Secretary, A.P. Electricity Regulatory Commission within 30 days of publication of the notice giving the address of office of the Commission.

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

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

**8. Public Inspection of Application and Documents**

- i) From the date of publication of notice in accordance with clause 6 above, the Applicant shall make available at its own office and the office/s of its agents (if any) and also with every local authority as may be specified by the Commission from time to time, copies of the application and all the documents submitted therewith.
- ii) The Applicant shall furnish, to all persons applying, printed copies of its application, together with the attachments thereto, at the reasonable cost of photocopying such material.

**9. Scrutiny of Application and Calling for Additional Information**

- i) The Secretary or any other officer designated by the Commission for this purpose, may, upon scrutiny of the application, require the Applicant to furnish, such additional information or documents as may be considered necessary for the purpose of dealing with the application, within a period of thirty (30) days from the date of receipt of application.
- ii) If the Secretary or designated officer finds that the application and the accompanying documents are complete in all respects and after the Applicant has complied with the procedure prescribed for validly submitting an application, the Secretary/designated officer shall certify that the application is complete for being considered for grant of a Transmission Licence in accordance with the procedure mentioned in these Regulations.

**10. Objections and Suggestions**

- i) Any person intending to object/suggest to the grant of the Transmission Licence shall file objections/suggestions within 30 days from the date of issue of the first advertisement referred to in clause 7 above. The objections/suggestions shall be addressed to the Secretary of the Commission, with a copy to the Applicant.
- ii) Where an objection is received from any local authority concerned, the Commission shall, if in its opinion the objection is untenable, record the opinion in writing and communicate it to such local authority along with reasons therefor.

- iii) Upon receipt of such objections/suggestions, the Secretary/designated officer shall imprint the reference number of the concerned application for grant of Transmission Licence on the same and shall place such objections in the file relating to the concerned application, and also post the same on the Commission's website.
- iv) The Applicant shall submit comments on the objections or suggestions received in response to the notice under clause 7 above within 15 days of the expiry of the 30 day notice period mentioned in (i) above.
- v) In case of an application for a Transmission 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 Central Government for defence purposes, before granting Transmission Licence, the Commission shall ascertain that there is no objection, on the part of the Central Government, for grant of such Transmission Licence.
- vi) Provided that in case there is no response from the Central Government in this regard within 30 days, the Commission may, at its discretion, proceed further in accordance with the Law.

#### **11. Recommendations of STU**

The State Transmission Utility shall within thirty days after the receipt of the copy of the application referred to in clause 5 (v), send its recommendation, and/or comments, if any to the Commission.

Provided that The State Transmission Utility whether it sends its recommendations or not, may send its comments within thirty days after the receipt of the copy of the application received duly forwarding the copy of comments to the Applicant. The Applicant may file its reply to the comments to the Commission within one week from the date of receipt of a copy of the comments from STU Provided that the recommendation of STU shall not be binding on the Commission.

#### **12. Local Inquiry**

- i) The Commission may, if it considers necessary upon a perusal of the objections and/or comments thereon, or at any time during the course of proceedings for the grant of Transmission Licence, cause a local inquiry to be held, of which notice in writing shall be given to both the Applicant and the objector.

- ii) Where a local inquiry is ordered and held under clause (i) above, the Commission shall, in its order requiring the local inquiry, or by further order in writing, specify the time within which the local inquiry is to be completed.

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

- iii) Where a local inquiry is ordered and conducted under clause (i) above, a memorandum of the results of the said local inquiry shall be prepared and shall be signed by the Applicant, the officer or person designated for the purpose of carrying out the inquiry and such other person as the Commission may direct.
- iv) The results of the local inquiry shall be considered by the Commission while hearing the application for the grant of a Transmission Licence.

### **13. Hearing of Application and Grant of Transmission Licence/Refusal**

- i) After compliance by the Applicant with all the conditions pertaining to the submission of documents, obtaining of permissions and publication of notices and after the expiry of the time for receiving objections, the Commission may proceed further to consider the objections and replies of the Applicant thereto.
- ii) After inquiry, if any, and the hearing of the application, if conducted, the Commission may decide to grant or refuse the Transmission Licence.
- iii) Refusal of Transmission Licence

Suppose, the Commission is not inclined to grant the Transmission Licence. it shall record in writing, the reasons for rejection, if such application does not conform to the provisions of the Act, Reform Act, Rules/Regulations made thereunder, or the provisions of any other law for the time being in force or such other reasons which in the Commission's view are germane for rejection.

Provided that no application shall be rejected unless the applicant has been given an opportunity of being heard.

The Secretary of the Commission shall inform the applicant of the refusal of the Transmission Licence along with the reasoned Order of the Commission.

- iv) Grant of Transmission Licence:

If the Commission is inclined to grant the Transmission Licence, the Commission shall publish a notice of its proposal to grant the Transmission Licence in two such daily newspapers, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to issue the Transmission Licence, with such other details as the Commission considers appropriate.

The Commission shall consider all suggestions or objections received before granting the Transmission Licence.

When the Commission decides to grant the Transmission Licence, the Secretary shall inform the Applicant, in the form specified in Schedule V or in such other form as the Commission may direct from time to time.

- v) When the Commission has approved a licence, the Secretary shall inform the Applicant, within fourteen (14) days of the date of grant of approval, of such approval and of the form in which it is proposed to grant the Transmission Licence and the conditions to be satisfied by the Applicant, including the fees to be paid for the grant of Transmission Licence.
  - vi) The Secretary shall, immediately after the issue of the licence not later than one week, forward a copy of the licence to the Energy Department, Government of Andhra Pradesh and the Central Electricity Authority.
  - vii) The Commission shall, as far as practicable, grant the Transmission Licence or reject the application seeking grant of a Transmission Licence, within ninety days of having received the said application.
14. The deemed licensees shall make an application in the form specified in Schedule 2 to the Commission to get identified as the deemed Licensee. Provided that nothing in clauses 4 to 13 shall apply to deemed licensees.
15. **Commencement of the Transmission Licence**
- The Transmission Licence shall commence from such date as the Commission may specify.
16. **Duration of the Transmission Licence**
- The Transmission Licence shall be valid for a period of twenty-five years from the date of its commencement unless it is duly suspended or revoked by the Commission by an order.

**17. Deposit of Maps**

When a Transmission Licence has been granted, three sets of maps of the proposed Area of Licence on a scale of not less than a km or such other scale as may be approved by the Commission in a specific case shall be signed by the Secretary and dated to correspond with the date of the notification of the grant of the Transmission Licence. One set of the maps shall be deposited with the Commission and the other two sets shall be given to the State Transmission Utility.

**18. Deposit of Copies of Transmission Licence**

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

**19. Amendment of a Transmission Licence**

- i) Where in its opinion and the public interest so requires, the Commission may, on the application of the Transmission Licensee or of a local authority concerned or otherwise, make such amendments in the terms and conditions of a Transmission Licence as it thinks fit, having regard to the object and purposes of the Act:

Provided that no such amendments shall be made, except with the consent of the Transmission Licensee, unless such consent has, in the opinion of the Commission, been unreasonably withheld.

- ii) Where a Transmission Licensee has made an application for amendment of its Transmission Licence, the Transmission Licensee shall, within seven (7) days of making such application, publish a notice in one English and one Telugu daily newspaper having wide circulation in the area of operation of Transmission Licence sought to be amended giving following particulars:
  - a) Brief details of existing Transmission Licence;
  - b) Proposed amendments to the existing Transmission Licence; and
  - c) Reasons for the amendment.
  - d) The names, addresses and other necessary details of the person(s) nominated by the applicant in the area of the proposed Transmission licence, who can make available for inspection the application and other documents or from whom they can be purchased in person or by post at reasonable charges, not exceeding photocopying charges;
  - e) A statement that any person, desirous of making any suggestion or objection with reference to the application to the Commission, may do so by way of written intimation (six copies) addressed to the Secretary within 30 days from the date of the first publication of the notice.
- iii) All objections to an application for amendment pursuant to publication of notice under clause (ii) above shall be considered by the Commission if received within thirty (30) days from the date of first publication of the notice.
- iv) Where an amendment to a Transmission Licence is proposed by the Commission suo-motu, the Commission shall publish a notice in one issue each of a daily newspaper in English language and one daily newspaper in Telugu language having wide circulation in the area of operation of Transmission licence sought to be amended giving following particulars:
  - a) Name of the Transmission Licensee and address of the 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 with reference to application to the Commission, may do so by way of written intimation (five copies) addressed to the Secretary within thirty days from the date of the first publication of the notice.

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

- v) The provisions of this Regulation relating to the grant of Transmission Licence shall, as far as may be practicable and necessary, apply to consideration and disposal of an application for amendment of Transmission Licence.
- vi) In the case of an application proposing an amendment in an Area of Licence comprising the whole or any part of the cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Central Government for defence purposes, the Commission shall not make the amendment except with the consent of the Central Government.

## **20. Revocation of the Transmission Licence**

- i) The Commission may revoke a Transmission Licence in accordance with the applicable provisions of the Act and the Reform Act, in any of the following circumstances, namely:-
  - a) where the Transmission Licensee, in the opinion of the Commission, makes wilful and prolonged default in doing anything required of it by or under the Act or the Reform Act or the rules or regulations made thereunder;
  - b) where the Transmission Licensee has breached any of the terms or conditions of its Transmission Licence, the breach of which is expressly declared by such Transmission Licence to render it liable to revocation;
  - c) where the Transmission Licensee fails, within the period fixed in this behalf by its Transmission Licence, or any longer period which the Commission may have granted there for -
    - (1) to show, to the satisfaction of the Commission, that it is in a position fully and efficiently to discharge the duties and obligations imposed on it by the Transmission Licence; or
    - (2) to make the deposit or furnish the security, or pay the fees or other charges required by the Transmission Licence;
  - d) where in the opinion of the Commission, the financial position of the Transmission Licensee is such that it is unable fully and efficiently to

discharge the duties and obligations imposed on it by its Transmission Licence by the Commission.

- e) where the Transmission Licensee, in the opinion of the Commission, made a default in complying with a direction given by the Commission.
- ii) Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Transmission Licensee, revoke its Transmission Licence as to the whole or any part of its Area of Licence upon such terms and conditions as it thinks fit.
- iii) No Transmission Licence shall be revoked under clause (i) above, unless the Commission has given to the concerned Transmission Licensee, not less than three months' notice, in writing, stating the grounds on which it proposes to revoke the Transmission Licence, and has considered any cause shown by the concerned Transmission Licensee within the period of that notice, against the proposed revocation.
- iv) The Commission may, instead of revoking a Transmission Licence under clause (i) above, permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms or conditions so imposed shall be binding upon and be observed by the Transmission Licensee and shall be of like force and effect as if they were contained in the Transmission Licence.
- v) Where the Commission revokes a Transmission Licence under this Regulation, it shall serve a notice of revocation upon the Transmission Licensee and fix a date on which the revocation shall take effect.
- vi) Where the Commission has given notice for revocation of a Transmission Licence under clause (iv) above, without prejudice to any penalty which may be imposed, or prosecution proceeding which may be initiated, under the Act and/or the Reform Act, the Transmission Licensee may, after prior approval of the Commission, sell its utility/business to any person who is found eligible by the Commission for grant of a Transmission Licence.

**21. Suspension of Transmission Licence and sale of utility**

- i) If at any time the Commission is of the opinion that the Transmission Licensee-
  - a) has persistently failed to maintain an uninterrupted Supply of electricity conforming to standards regarding the quality of electricity to the consumers; or

- b) is unable to discharge the functions or perform the duties imposed on it by or under the provisions of the Act or the Reform Act; or
- c) has persistently defaulted in complying with any direction given by the Commission under the Act or the Reform Act; or
- d) has breached any of the terms and conditions of the Transmission Licence, and circumstances exist which render it necessary for the Commission in the public interest so to do, the Commission may, for reasons to be recorded in writing, suspend, for a period not exceeding one year, the Transmission Licence of the Transmission Licensee and appoint an Administrator to discharge the functions of the Transmission Licensee in accordance with the terms and conditions of the Transmission Licence.

Provided that before suspending a Transmission Licence under clause 21, the Commission shall give a reasonable opportunity to the Transmission Licensee to make representations against the proposed suspension of the Transmission Licence and shall consider the representations, if any, of the Transmission Licensee.

## 22. **Payment of Licence Fees**

- i) Within 30 days, or such other period as the Commission may allow after the commencement of the Licence, the Licensee shall pay an Initial Licence fee as may be specified.
- ii) For each subsequent Year that the Licence remains in force, the Licensee shall, by 15th April of every year or such further period as the Commission may allow, pay to the Commission an annual licence fee (rounded to the nearest thousands) as per the APERC Fee Regulation issued under Section 86(1)(g) of the Act. The Commission shall be entitled to review and revise the annual licence fee if required after every block of three years for the next block of three years and the Licensee shall be liable to pay such revised annual licence fee.
- iii) Where the Transmission Licensee fails to pay any of the fees due under sub-clauses (i), or (ii) above by the dates specified:
  - a) The Transmission Licensee shall be liable to pay interest on the outstanding amount at the prevailing bank rate, the interest is payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made, and

- b) The Transmission Licensee shall be subject to proceedings for the recovery of the fees, and
- c) The Commission may revoke the Transmission Licence pursuant to the applicable provisions of the Act and the Reform Act.

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

## **CHAPTER - 4**

### **CONDITIONS OF LICENCE**

- 23. The licensee shall plan and operate the Transmission System, so as to ensure that the Transmission System is capable of providing an efficient, coordinated and economical system of Transmission as per section 40 of the Act. In particular, the licensee shall plan and develop its Transmission System in accordance with the Transmission System Planning and Security Standards as notified by the Central Electricity Authority under the Act together with the Grid Code as specified by the Commission.
- 24. The Licensee shall not commence any new provision of services to third parties for the transportation of electricity through the Licensee's Transmission System, except with the general or special approval of the Commission
- 25. **Open Access:**  
The Transmission Licensee shall arrange for the provision of non-discriminatory open access to its Transmission system to any persons in accordance with the Open Access Regulations issued by the Commission under Section 42 of the Act.
- 26. **Prohibition of Undue Preference :**
  - i) The Transmission Licensee shall not, in providing services required of it under the Transmission Licence and in the general conduct of the Licensed Business, show undue preference to any person or class of persons and shall not unreasonably discriminate against any person or

class of persons or Licensee or generating company or its consumers or other Licensee's consumers.

Provided that the Transmission Licensee shall not be deemed to be in breach of its obligations under the Transmission Licence if any undue preference results from compliance with any in the implementation of any order passed by the Commission, pursuant to any directions of the State Government under the Act or otherwise in accordance with the provisions of the Act.

- ii) Any question as to the meaning of undue preference or unreasonable discrimination shall be decided by the Commission, whose decision in this regard shall be final.

## **27. Acts Requiring Prior Consent**

- i) The Transmission Licensee shall not do the following acts without the prior written approval of the Commission -
  - a) undertake any transaction to acquire, by purchase or takeover or otherwise, the utility of any other Licensee;
  - b) merge its utility with the utility of any other Licensee; or
  - c) assign the Transmission Licence or transfer its utility or any part thereof, by sale, lease, exchange or otherwise

Provided that approval shall not be required if the utility referred to in sub-clause (a) or sub-clause (b) above is situated in a State other than the State of Andhra Pradesh.

- ii) Any agreement relating to any transaction specified under clause (i) above, unless made with the prior approval of the Commission, shall be void.
- iii) The Transmission Licensee shall, before filing an application for approval under clause (i) above, give not less than one month's notice to every other Licensee who transmits or distributes electricity in its Area of Licence.
- iv) Where such prior approval is required, the Transmission Licensee shall file a suitable application with the Commission disclosing relevant facts

in that behalf. The Commission may within 3 months of the application being filed, approve the arrangement subject to such terms and conditions or modifications as are considered appropriate or reject the same for reasons to be recorded in writing.

- v) Provided that no such application shall be rejected unless the applicant has been given an opportunity of being heard.

**28. Other Business of the Transmission Licensee**

- i) The Transmission Licensee, with prior intimation to the Commission, may engage in any Other Business, only so long as such activity is likely to result in the optimum utilisation of the assets and infrastructure comprising the Transmission system and subject to the following conditions:
  - a) that the Licensed Business and the conduct thereof by the Transmission Licensee is not prejudiced and/or adversely affected in any manner;
  - b) that a proportion of the revenues derived from such Other Business, as may be specified by the Commission, shall be utilized for reducing the Transmission charges of the Transmission Licensee;
  - c) that the Transmission Licensee shall maintain separate accounts for each of such Other Business to ensure that the Licensed Business neither subsidises such Other Business undertaking in any way nor encumbers its Transmission assets in any way to support such business;
  - d) the Transmission Licensee shall always comply with APERC (Treatment of Other Business of Transmission Licensees and Distribution Licensees ) Regulation, 2005 and such guidelines as the Commission may specify in this regard.
- ii) The Transmission Licensee shall seek approval of the Commission before contracting any loans to, or issuing any guarantee for any obligation of any person, where the same is either beyond the permissible limits imposed by the Companies Act, 1956 or cannot be construed as being an exception and/or exemption under the Companies Act, 1956. 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.

**29. Anti-competitive practices:**

The Commission may issue such directions as it considers appropriate to a Transmission Licensee if such Transmission Licensee enters into any agreement or abuses its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in the electricity industry.

**30. Compliance with Regulations, Codes, Orders and Directions**

- i) The Transmission Licensee shall always comply with the Regulations, Grid Code, the Standards of Performance of Licensees, Orders, Guidelines and Directions issued by the Commission from time to time as may be considered appropriate by the Commission for achieving the purposes of the Act and the Reform Act and shall act in accordance with the conditions of its Transmission Licence, except where the Transmission Licensee obtains the approval of the Commission for any deviation from such directions and conditions.
- ii) The Transmission Licensee shall monitor its compliance with the terms of the Transmission Licence and any order, code, guideline or regulations it is required to comply with, and if the Transmission Licensee becomes aware of a material breach, on its part, of the Transmission Licence or any order, code, guideline or regulations, the Transmission Licensee shall notify the Commission of the material breach as soon as possible.

**31. Standards of Performance:**

- i) If a Transmission Licensee fails to meet the standards specified by the Commission in the “Licensees Standards Of Performance” regulation issued under Section 57 of the Act, as applicable to the Transmission Licensee, then, without prejudice to any penalty that may be imposed or prosecution that may be initiated, such Transmission Licensee shall be liable to pay such compensation to the person affected as may be determined by the Commission, by Regulations or otherwise.

Provided that before the determination of compensation, the concerned Transmission Licensee shall be given a reasonable opportunity of being heard.

- ii) The compensation determined under clause (i) shall be paid by the concerned Transmission Licensee within ninety (90) days of such determination.
- iii) The Transmission Licensee shall, within the period specified by the Commission, furnish to the Commission the following information, namely:-
  - a) the level of performance achieved under clause (i) above;
  - b) the number of cases in which compensation was paid under clause (ii) above and the aggregate amount of the compensation.
- iv) The Commission shall at least once every year publish, in such form and manner as it considers appropriate, such of the information furnished to it under clause (iii) above.

**32. Co-operation with State Transmission Utility, State Load Despatch Centre and other Licensees**

- i) The Transmission Licensee shall provide to the State Load Despatch Centre and State Transmission Utility and/or other Licensees, such information as may reasonably be required by them to perform their functions and exercise their powers under the Act and/or the Reform Act.
- ii) The Transmission Licensee shall always comply with the directions of the State Load Despatch Centre, Regional Load Despatch Centre and State Transmission Utility issued under the Act and/or the Reform Act.
- iii) The Transmission Licensee shall cooperate with generating companies, other Licensees and the State Load Despatch Centre for the efficient and coordinated operation of the power system.

**33. Metering**

- i) The Transmission Licensee shall follow the Regulations (Installation and Operation of Meters) issued by the Central Electricity Authority under Section 55 of the Act

- ii) For proper accounting and audit in the generation, transmission and distribution or trading of electricity, the Central Electricity Authority may direct the installation of meters by a Transmission Licensee at such stages of Transmission or trading of electricity and at such location of Transmission or trading of electricity, as it may deem necessary.

**34. State Electricity Plan & Transmission Plan**

- i) The State Transmission Utility shall prepare and submit to the Commission year-wise demand forecast derived from load forecast within its Area of Supply for two control periods; in accordance with the guidelines/regulations issued by the Commission from time to time;
- ii) The State Transmission Utility shall submit the State Electricity Plan in coordination with other Distribution Licensees and SLDC based on the demand forecast projected. It shall also submit a Transmission Plan based on the demand forecast and power procurement plan of the Distribution Licensees as per the guidelines of the Commission.
- iii) The Transmission Licensee shall cooperate with the State Transmission Utility of the State and AP State Load Dispatch Centre (SLDC) in the preparation of the Transmission Plan for the state of Andhra Pradesh;

**35. Capital Investments**

- i) The Transmission Licensees shall submit a long-term investment plan for 10 years in which the Licensees shall furnish a detailed investment plan for five (5) years, year by year in accordance with the Load Forecast and Demand Forecast.

For the purposes of the Load and Demand Forecasts and investment plan, the year shall begin on April 1<sup>st</sup> and end on 31<sup>st</sup> March. Each Licensee shall submit its Load and Demand Forecasts along with a detailed investment plan to the Commission in the month of April of each year, and/or at such other times as the Commission may require. The Licensee shall make any investment under any scheme or schemes except in an economical and efficient manner and in terms of this Regulation and in accordance with the Regulations, guidelines, directions and orders the Commission may issue from time to time.

- ii) The Transmission Licensee shall promptly notify the Commission of all the Investments by 31<sup>st</sup> March of every year pertaining to the Transmission System which the Transmission Licensee proposes to implement for subsequent Financial Year together with relevant details in brief, including the estimated cost of such investment schemes, which are in line with the investment plan. The Licensee shall furnish to the Commission such further details and clarifications as to the investments proposed, as the Commission may require from time to time.

**36. Transfer of Assets**

- i) Save as provided in this Regulation, the Transmission Licensee shall not, in a single transaction or a set of related transactions, transfer or relinquish Operational Control over any asset whose book value at the time of the proposed Transfer exceeds the amount decided by Commission by directions or by a general or special order.
- ii) The Transmission Licensee shall give to the Commission prior written notice of its intention to transfer or relinquish Operational Control over any asset whose value exceeds the amount decided by the Commission above and the Transmission Licensee shall disclose to the Commission full details of the assets, the reasons for disposal and all other relevant facts to the Commission.

Provided that the Commission may, within thirty (30) working days of the receipt of the notice, seek further information in support of the transaction and shall, generally within thirty (30) working days of such further information being submitted by the Transmission Licensee, and where no such further information is sought by the Commission as above, within sixty (60) days of the filing of the application, approve the Transfer arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing

- iii) The Transmission Licensee may Transfer or relinquish Operational Control over any asset referred to above, where:
  - a) the Commission confirms in writing that it consents to such Transfer or relinquishment of Operational Control subject to such conditions or restrictions as the Commission may impose; or

- b) the Commission does not inform the Transmission Licensee in writing of any objection to such Transfer or relinquishment of Operational Control within the period referred to in Regulation and the transfer is effected by adopting the transparent process specified by the Commission in other applicable Regulations.

Provided that the Transmission Licensee shall provide full details of such transactions to the Commission as part of his application to the Commission, for calculation of the aggregate revenue requirement and expected revenue from tariffs and charges in accordance with the Regulations of the Commission specifying the terms and conditions for the determination of tariff.

- iv) The Transmission Licensee may also Transfer or relinquish Operational Control over any asset where:
  - a) the Commission has issued directions for the purposes of this Regulation containing a general consent to:
    - (1) the transactions of a specified description, and/or
    - (2) the Transfer or relinquishment of Operational Control over assets of a specified description, and/or
    - (3) the Transfer or relinquishment of Operational Control is in accordance with any conditions to which the consent is subject, or
  - b) the Transfer or relinquishment of Operational Control in question is required by or as mandated under any other law for the time being in force; or
  - c) the asset in question was acquired and used by the Transmission Licensee exclusively in connection with any Other Business and does not constitute a legal or beneficial interest in land, or otherwise form part of the Transmission System or is not otherwise an asset related to or required for the Licensed Business.
- v) The Transmission Licensee shall be entitled to utilise the assets for facilitating financing its investment requirement subject to the conditions:

- a) that the Transmission Licensee will inform the Commission about such arrangements at least fifteen (15) working days prior to the effective date of the relevant agreements.
- b) that the financing arrangement is for a period not exceeding seven (7) years or such other period as the Commission may specifically direct;
- c) the Transmission Licensee acts in a prudent and reasonable manner in such utilisation of assets; and
- d) The transmission Licensee retains the Operational Control over assets in the Transmission System.

**37. Business Plan:**

Subject to other regulations notified by the Commission, the Transmission Licensee shall submit a Business Plan within three (3) months of the Transmission Licence coming into force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall inter alia contain (i) year wise Transmission loss reduction proposal along with a specific action plan, (iii) a metering plan for metering interface points, (iv) a treatment of previous losses, (v) cost reduction plan, and (vii) other important financial analysis or parameters.

The Transmission Licensee shall submit full details to the Commission, by the end of first quarter of each financial year, regarding the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission.

**38. Protection of Railways, Highways, Telegraphic Lines etc.**

- i) The Transmission Licensee shall not, in the course of Transmission of electricity, in any way injure any railway, highway, airport, tramway, canal or water-way or any dock, wharf or piers vested in or controlled by a local authority, or obstruct or interfere with the traffic on any railway, airway, tramway, canal or water-way.
- ii) The Transmission Licensee shall take all reasonable precautions in constructing, laying down and placing its electric lines, electrical plant and other works and in working its system, so as not to injuriously affect, whether by induction or otherwise, the working of any wire or line used

for the purpose of telegraphic, telephone or electric signalling communication, or the currents in such wire or line.

- iii) Where any difference or dispute arises between the Transmission Licensee and the telegraph authority as to whether the Transmission Licensee has constructed, laid down or placed its electric lines, electrical plant or other works, or worked its system, in contravention of clause (ii) above or as to whether the working of any wire, line or current is or is not injuriously affected thereby, the matter shall be referred to the Central Government.
- iv) The Central Government, unless it is of the opinion that the wire or line has been placed in unreasonable proximity to the electric lines, electrical plant or works of the Transmission Licensee after the construction of such lines, plant or works, may direct the Transmission Licensee to make such alterations in, or additions to, its system as may be necessary in order to comply with the provisions of this Regulation, and the Transmission Licensee shall make such alterations or additions accordingly:

Provided that nothing in clause (iii) above and this clause (iv) shall apply to the repair, renewal or amendment of any electric line or electrical plant so long as the course of the electric line or electrical plant and the amount and nature of the electricity transmitted thereby are not altered.

- v) Where the Transmission Licensee makes a default in complying with the requirements of this section, it shall pay full compensation for any loss or damage incurred by reason thereof, and, where any difference or dispute arises as to the amount of such compensation, the matter shall be determined by arbitration conducted in accordance with Section 158 of the Act.

Explanation - For the purposes of this Regulation, a telegraph line shall be deemed to be injuriously affected if telegraphic, telephonic or electric signaling communication by means of such line is, whether through induction or otherwise, prejudicially interfered with by an electric line, electrical plant or other work or by any use made thereof.

**39. Information to the Commission:**

- i) The Transmission Licensee shall furnish to the Commission, without delay, such information, documents and details related to the Licensed Business or any Other Business of the Transmission Licensee, as the Commission may require from time to time, for its own purposes or for the purposes of the Central Government, State Government, the Central Electricity Regulatory Commission, the Central Electricity Authority, the Regional Load Dispatch Centre, State Load Dispatch Centre, the Central Transmission Utility and the State Transmission Utility. The information shall be furnished in such form as may be specified by the Commission.
- ii) The Transmission Licensee shall notify the Commission as soon as possible and in no case later than one week after the occurrence of any Major Incident affecting any part of the Transmission system and shall, within one month of the date of such Major Incident:
  - a) Submit a report giving full details of the facts within the knowledge of the Transmission Licensee regarding the Major Incident and its cause. The Commission in its own discretion may require the submission of a report to be prepared by an independent person at the expense of the Transmission Licensee; and
  - b) give copies of the report to the Commission and to all parties involved in the Major Incident as the Commission may direct.
- iii) The Commission may by order direct the Transmission Licensee to provide such amount of compensation as the Commission may specify to any person who suffers substantial injury or to the heirs of those who have lost their lives, where a Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Transmission Licensee.
- iv) The decision of the Commission as to what constitutes a “Major Incident” shall be final.
- v) The Transmission Licensee shall, as soon as practicable, report the following to the Commission:

- a) Any significant change in circumstances which may affect the Transmission Licensee's ability to meet its obligations;
- b) Any material breach of the provisions of the Act, the Reform Act, the rules, regulations and codes made thereunder, directives and orders issued by the Commission and the terms of agreements/arrangements entered into by the Transmission Licensee with other Licensees or generating companies or consumers; and/or
- c) Any major change in the shareholding pattern or in the ownership, control or management of the Transmission Licensee.

**40. Other obligations of the Transmission Licensee**

The Commission may additionally require the Transmission Licensee to:

- i) enter into an agreement with another person permitting such person to use electric lines, electrical plants and associated equipment operated by the Transmission Licensee;
- ii) furnish information and documents which the Commission may require for its purpose;
- iii) refer a dispute arising under the Transmission Licence for determination by the Commission or by an arbitrator appointed by the Commission;
- iv) transmit electricity to other Licensees or exemption holders in the State.
- v) comply with any direction given by the Commission; and
- vi) act in accordance with the terms and conditions of the Transmission Licence.

**41. Accounts of the Transmission Licensee**

- i) The Transmission Licensee shall:
  - a. Maintain separate information and statement of accounts for the Licensed Business;
  - b. Maintain the statement of accounts in such form and containing such particulars as may be specified by the Commission and till such time as these are specified by the Commission, the accounts shall be maintained in accordance with the Companies Act, 1956 (1

of 1956) as amended from time to time, where applicable, and in accordance with standard accounting practice in all other cases;

- c. Keep the accounts of the Licensed Business separate from the accounts of any Other Business carried on by the Transmission Licensee, whether licensed or otherwise;
- d. Prepare on a consistent basis from such records, accounting statements for each 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 Charged from or to any Other Business together with a description of the basis of that charge; or together with a description of the basis of such apportionment or allocation.
- e. Provide in respect of the accounting statements prepared in accordance with the foregoing clauses, a report by the auditors in respect of each Year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenues, costs, assets, liabilities and reserves attributable to the business to which the statements relate, and (f) Submit to the Commission copies of the accounting statements and auditor's report not later than six months after the end of the Year to which they relate.

- ii) Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the Transmission Licensee and the Transmission Licensee shall render all necessary assistance to such person.

**42. Certain powers of the Commission:**

Punishment for non-compliance of directions by the Commission: The Licensee shall be liable for action under Section 142 of the Act, for contravening any provisions of the Act or the rules or Regulations made thereunder including the conditions stipulated in this Regulation.

**43. Investigation and Inspection**

- i. The Commission may, on being satisfied that the Transmission Licensee has failed to comply with any of the conditions of the Transmission Licence or

has failed to comply with any of the provisions of the Act or the Reform Act or rules or regulations made thereunder, at any time, by order in writing, direct any person (hereafter in this section referred to as –Investigating Authority) specified in the order to investigate the affairs of the Transmission Licensee and to report to the Commission on any investigation made by such Investigating Authority.

- ii. The Investigating Authority shall conduct the investigation in accordance with the provisions of the Act.
- iii. On receipt of the investigation report from the Investigating Authority, the Commission may, in accordance with the provisions of the Act and after giving such opportunity to the Transmission Licensee to make a representation in connection with the report as in the opinion of the Commission seems reasonable, by order in writing-
  - a. require the Transmission Licensee to take such action in respect of any matter arising out of the report as the Commission may think fit; or
  - b. cancel the Transmission Licence. The Commission may also take any other action in accordance with the provisions of the Act
- iv. The Commission may specify the minimum information to be maintained by the Transmission Licensee in its books, the manner in which such information shall be maintained, the checks and other verifications to be adopted by the Transmission Licensee in that connection and all other matters incidental thereto, as are, in its opinion, necessary to enable the Investigating Authority to discharge satisfactorily its functions under this Regulation
- v. All expenses of, and incidental to, any investigation made under this Regulation shall be defrayed by the Transmission Licensee and shall have priority over other debts due from the Transmission Licensee and shall be recoverable as arrears of land revenue.
- vi. For the purposes of preventing the contravention of any of the terms of the Transmission Licence or provisions of the Act or the Reform Act or rules or regulations made thereunder, the Commission may, in accordance with Sections 28 and 29 of the Reform Act, or Section 142 of the Act, pass necessary an interim order or a final order or convert an interim order into a final order.

**44. Introduction of Competition:**

- i. Subject to the provisions of the Act, the Commission may grant a Transmission Licence to any person(s) in the same area of Licence as that of the existing Transmission Licensee,
- ii. For the purposes of introducing competition, and in order to ensure cooperation and coordination between the different Transmission Licensees in the same area of Licence, the Commission may issue such appropriate orders modifying or amending the Transmission Licence as it may deem fit: Provided that no such order shall be passed unless the Commission provides reasonable opportunity to the Transmission Licensee of being heard on the proposed modification or amendment.

**45. Expected Revenue Calculation and Tariffs**

- i. The Transmission Licensee shall follow the methodology, procedures and directions included in the Tariff Regulations and in other orders of the Commission as may be issued from time to time while filing the statement of Aggregate Revenue Requirement (ARR) from charges and for proposing or amending any or all of its tariffs.
- ii. The amount that the Transmission Licensee is permitted to recover in the form of its tariffs in any financial year is the amount that the Commission determines/adopts in accordance with Section 62/Section 63 of the Act

**46. Provisions applicable to Deemed Licensees**

These conditions shall apply to Transmission Licensees and to all deemed Transmission Licensees.

**47. Renewal of licence:**

On the expiry of the tenure of the licence granted to any person(s) as per the provisions of the Electricity Act, 2003, they shall apply to the Commission for renewal of the licence, and the Commission will renew the licence for a further period appropriately as deemed fit.

**48. Exemption from licence:**

An exemption from licence shall be granted consistent with the provisions of the Electricity Act, 2003

**CHAPTER - 5**  
**MISCELLANEOUS**

49. All issues arising in relation to interpretation of licence conditions shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final.

50. **Specific Conditions**

The Commission may specify, Specific Conditions applicable additionally to a specific Transmission Licensee or class of licensees and such conditions shall be deemed to be conditions of licence of such Licensee or class of Licensees.

51. **Power to dispense with the requirement of the Regulation**

The Commission shall have the power, for reasons to be recorded in writing to dispense with the requirements of any provision of this Regulation in a specific case or cases.

52. **Savings**

- i. Save as provided in clause (iii) below, the conditions specified in the existing Licence issued under the Reform Act, by the Commission on December 29, 2000 is hereby repealed;
- ii. The transitory Regulation, namely, the A.P. Electricity Regulatory Commission (Deemed Licence Conditions) Regulation, 2004 shall stand repealed from the date of coming into force of these Regulations to the extent of Transmission Licenses issued by the Commission.
- iii. Notwithstanding the repeal, anything done or any action taken or purported to have been done or taken under the repealed regulations, in so far as it is not inconsistent with the provisions of the Act or rules and regulations made thereunder, be deemed to have been taken under this Regulation.
- iv. Nothing in this Regulation shall be deemed to limit or otherwise affect the power of the Commission to make such orders as may be necessary to meet the ends of justice or to prevent abuse of process of the Commission.
- v. Nothing in this Regulations shall bar the Commission from adopting a procedure at variance with any of the provisions of these Regulations, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient in order to deal with such a matter or class of matters.

**53. Power to remove difficulties**

If any difficulties arise in giving effect to any provisions of these Regulations, the Commission may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, or the Reform Act or the rules, regulations or codes made thereunder, which appears to it to be necessary or expedient for the purpose of removing the difficulties.

**54. Power to Relax**

The Commission may, by general or special order, for reasons to be recorded in writing and after affording an opportunity for a hearing to the parties likely to be affected, relax or waive any of the provisions of these Regulations on its own motion or on an application made to it by any interested person.

**55. Issue of orders and practice directions:**

Subject to the provisions of the Electricity Act, 2003 and this Regulation, the Commission may, from time to time, issue orders and practice directions about the implementation of the Regulation and procedure to be followed and various matters which the Commission has been empowered by this Regulation to specify or direct.

**56. Power to Amend:**

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

Place: Hyderabad  
Date: 11.10.2023



**Commission Secretary (i/c)**

## **SCHEDULE - 1**

### **APPLICATION FORM FOR GRANT OF TRANSMISSION LICENCE**

#### **Particulars of Applicant**

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

#### **Details of Financial Data of Applicant**

12. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each year) for the immediate past 5 (five) financial years. (Specify financial year as applicable).  
Copies of Annual Reports or certified audited results are to be enclosed in support of the 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 the immediate past 5 (five) financial years. (Specify financial year as applicable). Copies of Annual Reports or certified audited results are to be enclosed in support of the above.

14. Certificate of Credit Rating
15. Certificate of Standard 'borrowal account'
16. Certificate stating that RBI has not classified the Applicant as a wilful defaulter.
18. (a) Whether Applicant himself shall be financing the proposed  
Transmission of electricity fully on its own balance sheet  
(b) if, yes, proposed equity from the Applicant
  - (i) Amount :
  - (ii) Percentage :
19. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency:
  - (a) Name, designation and address of :  
reference person of the other Agency.
  - (b) Contact Tel. No. :
  - (c) Fax No. :
  - (d) E-mail ID :
  - (e) Proposed equity from the other Agency
    - (i) Amount :
    - (ii) Percentage of total equity :
    - (iii) Currency in which the :  
equity is proposed:
  - (f) Consent letter of the other agency to associate with the Applicant  
for equity participation to be enclosed.
  - (g) Nature of proposed tie-up between the Applicant and the  
other agency.
20. Details of debt proposed for the Transmission activity:
  - (a) Details of lenders:
  - (b) Amount to be sourced from various lenders:
  - (c) Letters from the lenders in support of the above to be enclosed.
21. Organisational & Managerial Capability of the Applicant:
22. 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 conduct of the business of Transmission of electricity during the first year after the grant of licence and future plans for the said business during the next five years.)

23. Data relating to the applicant's future business

- (i) Five-year Business Plan for transmission or Transmission of electricity for which the application is being made and funding arrangements for meeting its obligations under the proposed licence for maintenance, operation, improvement and expansion for future load growth.
- (ii) Five-year annual forecasts of costs, sales, revenues and project financing stating the assumptions underlying the figures provided.

**(Signature of the Applicant)**

**Date:**

**List of Documents to Accompany or information to be furnished:**

- (a) To mention whether the Applicant is an individual, or a partnership firm registered under the Indian Partnership Act 1932 (9 of 1932), or a private limited company or a public limited company, incorporated under the Companies Act, 1956, (1 of 1956) or any other incorporated or unincorporated body giving full particulars of its office address and also the registered office address, if any.
- (b) A map of the proposed Area of Licence on a scale of not less than 10 cm to a km or, if no such maps are available, of not less than that of the largest scale ordinance maps available or such other scale as may be approved by the Commission in a specific case.
- (c) A list of all the local authorities vested with the administration of any portion of the Area of License.
- (d) A statement approximately describing any lands which the Applicant proposes to acquire for the purpose of the Transmission Licence and the means of such acquisition.
- (e) A statement of the capital proposed to be expended in carrying on the Licensed

Business in the Area of Licence and such other particulars as the Commission may require.

- (f) A copy of the Memorandum and Articles of Association of the company, where the Applicant is a body corporate and similar applicable documents of incorporation, registration or agreement in case of other business entities.
- (g) Annual accounts of the Applicant for the previous three years or other similar documents as may be required.
- (h) An affidavit by the Applicant verifying the correctness of the information disclosed in the application.
- (i) Where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, Transmission, transmission or trading of electricity, whether within the State of Andhra Pradesh or in any other State.
- (j) Where the Applicant is not a body corporate, details of any business of generation, Transmission, transmission or trading of electricity, whether within the State of Andhra Pradesh or in any other State, in which the Applicant is directly or indirectly interested.
- (k) Details of any financial holdings of the Applicant in the power sector.
- (l) Brief history of the promoters in case the Applicant is a body corporate.
- (m) Technical qualification and past experience of the Applicant, which shall be considered by the Commission in order to decide as to whether or not the Applicant can successfully discharge its obligations under the Transmission Licence and is, therefore, fit for granting of the Transmission Licence.
- (n) Such other documents or information as the Commission may seek.
- (o) Proof of Service of the Copy of Application on State Transmission Utility (STU).

## **SCHEDULE - 2**

### **APPLICATION FORM FOR DEEMED LICENCE**

1. Details of Applicant

- (a) Full name of Applicant :
- (b) Address of Applicant :
- (c) Application fee (DD details) :
- (d) Registered Office Address :
- (e) Local Office Address /  
Administrative Office Address :
- (f) Contact Tel. Nos. :
- (g) Fax No. :
- (h) E-mail ID :
- (i) Details of Authorized Signatory :
- (j) Form of Incorporation, if any ‘#’ :
- (k) Place of Incorporation/Registration ‘#’ :
- (l) Year of Incorporation/Registration ‘#’ :
- (m) Information on the following along with documents ‘#’
- (i). Certificate of registration/incorporation
  - (ii). Certificate for commencement of business
  - (iii). Memorandum of Association and Articles of Association (Duly mentioning Power Transmission is one of the Business Activity)
  - (iv). Original power of attorney of the signatory to commit the Applicant or its promoter
  - (v). Details of Income tax Registration:

2. Names and addresses of Directors / :  
Competent Officers  
(Furnish details, if applicable)

3. Principal shareholders/Partners/Members.‘#’ :
4. Principal Business Activity‘#’ :
5. Geographical Area within which Applicant proposes to undertake Transmission  
(to mention boundaries referring to the attached map when necessary)
6. Funding:
  - (a) Funding arrangements for maintenance, operation, improvements  
and expansion to meet future load growth, supply obligations, etc.:
  - (b) Whether Applicant himself will be financing the proposed  
Transmission of electricity fully on its own balance sheet  
  
If, yes, proposed equity from the Applicant
    - (i) Amount :
    - (ii) Percentage :
7. Organizational and Managerial Capability of the applicant:  
(The applicant is required to enclose proof of its Organizational &  
Managerial Capability, proposed organizational structure and curriculum-  
vitae of various executives, proposed office etc.)
  - (i) Management Capability :
  - (ii) Financial Strength :
  - (iii) Ability to discharge supply function in a sustainable manner:
8. Period of License:
  - (a) Date from which Deemed License is sought:
  - (b) Period for which Deemed License is sought:
9. Detailed justification for seeking License:
10. Other Information
  - (a) Whether the applicant or any of his partners or promoters or Directors or  
Associates has been declared insolvent and has not been discharged. If so,  
the details thereof.
  - (b) Details of cases resulting in conviction of fraud or economic offences of the  
applicant, any of his partners, promoters or Directors or Associates during

the three years preceding the year of making an application.

- (c) Details of all pending cases involving the applicant, any of his partners or promoters or Directors or Associates, which shall include the nature of the dispute, whether civil or criminal, the name of the other party or parties, the court before whom pending and the latest status.
- (d) Whether the applicant or any of his partners, or promoters or Directors or Associates were ever refused a license. If so, give the details of the date of making the application, date of refusal and reasons for refusal.

11. List of Documents enclosed:

(i)

(ii)

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Place:

Date : (Signature of the authorized person)

Note: ‘#’ Not applicable for the Government of India and the Government of Andhra Pradesh departments /Ministries

**List of Documents to Accompany:**

- (1) Certificate of Incorporation from Registrar of Companies.
- (2) Copies of the Company’s Memorandum/Articles of Association/ Partnership deed etc.
- (3) Proof of Authorization to sign the application form.
- (4) Data relating to management and Financial Capability
  - (a) Managerial:
    - (i) Senior management’s curriculum vitae
    - (ii) Cadre strength for different categories, technical and non-technical
  - (b) Financial:
    - (i) Bank references asserting that the Applicant is financially solvent.
    - (ii) Most recent Balance Sheet.
    - (iii) Audited accounts for the Applicant and any Holding Company,

Subsidiary or affiliated company for each of the three most recent financial years.

(iv) Any accompanying notes and certifications on the above Statements from a reputed chartered accountant.

(5) Data relating to the Applicant's Future Business

(i) Five-year Business Plan for the business for which the application relates

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

(6) Detailed Map(s) of the proposed area of Transmission

Detailed map(s) showing the area of Transmission and the configuration of the Transmission/Sub-transmission and Transmission System, including information on Substations. The map shall clearly distinguish between the existing System and any new facilities that are or will be required for the purposes of providing Supply.

The map shall indicate the streets and roads in which the power is transmitted and distinguish between public and private.

(7) Proof of Service of the Copy of Application on State Transmission Utility (STU).

(8) Reasons for not furnishing any of the above documents thereof.

(9) Details of Income tax Registration:

(10) Any other relevant information.

**SCHEDULE - III**

**AFFIDAVIT**

**BEFORE THE ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

Application No. ....

Case No. ....

**IN THE MATTER OF:**

*(To be filled by the Commission office)*

An application for grant of a licence for Transmission

(Names and full address of the Applicant)

Affidavit verifying the application

I, ..... Son/daughter of ..... aged .....  
residing at ..... do solemnly affirm and state that:-

1. I am the Applicant in the above matter.

Or

I am the duly authorized representative of the said Applicant & make this  
affidavit on his behalf.

2. That the statement made in paras ..... of the application are true to  
the best of my knowledge and statement made in paras ..... are based  
on my information and I believe them to be true.

**(Signature and name of Deponent)**

Verified, this ..... day of ..... that the  
contents of the above affidavit are true to my knowledge and belief and no part of it  
is false and nothing material has been concealed therein.

**(Signature and name of Deponent)**

**SCHEDULE - IV**

**(FORM OF PUBLIC NOTICE)**

**Monogram, if any, of the Applicant Name of the Applicant**

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

**NOTICE (In bold letters)**

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

**(In bold letters)**

(To be published in two daily newspapers in English and Telugu languages having wide circulation in the State of Andhra Pradesh.)

1. .... (Give here the 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, 2013, has made an application before the Andhra Pradesh Electricity Regulatory Commission, Hyderabad under sub-section (1) of Section 15 of the Electricity Act, 2003 for the grant of a transmission licence.
2. Complete application and other documents filed before the Commission are available on the website of APERC ([www.aperc.gov.in](http://www.aperc.gov.in)) and Applicants website.....(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 the 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, APERC, (Give the 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:

Name and Designation of the Authorised signatory

Date:

## **SCHEDULE - V**

### **ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**

#### **Transmission Licence**

1. The Andhra Pradesh Electricity Regulatory Commission (hereinafter referred to as the Commission), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003, hereby grants this licence to ..... (hereinafter referred to as the licensee) to transmit electricity in the area of Transmission as specified below, subject to the provisions made in the Acts, the rules, general conditions of Transmission Licence specified under the A.P. Electricity Regulatory Commission (Transmission Licence) Regulations, and other Regulations specified by the Commission (hereinafter referred to as Regulations), including statutory amendments, alterations, modifications, re-enactments thereof, which shall be read as part and parcel of this licence.
2. Area of Transmission  
The area of Transmission shall be the whole of the area bounded as follows:  
North - By  
East - By  
South - By  
West - By
3. This licence is not transferable, except in accordance with the provisions of the Acts, the Rules and the Regulations.
4. (1) The licensee shall not without prior approval of the Commission—
  - (a) undertake any transaction to acquire by purchase or take over or otherwise, the utility of any other licensee; or
  - (b) merge its utility with the utility of any other licensee;(2) The licensee shall not at any time assign its licence, or transfer its utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission  
(3) Any agreement relating to any transaction referred to in sub-clause (1) and sub-clause (2) unless made with the approval of the Commission, shall be void.
5. The grant of this licence to the licensee shall not in any way hinder or restrict the

right of the Commission to grant a licence to any other person within the same area for Transmission of electricity. The licensee shall not claim any exclusivity.

6. This licence shall commence on the date of its issue and unless revoked earlier, shall continue to be in force for a period of 25 (twenty-five) years.
7. The licensee may with prior intimation to the Commission, engage in any business for optimum utilisation of its assets.

Provided that the licensee shall not engage in the business of distribution of electricity.

8. The licensee shall pay the license fee as per the regulation issued by the Commission.
9. The provisions contained in the Acts shall apply to the licensee with regard to revocation of licence and sale of his utility.

**10. Other specific Conditions: .....**



**COMMISSION SECRETARY** I/c