



ARUNACHAL PRADESH STATE ELECTRICITY REGULATORY COMMISSION

O.T. BUILDING, 2ND FLOOR, NITI VIHAR MARKET, T.T. MARG

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TRANSMISSION LICENCE NO. 1 OF 2018

(Project Specific)

LICENCE FOR TRANSMISSION OF ELECTRICITY IN THE STATE OF ARUNACHAL PRADESH

Dated: 12/7/ 2018

Licence granted by the Arunachal Pradesh State Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 (36 of 2003) to M/s Devi Energies Pvt. Ltd. having its registered office at, E-351, Vill. & Town- Rupa West Kameng District, Arunachal Pradesh- 790003, for carrying on the business of Transmission of electrical energy in respect of the **132kV Transmission line from Dikshi S/S to 132 kV Tenga S/S, S/C; 132kV Tenga switching Station to Nichipu LILO connection, D/C** (as defined in this License, under Part II (3) , “Project Related Details”) and with the powers and upon the terms and conditions specified herein.

Part I: General

1. Short title

This Licence may be called the **Transmission Licence** to M/s Devi Energies Pvt. Ltd (Licence No.1 of 2018).

2. Definitions

- (a) In these regulations, unless the context or subject-matter otherwise requires :
- (i) ‘**Act**’ means ‘The Electricity Act, 2003 (36 of 2003)’
 - (ii) ‘**Annual accounts**’ means the accounts of the transmission licensee prepared in accordance with the provisions of the Companies Act, 1956 (1 of 1956) and / or in such other manner as may be directed by the Commission in terms of the provisions of the Act where applicable and/or in accordance with standard accounting practice in any other case;

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- (iii) **'Area of activity'** means the area of activity stated in the transmission licence within which the transmission licensee is authorised to establish, operate and maintain transmission lines and associated facilities;
- (iv) **'Agreement'** means the agreement, contract, memorandum of understanding or any other covenant on any aspect relating to the intrastate transmission of electricity, entered into between the licensee, the long-term customers and the State Transmission Utility or the deemed licensee;
- (v) **'Applicant'** means a person who has made an application for grant of licence or, for amendment of licence, as the case may be;
- (vi) **'Application'** means the application made for grant of licence or, for amendment of licence, as the case may be, and includes annexures, enclosures to such application;
- (vii) **'Bid Process Coordinator'** means an agency notified by the State Government for coordinating the process of inviting bids for procurement of services for intra-State transmission of electricity in accordance with the guidelines for competitive bidding;
- (viii) **'Commission'** means the Arunachal Pradesh State Electricity Regulatory Commission referred to in Section 82 of the Act.
- (ix) **'Deemed Licensee'** means a person, who is deemed to be a licensee for intra-State transmission of electricity under any of the provisions to Section 14 of the Act;
- (x) **'Empowered Committee'** means the Empowered Committee referred to in the guidelines for encouraging competition;
- (xi) **'Financial Year'** means a period of twelve months commencing on 1st April of a year and terminating on 31st March of the following year;
- (xii) **'Grid Code'** means the Indian Electricity Grid Code specified by the Commission under clause (h) of sub-section (1) of Section 86 of the Act;
- (xiii) **'Guidelines For Encouraging Competition'** means the guidelines issued by the Central Government for encouraging competition in development of transmission service;
- (xiv) **'Licence'** means a licence granted by the Commission under Section 14 of the Act to a person to undertake intra-State transmission of electricity;
- (xv) **'Licensee'** means a person who has been granted a licence, and includes a deemed licensee;
- (xvi) **'Long Term Customer'** means a long-term customer as defined in the Arunachal Pradesh State Electricity Regulatory Commission (Terms & Conditions of Intra

State Open Access) Regulations, 2012 including statutory amendments and re-enactments thereof;

- (xvii) **'Project'** means an element or elements of the intra-State transmission system included in the transmission plan;
 - (xviii) **'Performance standards'** means the standards as may be specified by the Commission in pursuance of section 57 of the Act;
 - (xix) **'Standards'** means the technical standards, safety requirements and grid standards specified by the Central Electricity Authority under Section 73 of the Act.
 - (xx) **'State Owned Or Controlled Company'** means a company in which not less than fifty one percent of the paid-up share capital is held or the majority of directors on whose Board are appointed, by the Central Government, or by any State Government or Governments, or by any Government company or companies, or by the Central Government and any State Government or Governments and any Government company or companies;
 - (xxi) **'State Transmission Utility'** means the State Transmission Utility notified by the State Government under sub-section (1) of Section 39 of the Act;
 - (xxii) **'Transmission Business'** means the authorized business of a Transmission licensee to transmit electricity through any system owned or operated by such licensee;
 - (xxiii) **'Transmission Licensee'** means the entity, which has been granted a transmission licence or is a deemed licensee under the first, second, third or fifth provisos to section 14 of the Act authorized to transmit electricity;
 - (xxiv) **'Transmission Charges'** means the transmission charges approved or adopted, as the case may be, by the Commission for the project;
 - (xxv) **'Transmission Plan'** means the short-term and perspective plan prepared by the Central Electricity Authority or network plan prepared by the State Transmission Utility in accordance with the National Electricity Policy.
- (b) Save as aforesaid and unless repugnant to the context or the subject-matter otherwise requires, words and expressions used in these regulations and not defined , but defined in the Act or the Grid Code shall have the meanings assigned to them respectively in the Act or the Grid Code.
- (c) The General Clauses Act, 1897 (10 of 1897), as amended from time to time, shall apply for the interpretation of these regulations as it applies for interpretation of an Act of Parliament;

Part II: General Terms and Conditions

1. Directions

The Licensee shall comply with the Regulations, orders and directions issued by the Commission from time to time and shall act in accordance with the terms and conditions of this Licence, except where the Licensee obtains the approval of the Commission for any deviation therefrom.

2. Area of Transmission

(a) Project Related Details:

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

S.No.	Particulars
(a)	Name of the transmission element
i.	Dikshi Switch Yard to Tenga Switching Station; 132kV; 10.5 Length(Km); S/C
ii.	Tenga Switching Station to Nechipu LILO connection; 132kV; 21.5 Length(Km); D/C
(b)	Sub-Stations
i.	Tenga Switching Station; 132kV; No capacitive device required; 4 no. of bays

(b) The applicant submitted the following letters as references-

- Memorandum of Agreement (MOA) dated 17th March, 2011 entered into between the M/s Devi Energies Pvt.Ltd and the Government of Arunachal Pradesh (GoAP) for execution of Dikshi Hydro Electric Project (24 MW).
- GoPA has issued LOC (Letter of comfort) in terms of clause 5.7 of the MOA vide letter no. CE (P)/TP&M/HEP/W-49/2012-13/1052-57 dated 13/12/2013 which has been superseded by LOC letter no. CE(P)/TPMZ/W-37/2015-16/3313-28 dated 22/02/2016 for transmission connectivity.
- Further permission has been issued by the GoAP vide Notification No.PWRS/W-2803/2016 dt.02/06/2016 for laying of transmission lines and associated telecom lines.
- Letter to NEEPCO with ref:DEPL/Dikshi/2017/COD/1 dated.15/10/2017 and letter to Transmission, Planning & Monitoring Zone dated 10/02/2018 by the applicant.



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3. Commencement and Terms of licence

- (a) The transmission licence shall, unless revoked earlier, continue to be in force for a period of 25 years from the date of issue.
- (b) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence:

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

- (c) Where the tariff of the transmission assets has been determined by the Commission under Section 62 of the Act, the tariff of such assets beyond the period of 25 years shall be determined in accordance with the tariff regulations applicable at that point of time.
- (d) Where the Request for Proposal (RFPs) for the projects have been issued on the date of notification of these regulations, the tariff of such transmission assets beyond the initial period of licence shall be determined in accordance with the following guidelines :
 - (i) For computation of Return on Equity, equity base shall be 30% of the Gross Block or the actual equity invested in the project as per balance sheet as at the end of 25th year whichever is lower, subject to prudence check by the Commission.
 - (ii) Other financial and technical norms i.e. Return on Equity, Interest on Loan, O&M Expenses, Interest on working capital, target availability incentive etc. shall be considered on the basis of norms of tariff prevalent during the period in which the initial period of licence is due to expire.
- (e) In case the transmission licensee covered under clauses (4) of this regulation decides to undertake renovation & modernization of the transmission system after the initial period of licence, it shall make an application for approval of the cost of renovation and modernization along with the application for grant of fresh licence, which shall be considered by the Commission in accordance with the prevalent norms.



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4. Obligation of Licensee

- (a) The licensee shall, during the validity of the licence, maintain insurance in accordance with prudent utility practices or as may be necessary under –
- (i) Any of the agreements; and
 - (ii) The laws in force in India;

Provided that the licensee may opt for self-insurance.

- (b) The licensee shall build the project in a time-bound, efficient, coordinated and economical manner.
- (c) The licensee shall, establish, operate and maintain the project in accordance with the prudent utility and the agreements.
- (d) The licensee shall comply with such directions of the State Load Despatch Centre under section 32 of the Act, , as may be issued from time to time for maintaining the availability of the project;

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

- (e) The licensee shall strictly comply with all laws in force and, in particular, the Act, the rules and regulations framed pursuant to the Act, the Arunachal Pradesh State Grid Code, the standards, orders and directions issued by the Commission.
- (f) The licensee shall provide non-discriminatory open access to its transmission system for use by any other licensee, including a distribution licensee or any electricity trader, or generating company or any other person in accordance with the Arunachal Pradesh State Electricity Regulatory Commission (Terms & Conditions of Intra State Open access) Regulation, 2012, and as amended from time to time.
- (g) The licensee shall pay the licence fee in accordance with the Arunachal Pradesh State Electricity Regulatory Commission (Payment of Fee) 1st Amendment Regulations, 2017 or such other regulations as may be in force from time to time.




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- (h) Wherever prior approval of the Commission is required, the licensee shall make an appropriate application before the Commission in accordance with Arunachal Pradesh State Electricity Regulatory Commission (Conduct of Business) Regulations, 2011 and as amended from time to time including statutory re-enactment thereof.
- (i) The licensee shall comply with all other regulations, including the regulations specified by the Commission regarding utilisation of the transmission assets for a business other than transmission of electricity.
- (j) The licensee shall not enter into any contract or otherwise engage in the business of trading of electricity.

5. Street works

The Transmission Licensee may, undertake works upon any streets or parts of streets, railways, canals or waterways or parts thereof, either in the domain of Central Government, State Government, Semi government and Municipal bodies or in private domain, only after obtaining all statutory permissions required to be obtained for undertaking such work.

6. Accounts

The Licensee shall –

- (a) Maintain separate accounts for each business, including the business of the undertaking utilising assets of the project, in such form and containing such particulars as may be 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, as amended from time to time.
- (b) Prepare from such records, accounting statements for each financial year comprising a profit and loss account, a balance sheet and a statement of source and application of funds together with notes thereto and showing separately the amounts of any revenue, cost, asset, liability, reserve, or provision which has been either :
 - (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 various business activities together with a description on the basis of the apportionment or allocation.



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- (c) Get the accounting statements prepared in accordance with foregoing clauses, duly certified by the Auditors in respect of each financial year, stating whether in their opinion the statements have been properly prepared and give a true and fair view of the revenues, costs, assets, liabilities, reserves reasonably attributable to the business to which the statements relate.
- (d) Inspection of Accounts: Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee at any reasonable point of time and the licensee shall be under obligation to render all necessary assistance to the person so authorized for inspection of accounts.
- (e) The Transmission Licensee shall upon request by any person make available a copy of its Accounting Statements to any person who may require it at a reasonable price not to exceed the photocopying charges.

7. Provision of Information to the Commission

The licensee shall submit such information, as may be called for from time to time by the Commission or the State & Regional Load Despatch Centre, or the Regional Power Committee in order to fulfil responsibility of supervision and control over the intra-State transmission system entrusted under the Act.

Provided that the State & Regional Load Despatch Centre or the Regional Power Committee may from time to time, report to the Commission, such of the developments, as they consider appropriate in regard to performance of licensee.

8. Prudential Reporting

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

- (a) Any significant change in its circumstances which may affect the licensee's ability to meet its obligations under the Act, Rules and Regulations framed pursuant to the Act, directions and orders issued by the Commission or SLDC, NERLDC, or CEA.
- (b) Any material breach of the provisions of the Act, the Rules and the Regulations framed pursuant to the Act, directions and orders issued by the Commission or SLDC.
- (c) Any change in major shareholding, ownership or management of the licensee;
- (d) Any proceedings initiated by one or more of the parties signing the agreement for interpretation, amendment or termination of the agreement.

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
9. Revocation of License

- (a) The Commission may revoke the licence, in any of the following circumstances, namely :
- (i) Where the 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 Rules or the regulations framed pursuant to the Act;
 - (ii) Where the licensee breaches any of the terms and conditions of its licence;
 - (iii) Where the licensee fails, within the period fixed in this behalf by its licence or any longer period which the Commission may allow therefore, 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 him by its licence;
 - (iv) Where in the opinion of the Commission the financial position of the licensee is such that it is unable to fully and efficiently discharge the duties and obligations imposed on it by its licence;
 - (v) Where the licensee fails to submit the information as required under these regulations;
 - (vi) Where the licensee breaches any of the terms and conditions of Transmission Service Agreement during the construction or operations phase;

Provided that the licence shall not be revoked except after an enquiry by the Commission in accordance with principles of natural justice, and unless the licensee has been given and not less three months' notice in writing stating the grounds for revocation of licence and considering the cause shown by the licensee within the period of that notice against the proposed revocation.

Provided further that the Commission may, instead of revoking the licence, permit the licence to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.

- (b) When the licensee makes an application for revocation of the licence and the Commission is satisfied that public interest so requires, the Commission may revoke licence, on such terms and conditions as it thinks fit.
- (c) The Commission shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect and shall simultaneously specify how and by whom the obligations under the licence are to be discharged after such revocation.


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If the Commission at any stage is satisfied that the project has been abandoned by the licensee thereby affecting its construction, operation or maintenance, the Commission may direct the State Transmission Utility or any other person found suitable by the Commission, to immediately take over construction, operation or maintenance of the project as an interim measure pending finalization of proceedings for revocation of licence and sale and vesting of utilizes of the licensee in accordance with Sections 20 and 21 of the Act.

10. Payment of Licence Fees

The License shall pay to the Commission an annual License fee by the 10th of April of every year, or such further period as the Commission may allow, as specified in APERC (Payment of Fees) (1st Amendments) Regulations, 2017 and as amended time to time.

For the period between the date of commercial operation and end of the financial year, pro rata of yearly license fee as stipulated in APERC (Payment of Fees) (1st Amendments) Regulations, 2017 and as amended time to time shall be paid within 30 (thirty) days of commencement of commercial operation.

PART - III Technical Conditions

(a) Standards and Procedures (Transmission Planning, Security Standards and Transmission Operating Standards):

- (i) The transmission licensee shall plan and operate the transmission system, so as to ensure that transmission system is built, financed, operated, maintained and transferred to provide an efficient, economical and coordinated system of transmission, in accordance with the provisions in the Agreement and other related provisions in Arunachal Pradesh Grid Code and the overall standards of performance.
- (ii) The transmission licensee shall follow the transmission operating standards and transmission planning and security standards for its transmission system specified by the Commission for a transmission licensee in the State.
- (iii) The transmission licensee shall not be in breach of its obligations, except for failure to meet the transmission planning and security standards or the transmission operating standards due to force majeure, provided that, the transmission licensee has made reasonable efforts, to comply with the transmission planning and security standards or the transmission operating standards, as the case may be.


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- (iv) The transmission licensee may, in consultation with the generating companies, the Central Transmission Utility, the State Transmission Utility, the Regional Power Committee and such other persons as the Commission may direct, send a proposal to review the standards and their implementation on each occasion when a review of the grid code is undertaken. Following any such proposal, the transmission licensee shall send to the Commission:
- a report on the outcome of such proposal;
 - any revision which the transmission licensee proposes to make to such documents (having regard to the outcome of such review); and
 - any written representations or objections (including those not accepted by the transmission licensee) from the generating companies, the Central Transmission Utility, the State Transmission Utility, the Regional Power Committee and such other persons as the Commission may direct, arising during the consultation process:
- (v) The Commission may, having regard to any written representations and objections received and following such further consultation, as the Commission may consider appropriate, revise the standards in such manner as it may consider appropriate.
- (vi) The transmission licensee shall, within 3 months of the end of each financial year, submit to the Commission a report indicating the performance of the transmission system during the previous financial year. The transmission licensee shall, if required by the Commission, publish the report in a manner to be determined by the Commission. The copies of this report shall also be furnished by the transmission licensee to all persons applying for the same at the normal cost of photocopying.
- (vii) The transmission licensee shall provide to the Commission such information as the Commission may require for the purpose of monitoring the duties and responsibilities of the transmission licensee.

(b) Grid Code

- (i) The transmission licensee shall ensure due compliance with the Indian Electricity Grid Code and the Arunachal Pradesh Grid Code.
- (ii) The review of Arunachal Pradesh Grid Code, if required by the transmission licensee, shall be done in accordance with the procedure specified in it.

(c) Co-operation with STU, SLDC and other Licensees


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- (i) The transmission licensee shall provide to SLDC, STU and/or to other licensees such information that may reasonably be required by them to perform their functions and exercise their powers under the Act.
- (ii) The transmission licensee shall comply with the directions of SLDC and STU issued under the Act.
- (iii) The transmission licensee shall co-operate with the generating companies, other licensees and with the SLDC for the efficient and coordinated operation of the power system.

PART – IV Tariff and Expected Revenue Requirement Calculation

The Licensee shall establish tariff and calculate the charges in accordance with the provisions of Section 32 (3) of the Act read with Regulations and the Licence conditions and other guidelines, orders and directions issued by the Commission from time to time.

By order of the Commission


Secretary, APERC

No. APERC/RA-7/III/2018-19/270-78

Dated 12th July, 2018

Copy to:-

- 1) The Chairman, Central Electricity Authority (CEA), Sewa Bhawan, R.K. Puram, Sector-1, New Delhi-110066
- 2) The Chairman & Managing Director, Power Grid Corporation of India Ltd. Saudamini, Plot No.2, Sector 29, Near IFFCO Chowk, Gurgaon (Haryana) - 122001
- 3) The Chairman & Managing Director, NEEPCO Ltd., Lower New Colony, Shillong-793003
- 4) The Secretary, Central Electricity Regulatory Commission, 3rd & 4th Floor, Chanderlok Building, 36, Janpath, New Delhi- 110001
- 5) The Commissioner (Power), Govt. of Arunachal Pradesh, Itanagar
- 6) Chief Engineer (Power), Transmission, Planning & Monitoring, Deptt. of Power, Govt. of Arunachal Pradesh
- 7) Chief Engineer (Power), Western Electrical Zone/Eastern Electrical Zone/Central Electrical Zone, Deptt. of Power, Govt. of Arunachal Pradesh
- 8) Chief Engineer (Deptt. of Hydro Power Development), Eastern Zone/Western Zone/Monitoring, Govt. of Arunachal Pradesh
- 9) M/s Devi Energies Pvt. Ltd, E-351, Vill. & Town-Rupa, West Kameng District, Arunachal Pradesh


Secretary, APERC

o/c