

The Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005

PUNJAB

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THE-PUNJAB-STATE-ELECTRICITY-REGULATORY-COMMISSION-CONDUCT-OF-BUSINESS-REGULATIONS, 2005

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The Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005 Published vide Punjab Government Notification No. PSERC/Secy./Regulations 13 dated 7.3.2005 The Punjab State Electricity Regulatory Commission No. PSERC/Secy./Regulations 13. - In exercise of the powers conferred by Section 181 and other provisions of the Electricity Act, 2003 (36 of 2003) and all other powers enabling the Commission in this behalf, the Punjab State Electricity Regulatory Commission makes the following Regulations for conduct of its proceedings and discharge of its functions :-

Chapter I

General

1. Short title, commencement and interpretation.

(1) These Regulations may be called the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2005. (2) These Regulations shall extend to the whole of the State of Punjab. (3) These Regulations shall come into force on the date of their publication in the official gazette. (4) The Punjab General Clauses Act, 1898 shall apply for the interpretation of these Regulations.

2. Definitions.

(1) In these Regulations, unless the context otherwise requires: (a) 'Act' means the Electricity Act, 2003; (b) 'Chairperson' means the Chairperson of the Commission; (c) 'Commission' means the Punjab State Electricity Regulatory Commission; (d) 'Member' means a Member of the Commission; (e) 'Officer' means an officer of the Commission; (f) 'Petition' shall also include any application, complaint, appeal treated as petition by the Commission; (g) 'Proceedings' means proceedings of all nature, which the Commission may decide to initiate or hold in the discharge of its functions under the Act; (h) 'Receiving Officer' means the officer designated by the Chairperson or Secretary for receiving the Petitions; (i) 'Secretary' means the Secretary of the Commission; and (j) 'State Government' means the Government of Punjab. (2) Words or expressions occurring in these Regulations and not defined herein above shall bear the same meaning as in the Act.

3. Commission's offices, office hours and sittings.

(1) Unless otherwise directed, the headquarters and other offices of the Commission shall be open daily except on Saturdays, Sundays and other holidays, as may be notified by the State Government from time to time. (2) The headquarters and other offices of the Commission shall be open at such timings as the Commission may direct. (3) Where the last day for doing of any act falls on a day on which the office of the Commission is closed and by reason thereof, the act cannot be done on that day, it may be done on the next following day on which the office is open. (4) The Commission may hold sittings for hearing matters at the headquarters or at any other place on the day and time to be decided by the Commission.

4. Language of the Commission.

(1) The proceedings of the Commission shall be conducted in English, Punjabi or Hindi. (2) No petition or document contained in any language other than English, Punjabi or Hindi shall be accepted by the Commission unless the same is accompanied by a translation thereof in English. (3) Any translation which is agreed to by the parties to the proceedings or which any of the parties may furnish with an authenticity certificate of the authorized Translator, may be accepted by the Commission as true translation of the petition, document etc. in that case. (4) The Commission in appropriate cases may direct that translation of any document, which is in a language other than English, be done into English by an Officer or person designated by the Commission for the purpose.

5. Seal of the Commission.

(1) There shall be a separate Seal of the Commission. (2) Every order, decision or communication made, notice issued or certified copy granted by the Commission shall be stamped with the Seal of the Commission and shall be authenticated by the Secretary or any other officer of the Commission designated by the Secretary for the purpose.

6. Functions and Duties of the Secretary.

(1)The Secretary shall exercise such functions as are assigned to him by these Regulations or otherwise by the Chairperson.(2)In particular and without prejudice to the generality of the provisions of clause (1) above, the Secretary shall have the following functions, namely : (i)to receive or cause to be received all petitions, applications, other filings or references made to the Commission;(ii)to assist the Commission in proceedings conducted by the Commission;(iii)to authenticate the orders passed by the Commission;(iv)to ensure compliance of the orders passed by the Commission; and(v)to collect from the State Governments, the Central Government and their agencies, the State Electricity Boards or other offices, licensees, companies and firms or any other person, such information, records, documents, reports as may be considered useful for the purpose of efficient discharge of the functions of the Commission under the Act.(3)The Secretary or any other officer designated by him in this regard, shall have the custody of the Seal and records of the Commission.(4)The Secretary may, with the approval of the Chairperson, delegate to any other Officer of the Commission any function required by these Regulations or otherwise to be performed by the Secretary.(5)In the absence of the Secretary, such other officer of the Commission, as may be nominated by the Chairperson, may exercise the functions of the Secretary.(6)Save as provided otherwise in Section 97 of the Act, the Commission may delegate to Member, Secretary or Officers such of the functions of the Commission and on such terms and conditions as the Commission may direct for the purpose.(7)The terms and conditions of the services of the Secretary, officers and staff of the Commission shall be subject to such Regulations as may be specified by the Commission from time to time with the approval of the State Government.

7. Authorised representative to appear before Commission.

(1)A person may appear himself or may authorise any of his employees or any other person to appear before the Commission and to act and plead on his behalf.(2)A person may authorise an advocate or a member of any statutory professional body as the Commission may from time to time recognise for the purpose, to represent him and to act and plead on his behalf before the Commission.(3)The Commission may, from time to time, decide the terms and conditions subject to which a person may authorise any other person to represent him and to act and plead on his behalf and the type of authorisation to be provided to the Commission for the purpose.(4)Notwithstanding the above, the Commission may allow any consumer group or association or any person duly authorized by such consumer group or association to appear in any proceeding before the Commission or to participate in any meeting as the Commission may consider to be appropriate.

Chapter II

General Rules concerning the Proceedings before the Commission

8. Proceedings before the Commission.

(1)The Commission may, from time to time, hold such proceedings as it may consider appropriate in discharge of its functions under the Act.(2)The quorum for the proceedings of the Commission including any decision to be taken in any meeting shall be Chairperson and one Member.(3)All matters which the Commission is required under the Act to undertake and discharge through hearings shall be done through hearing in the manner specified under the Act and in these Regulations.(4)Except where the Commission may provide otherwise for reasons to be recorded in writing, all matters affecting the rights or interests of the licensee or any other person or class of persons shall be undertaken and discharged through hearing in the manner specified in these Regulations.(5)The Commission may hold hearings in matters other than those specified in clauses (3) and (4) above, if the Commission considers it to be appropriate.(6)The Commission may hold consultation with the parties or any one or more of them before deciding on the initiation of a proceeding in any matter.(7)The proceedings of the meetings of the Commission shall be prepared by the Secretary or any other officer authorized by the Secretary in that behalf and shall be approved by the Chairperson.

9. Initiation of Proceedings.

(1)The Commission may initiate any proceeding suo moto or on a petition filed by any affected or interested person.(2)When the Commission initiates the proceeding, it shall be by a notice issued by the office of the Commission and the Commission may give such orders or directions as may be deemed necessary, for service of notices to the affected or interested parties and for the filing of replies in opposition or in support of the petition in such form as the Commission may direct.(3)The Commission may, if it considers it to be appropriate, issue orders for issue of public notice inviting comments from the interested persons on the issues involved in the proceedings in such form as the Commission may direct.(4)While issuing the notice, the Commission may, in suo moto proceedings and in other appropriate cases, designate an officer of the Commission or any other person whom the Commission considers appropriate, to present the matter in the capacity of a petitioner in the case.

10. Petitions before the Commission.

(1)All petitions shall contain a clear and concise statement of the facts with material particulars, the applicable provisions of law, the relief sought and the basis for such relief.(2)All petitions to be filed before the Commission shall be type written, cyclostyled or printed neatly and legibly on white paper and every page shall be consecutively numbered and signed.(3)The contents of the petition shall be divided appropriately into separate paragraphs, which shall be numbered serially.(4)All petitions shall be filed in seven copies or such other number of copies, if the Commission so directs, and all such copies shall be complete in all respects. The Commission may, in addition, seek copies of the Petition to be filed in an electronic form.(5)The petition shall be accompanied by such documents, supporting data and statements, as are relevant to the matters in issue in the petition.(6)The general heading in all petitions before the Commission and in all notices including public notices shall be in the Form attached to these Regulations as Appendix 1.(7)The fee specified

by the Commission shall be paid at the time of filing of the petition unless otherwise directed by the Commission.(8)All Petitions filed shall be supported by an affidavit and every such affidavit shall be in the Form attached to these Regulations as Appendix 2.(9)Every affidavit shall be drawn up in the first person and shall state the full name, age, occupation and address of the deponent and the capacity in which he is signing and shall be signed and sworn before a person lawfully authorized to take and receive affidavits.(10)Every affidavit shall clearly and separately indicate the statements which are true to the -(i)knowledge of the deponent; and(ii)information received by the deponent.(11)Where any statement in affidavit is stated to be true to the information received by the deponent, the affidavit shall also disclose the source of the information and a statement that the deponent believes that information to be true.(12)The affidavit shall also declare that there is no case pending in any court of law with regard to the subject matter in the petition.

11. Presentation, Scrutiny and admission of the petitions.

(1)All petitions shall be presented in person or by any duly authorized agent to the Receiving Officer at the headquarters of the Commission or at such other place or places and during the time, as may be notified by the Commission from time to time. The petition may in the alternative be sent by registered post with acknowledgement due to the Commission at the places mentioned above.(2)The vakalatnama in favour of the Advocate and, in the event the petition is presented by the authorized agent or representative, the document authorizing the agent or representative shall be filed along with the petition.(3)The presentation and the receipt of the petition shall be duly entered in the register maintained for the purpose by the Receiving Officer.(4)Upon receipt of the petition, the Receiving Officer shall acknowledge the receipt by stamping and endorsing the date on which the petition has been presented and shall issue an acknowledgement with stamp and date to the person filing the petition. In case the petition is received by registered post, the date on which the petition is actually received at the office of Commission shall be taken as date of the presentation of the petition.(5)After receipt of the petition as at (3) and (4) above, the Receiving Officer shall examine the same and he may return the petition if the petition is not in conformity with the provisions of the Act or these Regulations or directions given by the Commission or is otherwise defective.The Receiving Officer shall advise in writing the person filing the petition of the defects in the petition and the time within which the defects are to be rectified and the petition is to be presented again.(6)The Receiving Officer shall be entitled to reject the petition if the person filing the petition fails to rectify the defect within the time allowed under Clause (5).(7)A party aggrieved by any order of the Receiving Officer in regard to the presentation of the petition may request the matter to be placed before the Secretary for appropriate orders.(8)The Chairperson or any Member as the Chairperson may designate for the purpose, shall be entitled at any time to call for the petition presented by the party and give such directions regarding the presentation and acceptance of the petition as he considers appropriate.(9)If on scrutiny, the petition is not rejected or any order of rejection is modified by the Secretary or by the Chairperson or the Member designated for the purpose, the petition shall be duly registered and given a number.(10)The petition shall thereafter be placed before the Commission for admission as soon as possible.(11)The Commission may admit the petition for hearing without requiring the attendance of the party filing the petition. The Commission shall not pass an order refusing admission of the petition without giving the party concerned an opportunity of being heard. The Commission may, if it considers appropriate, issue

notice to such person or persons as it may desire to hear on the petition for admission.(12)If the Commission admits the petition, it may pass such orders or directions as may be considered necessary, for service of notices to the respondent and other affected or interested parties and for the filing of replies in opposition or in support of the petition in such form as the Commission may direct.

12. Service of notices and processes issued by the Commission.

(1)Any notice or process issued by the Commission may be served by any one or more of the following modes as may be directed by the Commission :(i)service by the party filing the petition;(ii)by hand delivery through a messenger;(iii)by registered post with acknowledgment due; and(iv)by publication in newspaper in cases where the Commission is satisfied that it is not reasonably practicable to serve the notice or process on any person in the manner mentioned above.(2)Every notice or process required to be served on or delivered to any person may be sent to the person or his agent empowered to accept service at the address furnished in the petition or proceedings or at the place where the person or his agent ordinarily resides or carries on business or personally works for gain.(3)In the event any matter is pending before the Commission and the person to be served has authorized an agent or representative to appear for or represent him or her in the matter, such agent or representative shall be deemed to be duly empowered to take service of the notice or process on behalf of the party concerned in all matters and the service on such agent or representative shall be taken as due service on the person to be served. It shall be the duty of such agent or representative to duly inform in time, the person whom he represents, of the service of the notice.(4)Where a notice or process is served by a party to the proceedings either in person or through registered post, an affidavit of service shall be filed by such party with the Commission giving details of the proof of service.(5)Where any petition is required to be published in newspapers, it shall be done in the manner specified in Regulation 67.(6)The Commission may also effect service or give directions for effecting service in any other manner it considers appropriate.(7)The Commission shall be entitled to decide in each case the person(s) who shall bear the cost of service or publication of the notice or process.(8)Save as otherwise provided in the Act or in these Regulations and subject to any direction which the Commission or the Secretary or the officer designated for the purpose may issue, the Petitioner or any other person whom the Commission may make responsible, shall arrange for service or publication of notice or process required to be served or published.(9)In default of compliance with the requirements of these Regulations or directions of the Commission as regards the service or publication of notice or process, the Commission may either dismiss the petition or give such other or further directions, as it thinks fit.(10)No service or publication required to be done shall be deemed invalid by reason of any defect in the name or description of a person provided that the Commission is satisfied that such service is in other respects sufficient and the person served will not be adversely affected by reason of such defect.(11)No proceeding shall be invalidated by reason of any defect or irregularity in the service or publication unless the Commission is of the opinion that substantial injustice has been caused by such defect or irregularity.

13. Filing of reply, opposition, objections, etc.

(1) Each person to whom the notice of any petition or proceedings is issued (hereinafter called the Respondent), and who intends to oppose or support the petition shall file the reply and the documents relied upon within the stipulated period and in seven copies or such other number of copies as may be directed by the Commission. (2) In the reply filed, the Respondent shall specifically admit, deny or explain the facts stated in the petition and may also state such additional facts as he considers necessary for just decision of the case. (3) The reply shall be signed and verified and supported by affidavit in the same manner as in the case of the petition. The Respondent shall also indicate whether he wishes to participate in the proceedings and be orally heard. (4) The Respondent shall, before filing the reply, serve a copy of the reply along with the documents duly attested to be true copies, on the Petitioner or his authorized representative and file proof of such service with the office of the Commission at the time of filing the reply. (5) Where the Respondent states additional facts, the Commission may allow the Petitioner to file a rejoinder to the reply filed by the Respondent. The procedure mentioned above for filing of the reply shall apply mutatis mutandis to the filing of the rejoinder. (6) Every person (other than the persons to whom notices, processes, etc. have been issued calling for reply) who intends to file objections or comments in regard to a matter pending before the Commission, pursuant to the public notice issued for the purpose shall deliver to the Receiving Officer the statement of the objections or comments with copies of the documents and evidence in support thereof within the time fixed for the purpose. (7) The Commission may permit such person or persons as it may consider to be appropriate to participate in the proceedings before the Commission, if the Commission considers that the participation of such person or persons will facilitate the proceeding and the decision in the matter. (8) Unless permitted by the Commission, the person filing objections or comments pursuant to the public notice shall not be entitled to participate in the proceedings. However, the Commission shall take into account the objections and comments filed after giving such opportunity to the petitioner and the respondents in the proceeding to deal with the objections and comments.

14. Procedure to be followed where any party does not appear.

(1) If, on the date fixed for hearing, any party or his authorized agent or representative does not appear when the matter is called for hearing, the Commission may, in its discretion, postpone the hearing to another date or dismiss the petition for default when the Petitioner or the person who moves the Commission for hearing is absent or proceed ex parte to hear and decide the petition if the other party is absent. (2) Where a petition is dismissed in default or decided ex parte, the person aggrieved may file an application within 30 days from the date of such dismissal or being proceeded ex parte, as the case may be, for recall of the order passed, and the Commission may recall the order on such terms as it thinks fit, if the Commission is satisfied that there was sufficient cause for the non-appearance of the person when the petition was called for hearing on the date of hearing under clause (1) above.

15. Hearing of the matter.

(1)The Commission may determine the manner, the place, the date and the time of the hearing of the matter as the Commission considers to be appropriate, consistent with such specific timing requirements as are set forth in the Act or otherwise the need to expeditiously decide the matter.(2)The Commission may decide the matter on the pleadings of the parties or may call the parties to produce evidence by way of affidavit or lead oral evidence in the matter.(3)If the Commission directs evidence of a party to be led by way of affidavit, the Commission may, as and when the Commission considers it to be necessary, allow the other party to cross-examine the deponent of the affidavit.(4)The Commission may direct the parties to file written note of arguments or submissions in any proceeding before the Commission as the Commission considers it to be appropriate.

16. Power of the Commission to call for information etc.

(1)The Commission may, at any time before passing orders on the matter, require, the parties or any one or more of them or any other person whom the Commission considers appropriate, to produce such documentary or other material objects as evidence, as the Commission may consider necessary for the purpose of enabling it to pass orders.(2)The Commission may direct the summoning of the witnesses, the discovery and production of any document or other material objects producible in evidence, the requisition of any public record from any office, the examination by a Gazetted Officer authorized by the Commission of the books, accounts or other documents or information in the custody or control of any person which the Commission considers relevant for the matter.(3)The Commission may, if it considers appropriate, allow any of the parties or others specified in clause (1) or (2) above, to adduce such further documentary or other evidence in regard to evidence made available by any of the parties or other persons under the said clauses.(4)The Commission may, at any time, summon and enforce the attendance of any person and examine him on oath.(5)The Commission may receive evidence by way of affidavit.(6)The Commission may also issue commission for the examination of witnesses.

17. Reference of issues to others.

(1)At any stage of the proceedings, the Commission shall be entitled to refer such issue or issues in the matter as it considers appropriate to persons, including, but not limited to the officers and consultants of the Commission, whom the Commission considers as qualified to give expert or specialized advice or opinion.(2)The Commission may nominate from time to time, any person including, but not limited to, the officers and consultants, to visit any place or places for inspection and give a report on the existence or status of the place or any facilities therein.(3)The Commission, if it thinks fit, may direct the parties to the proceedings to appear before the persons designated in clause (1) or (2) above to present their views on the issues or matters referred to.(4)The report received from the person shall form a part of the record of the case and parties shall be given the copies of the report. The parties shall be entitled to file their version either in support or in opposition to the report.(5)The Commission shall duly take into account the report given by the person and the replies filed by the parties while deciding the matter and if considered necessary,

examine the person giving the report :Provided that the Commission shall not be bound by the report given and shall be entitled to take such decision as it may consider to be appropriate.

18. Orders of the Commission.

(1)The Commission shall pass orders on the petition and the Chairperson and the Members who heard the matter shall sign the orders.(2)The reasons given by the Commission in support of the orders, including those by the dissenting member, if any, shall form a part of the order and shall be available for inspection and supply of copies in accordance with these Regulations.(3)The Commission may from time to time pass such interim orders in any proceeding, hearing or matter before the Commission, as the Commission may consider to be appropriate. The Commission may from time to time amend, vary or vacate the interim order earlier passed in the matter as the Commission may consider to be appropriate.(4)All orders and decisions issued or communicated by the Commission shall be certified by the Secretary or an Officer empowered in this behalf by the Secretary and bear the official seal of the Commission.(5)All final orders of the Commission shall be communicated to the parties in the proceedings under the signature of the Secretary or an officer empowered in this behalf by the Secretary.

19. Inspection of records and supply of certified copies.

(1)Records of every proceeding shall be open, as a matter of right, to the inspection of the parties or their authorised representatives at any time either during the pendency of the proceeding or after the orders are passed, subject to payment of fee and complying with such other terms as the Commission may direct including in regard to time, place and manner of inspection.(2)Records of every proceeding, except those parts which for reasons specified by the Commission are confidential or privileged, shall be open to inspection by any person other than the parties to the case either during the Proceeding or after the orders have been passed, subject to such person complying with such terms as the Commission may direct from time to time including in regard to time, place, and manner of inspection and payment of fees.(3)Any person shall be entitled to obtain certified copies of the orders, decisions, directions and reasons in support thereof given by the Commission as well as the pleadings, papers and other parts of the records of the Commission to which he is entitled for inspection under this Regulation subject to payment of fee and complying with other terms which the Commission may direct.

Chapter III

Adjudication/Arbitration of Disputes

20. Adjudication/Arbitration.

(1)The adjudication or arbitration of disputes which under the Act are within the scope and jurisdiction of the Commission may be commenced on an application made by any of the parties to the dispute.(2)The Commission shall issue notice to the concerned parties to show cause as to why

the dispute between the parties should not be either adjudicated by the Commission or settled through arbitration.(3)The Commission may, after hearing the parties to whom notices have been issued and if satisfied that no reason or cause has been shown against the request for adjudication or for arbitration, pass an order directing that the disputes shall be adjudicated by the Commission or that the Commission shall refer the matter to arbitration of a person or persons to be nominated by the Commission.

21. Nomination of Arbitrators.

(1)If the Commission decides to refer the matter to arbitration, the Commission shall decide whether the reference shall be to a sole arbitrator or to a panel of arbitrators of such number as the Commission may decide and also the manner of appointment of the sole arbitrator or the panel of arbitrators, as the case may be.(2)If any arbitrator appointed fails or neglects to act or continue as arbitrator, the Commission shall be entitled to appoint any other person in his place in the same manner as provided in clause (1) above.(3)The Commission shall not nominate a person as arbitrator to whom any of the parties to the arbitration has a reasonable objection on grounds of possible bias or similar such reasons and the Commission considers the apprehension to be justified.

22. Procedure for adjudication, settlement and passing of award.

(1)In case the Commission decides to adjudicate the matter raised by the parties, the procedure to be followed shall be as far as possible the same as in the case of hearing before the Commission provided in Chapter II above and the order of the Commission shall be an adjudication by the Commission and not an award in arbitration.(2)In case the Commission nominates an arbitrator or arbitrators to settle the disputes, the arbitrator or arbitrators may follow specific directions issued by the Commission and also follow such procedure as they may consider appropriate, consistent with the principles of natural justice and fair opportunity to be given to the parties to arbitration.(3)The arbitrator or arbitrators, as the case may be, shall after hearing the parties, pass an award giving reasons for the decision on all issues arising for decision and forward the award with relevant documents to the Commission within such time as the Commission may direct.(4)The award made by the arbitrator or the panel of arbitrators, as the case may be, shall be an award under the Arbitration and Conciliation Act, 1996.

23. Cost of adjudication/arbitration proceedings.

- The cost of the arbitration and the preliminary and adjudicatory proceedings before the Commission shall be borne by such parties and in such sums as the Commission may direct.

Chapter IV

Licence

24. Application for licence.

(1) Any person intending to engage in the business of Transmission, Distribution or Trading in electricity in the State of Punjab, shall apply to the Commission for the grant of appropriate licence in the form and manner directed by the Commission and accompanied by such fees as may be prescribed for this purpose. (2) The Commission may, if it considers necessary, invite applications from the public fulfilling such eligibility requirements as may be specified by the Commission from time to time for grant of licence for transmission of electricity, distribution of electricity or to undertake trading in electricity as the case may be, by public notice through issue of advertisements in newspapers always guaranteeing the principle of transparency. (3) The General Conditions subject to which each of the categories of licence shall be issued are contained in Appendix 3 and the Licensee shall be bound by such conditions, except to the extent exempted by the Commission. (4) The Commission shall in addition to the General Conditions, decide on the specific conditions subject to which licence shall be issued to the applicant. (5) Any person intending to apply for licence shall duly comply with the conditions and requirements laid down by the Commission. (6) The application for licence shall be made in accordance with the provisions of the Act and these Regulations and in the applicable form contained in Appendix 4 to these Regulations and shall be supported by affidavit of the authorized person. Provided that the State Transmission Utility to be notified by the State Government under Section 39 of the Act shall be deemed to have applied for the grant of transmission licence and the transmission licence shall be deemed to have been granted to the State Transmission Utility w.e.f. the date of the said notification. Provided further that the persons who fulfill the conditions contained in Regulation 44 shall be deemed to have applied for the grant of Distribution Licence and the Distribution Licence shall be deemed to have been granted to such person subject to the conditions contained in the said Regulation 44. (7) The Application for licence shall be accompanied by documents and particulars required to be provided as per the applicable form in Appendix 4. (8) The Application for Licence shall specifically state the following : (a) the deviation, if any, the applicant proposes from the General Conditions of Licence contained in Appendix 3 to these Regulations and reasons in support thereof; and (b) the specific terms which the applicant proposes as applicable to the licence sought, in addition to the General Conditions of Licence.

25. Special provisions applicable to Intra State Transmission Licence.

- The Applicant for the Intra State Transmission Licence shall, immediately on making the application, forward a copy of the application to the State Transmission Utility. The State Transmission Utility shall acknowledge the receipt of the application and within thirty days of the receipt of the said application send its recommendations, if any, to the Commission.

26. Special provisions applicable to Intra State Trading Licence.

- Any person applying for licence to undertake trading in electricity in the State of Punjab shall duly fulfill such conditions of technical requirement, capital adequacy requirement and creditworthiness and further shall agree to discharge such duties as may be specified by the Commission under Section 52 of the Act.

27. Acknowledgment of application.

- On receipt of the application, the Receiving Officer shall note thereon the date of its receipt and shall send to the applicant an acknowledgment stating the date of receipt.

28. Copies of maps and proforma for public inspection.

- The applicant shall maintain at his own office and at such other places as may be designated by the Commission, the copies of the application and documents referred to in Appendix 4 for public inspection and furnish to persons applying for them, at a price not exceeding the normal photocopying charges.

29. Calling for additional information.

- The Commission or the Secretary may, upon scrutiny of the application, require the applicant to furnish within a period to be specified, such additional information or particulars or documents as the Commission may consider to be necessary for the purpose of dealing with the application.

30. Notifying the due filing of the application.

- If the Commission finds that the application is complete and accompanied by the requisite information, particulars, and documents and that the applicant has complied with all the requirements for making the application and furnishing of information, particulars and documents, and the application is ready for being considered for grant of licence in accordance with applicable laws, this fact shall be communicated to the applicant.

31. Publication of notice of application.

(1)The applicant shall, within seven days from the date of communication as mentioned in Regulation 30 above, publish a notice of the application in the form specified in Appendix 5 with such particulars and in such manner as the Commission may direct.(2)The publication shall be headed by a short title corresponding to that given in the application and shall give the addresses of the offices at which the application, documents, copies of maps therein referred to may be inspected and the copies of the same may be purchased and shall also state that any person, desirous of making a representation with reference to application to the Commission, may do so by letter addressed to such Officer as the Commission may designate in that behalf, within thirty days from the date of publication.

32. Service of notice of the application.

(1)The Commission may direct that the notice of the application be served on the Central Government, the State Government, the local authority or any other authority or person or body as the Commission may direct in such form, with such particulars and in such manner as the

Commission may consider appropriate.(2)The applicant shall apply for and obtain the no objection certificate required from the Central Government in terms of clause (ii) of sub-section (2) of Section 15 of the Act before the application is placed for hearing by the Commission for grant of the licence.

33. Objections.

(1)Any person intending to object to the grant of the licence shall file objection within thirty days from the date of publication of the notice by the applicant. The objection shall be filed in the form of reply and the provisions of Chapter II dealing with reply shall apply to the filing of such objections.(2)Any person who desires to have any amendment made in proposed conditions of licence shall deliver a statement of the amendment to the applicant and to such officer as the Commission may designate in that behalf and within the time allowed by the Commission for filing objections.

34. Hearings and local inquiries.

(1)If the applicant has duly arranged for the publication of the notice of the application and the time for filing of the objections is over and after the applicant has furnished to the Commission the no objection certificate required from the Central Government, the Commission may proceed with the hearing of the application.(2)The Commission shall give the notice of hearing to the applicant, the persons who had filed objections, the Central Government, the State Government, the local authority and such other authority, person or body as the Commission may consider appropriate.(3)The Commission shall consider the recommendations, if any, from the State Transmission Utility in regard to the grant of Intra State Transmission Licence.(4)If any person objects to the grant of licence applied for, the Commission may, if either the applicant or the objector so desires, cause a local inquiry to be held of which the notice in writing shall be given to the applicant and the objector and other concerned parties.(5)In case of a local inquiry, under Clause (4) above, a memorandum of the results of the inquiry made shall be prepared and shall be signed by the applicant, objector, the Officer or person designated for the purpose and such other person as the Commission may direct.(6)The hearing on the application for grant of licence shall thereafter proceed as far as possible in the same manner as provided in Chapter II.(7)Before granting a licence the Appropriate Commission shall :-(a)publish a notice in two such daily newspapers, as the Commission may consider necessary, stating the name and address of the person to whom it proposes to issue the licence;(b)consider all suggestions or objections and the recommendations, if any, of the State Transmission Utility.

35. Grant of Licence.

(1)After the hearing, under Regulation 34, the Commission may decide to grant or refuse the licence and if it decides to grant the licence, it may do so on general terms and conditions and with such modifications to the general conditions and on such specific conditions as the Commission may decide.(2)When the Commission has approved the grant of licence, the Secretary or such other officer as the Commission may designate in this behalf, shall inform the applicant of such approval and the conditions to be satisfied by the applicant including the initial and periodical licence fees to

be paid by the applicant for the grant of the licence.(3)On receiving an intimation in writing from the applicant that he is willing to accept a licence on the terms approved by the Commission and after the applicant satisfies the conditions imposed for the grant of the licence, the Commission may direct the applicant to publish the licence or such part or gist thereof as the Commission considers to be appropriate.(4)The Commission shall immediately after issue of a licence, forward a copy of the licence to the State Government, State Transmission Utility, Central Electricity Authority, Local authority, and to such other person as the Commission considers necessary.

36. Date of commencement of licence.

- The licence shall commence from the date, the Commission may direct as the date of commencement of licence, and the licence shall be in force for twenty five years, subject however to earlier revocation in accordance with law.

37. Deposit of maps and proforma.

(1)When a licence has been granted, three sets of maps and proforma containing the particulars specified in clause (2) below shall be signed and dated to correspond with the date of the notification of the grant of the licence by such officer as the Commission may designate in this behalf.(2)The particulars to be given in the proforma under Clause (1) above shall be as under : (a)A short title descriptive of the proposed utility together with the address and description of the applicant, and if the applicant is a company, the names of all the Directors of the company;(b)Type of licence granted;(c)Location of the proposed area of operation;(d)A description of the proposed area of operation; and(e)The general conditions, the deviation therefrom and also the specific conditions, if any, which the Commission has laid down in the licence with justification for any deviation granted from general conditions; and(3)Two sets of such maps and proforma shall be retained as the deposited maps and proforma by the said officer and the other one set shall be given to the licensee after due attestation by the Secretary or an officer authorized by the Secretary in this behalf.(4)The Licensee shall, whenever required by Commission, furnish the maps and proforma in an electronic form.

38. Exhibition and supply of licence copies by the Distribution Licensee.

(1)Every person who is granted a Distribution Licence shall within thirty days of the grant thereof arrange to exhibit copies of the licence granted, maps and proforma attested under Regulation 37 for public inspection at all reasonable times at the head office and at the designated offices within the area of supply.(2)Every such Licensee shall, within the aforesaid period of thirty days, supply free of charge a copy each of the licence to the offices of the Municipal Corporations, Municipal Committees and Deputy Commissioner within the area of supply of the Licensee and shall also make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same during the period of the licence, at a price not exceeding normal photocopying charges.

39. Preparation and submission of accounts.

(1) Every licensee shall cause the accounts of the Licensed Business to be made based on the Financial Year. (2) Such licensee shall prepare and render an annual statement of his accounts in accordance with the directions given by the Commission, within a period of six months from the close of the financial year, or such extended period as the Commission may authorise after it is satisfied that the time allowed is insufficient owing to any cause beyond the control of the licensee. The statement shall be filed with the Commission in such number of copies as the Commission directs. (3) The accounts shall be made in such form as the Commission may direct from time to time. The accounts shall be signed by the Licensee or the duly authorized agent or manager of the Licensee. (4) The Commission may, by special or general order direct that, in addition to the submission of the annual statements of accounts under clause (2), the Licensee shall submit to the Commission or such other authority as the Commission may designate in this behalf such additional information as it may require for the purpose.

40. Electricity Supply Code and Conditions of Supply.

(1) The Distribution Licensee shall comply with the Electricity Supply Code and Conditions of Supply as the Commission may specify from time to time. (2) The Distribution Licensee shall within 6 months from the grant of the licence and in the case of deemed licensee under Section 14 of the Electricity Act not later than 6 months from the date of deemed licence or 6 months from the date of publication of these Regulations, whichever is later, file with the Commission the proposal for modifications to the existing Conditions of Supply and on the approval granted by the Commission, the Conditions of Supply with such modification as approved by the Commission shall apply to the Distribution Licensee. (3) Until the Commission approves the Conditions of Supply under clause (2) above, the Distribution Licensee shall follow the existing conditions of supply with such specific modifications as the Commission may direct by order made in that behalf. (4) The Distribution Licensee shall always keep in his office adequate number of copies of the updated Electricity Supply Code and Conditions of Supply and he shall, on demand, sell such copies to any applicant at a price not exceeding normal photocopying charges.

41. Contravention by Licensee.

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

42. Revocation of the licence.

(1) The proceedings for revocation of the licence or for passing of any other orders provided in Section 19 of the Act shall be initiated by an order passed by the Commission. The Commission may initiate such proceedings on its own or on application of the licensee or on receiving any complaint or information from any person. (2) The Commission shall give notice of the proceedings for the

revocation of the licence to the licensee and to such other person, authority or body as the Commission may consider necessary.(3)Subject to the provisions of the Act, and the procedure contained therein, the inquiry by the Commission for revocation of the licence, in so far it is applicable, shall be in the same manner as provided in Chapter II of these Regulations :Provided that the licensee shall be given not less than three months notice in writing to show cause against the proposed revocation and the notice to show-cause issued to the licensee shall clearly state the grounds on which the Commission proposes to revoke the licence.(4)If the Commission decides to revoke the licence, the Commission shall serve a notice of revocation upon the licensee stating the effective date from which such revocation shall take effect. The Commission shall also forward a copy of the order of Revocation to the State Government, State Transmission Utility, Central Electricity Authority, Local Authority and to such other person as the Commission considers necessary.(5)The Commission may instead of revoking the licence pass any other order imposing such terms and conditions subject to which the Licensee shall be permitted to operate thereafter.(6)Where the Commission has given notice of revocation of licence, the licensee may, after prior approval of the Commission, sell the undertakings of the Licensee to a person who is found eligible by the Commission for grant of licence, without prejudice to any proceeding which may be or has been initiated or any penalty which may be imposed by the Commission.

43. Amendment of the licence.

(1)Where in its opinion, public interest so permits, the Commission may, on the application of the licensee or otherwise, make such alterations and amendments in the terms & conditions of his licence as it thinks fit; provided that no such alteration or amendment shall be made except with the consent of the licensee unless such consent has, in the opinion of the Commission, been unreasonably withheld.(2)The Commission may initiate proceedings for amendment of the licence on its own or on the application of the Licensee or on receiving any complaint or information from any person.(3)The application for amendment to the terms and conditions of the licence which is made by the Licensee shall be in such form as may be directed for the purpose by the Commission.(4)Such application shall be accompanied with a statement of the proposed amendment and shall be supported by affidavit as provided in Chapter II of these Regulations.(5)In such a case, the applicant shall, within seven days from the date of admission of the application for amendment, publish a notice of the application filed, giving a brief statement of the amendment proposed, the reason for the proposed amendment, the effect of the amendment proposed on the discharge of the functions of the Licensee under the Licence granted, the alternate arrangement proposed for discharge of such functions and such other particulars as the Commission may direct.(6)The publication under Clause (5) above shall give the addresses of the offices at which the application for amendment may be inspected and the copies of the same can be purchased and shall state that a person, desirous of making any representation with reference to application to the Commission, may do so by letter addressed to the Secretary or such officer as the Secretary may designate in that behalf, within thirty days from the date of publication.(7)In the event, the Commission proposes to amend the terms and conditions of the licence granted to a licensee, the Commission shall publish a notice of the proposed amendment giving a brief statement of the amendment proposed, the reason for the proposed amendment, the effect of the amendment proposed on the discharge of the functions of the Licensee under the licence granted, the alternate

arrangement proposed for discharge of such functions-and such other particulars as the Commission may consider appropriate.(8)Unless otherwise specified in writing by the Commission, the procedure specified in these Regulations for grant of licence, in so far it can be applied, shall be followed while dealing with an application for amendment of the licence.(9)In the case of an application proposing alterations or modifications in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the Commission shall not make any alterations or modifications except with the consent of the Central Government.

44. Deemed grant of the Distribution Licence.

(1)Until otherwise directed by the Commission, the following classes of persons shall be deemed to have applied for and granted the Distribution Licence for the purpose contained herein and subject to the fulfillment of the conditions contained in clause (2) : (i)Persons who supply electricity generated by themselves and/or supplied to them by an authorised person, for the purposes of an event or function not exceeding one month, and when the electricity is distributed through a system owned by them; (ii)Persons who supply electricity to the residential colonies as a part of their activity of maintaining such colonies for use and occupation of their employees and/or for use and occupation of persons providing facilities and services to the employees, where such person procures electricity from any Licensee or from any other source approved by the Commission and distributes the electricity within the residential colonies on no profit motive basis; and (iii)Such other persons as the Commission may from time to time by order notify, subject to such terms and conditions as the Commission may direct.(2)The Licensee under clause (1) shall : (i)not directly or indirectly undertake trading in electricity or distribution or supply of electricity outside its area of operation and distribution or supply of electricity shall be strictly restricted to the relevant purpose mentioned in clause (1) above. (ii)establish the electric line or works only within the area of operation; (iii)furnish to the Commission such information required by the Commission for the purposes of the discharge of the functions of the Commission as the Commission may from time to time direct; (iv)comply with the provisions of the Act, the Regulations of the Commission, technical codes such as Grid Code, Supply Code, Standards of Performance or any other guidelines issued by the Commission; (v)comply with all applicable rules and regulations concerning the safety and security of the operation; and (vi)comply with any directions which the Commission may issue from time to time in regard to the charges which such persons may levy on the consumers taking into account the charges prevailing in the nearby area of supply of electricity supplied by a licensee.(3)The Commission shall be entitled to issue appropriate directions from time to time as it may consider to be necessary and take appropriate actions against a Licensee under this Regulation in accordance with the provisions of the Act and these Regulations for any breach or non-compliance thereof.(4)The Commission may, at any stage, if it considers necessary, direct the Licensee under this Regulation to apply for licence and consider the grant or refusal of licence in accordance with other Regulations under this Chapter.(5)The Commission may, by an interim or final order, direct the Licensee under this Regulation to cease to distribute or supply electricity in the area of operation or any part thereof.(6)If any difference or dispute arises as to whether the person is entitled to undertake supply of electricity as a Licensee under this Regulation, the decision thereon of the Commission shall be final.CHAPTER-V Generating Companies and Captive

Generating Stations

45.

The generating companies and other persons who have established generating stations including captive generating stations in the State and persons who desire to establish such generating stations including Captive Generating Stations with capacity in excess of 1 MW or such other capacity as the Commission may notify for the purpose shall furnish to the Commission and the Distribution Licensee of the area the technical details of the generating stations as per Appendix 6, within 30 days of notification of these Regulations or within 30 days of the commencement of generation of electricity at the station, whichever is later.

Chapter VI

Power Procurement and Purchase

46.

(1) In accordance with the provisions of the Act and the licence conditions, every Distribution Licensee shall purchase and procure electricity required for the Licensed Business of the Distribution Licensee in an economical and efficient manner and under a transparent power purchase and procurement process and generally based on the principles of purchase of electricity at the least cost. (2) The power purchase by a Distribution Licensee may be classified by the Commission as short term power purchase and long term power purchase on terms as may be decided by the Commission from time to time. (3) The Commission may, from time to time, issue guidelines, practice directions and orders governing the short term purchases and long term purchases which the Distribution Licensee can undertake for the purpose of the Licensed Business. (4) (a) The Distribution Licensee shall satisfy the Commission as to the need for additional power procurement on a long term basis. (b) The Distribution Licensee shall not enter into a binding or enforceable contractual commitment of such long term power purchase till the Commission by a general or special order approves the procurement of electricity by the Distribution Licensee. (5) Unless otherwise approved by the Commission by a general or special order, a long term power purchase or procurement by the Distribution Licensee shall be done through a competitive procurement process approved by the Commission. (6) (a) The Distribution Licensee shall satisfy the Commission that the electricity procured under long term power purchase otherwise than through a competitive bidding process or any short term power purchase is economical in the prevalent circumstances and that the Distribution Licensee has made prudent and best efforts to minimise the cost of purchase. (b) The Commission may not permit any such long term purchase if the manner or method proposed for such procurement of electricity is not conducive to the objective of least cost purchase or for any other reason the purchase is not economical or efficient. (7) The short term power purchase by the Distribution Licensee may be undertaken in such manner as the Commission may from time to time direct by a general or special order. (8) The Distribution Licensee shall forecast the demand for electricity for his Licensed Business and formulate proposals in

coordination with the generating companies, transmission licensees, other distribution licensees, trading licensees, authorities and other concerned persons. The Distribution Licensee shall file with the Commission power procurement plan to meet the demand in such manner as the Commission may direct.(9)The Distribution Licensee shall file with the Commission the details in regard to the distribution system under his control and arrangement available from the transmission licensees and other distribution licensees in the State or outside the State to evacuate the electricity procured and to distribute the same in accordance with the power procurement plans approved by the Commission.(10)The Commission may, from time to time, lay down the details required to be given by the Distribution Licensee in regard to resource planning, power purchase and procurement planning, planning for evacuation through transmission lines and distribution system, the procurement process to be followed and other matters relating to purchase of energy by the distribution licensee and notify the same in the form of guidelines or practice directions.(11)The Commission shall take into consideration, while determining the tariffs of the Distribution Licensees as per these regulations and as per the Tariff Regulations to be framed by the Commission under Section 61 of the Act, the approval granted by the Commission to the Distribution Licensees for the power purchase and procurement process under this Regulation and the actions and inactions on the part of the Distribution Licensees in complying with the terms contained in this Regulation.

Chapter VII

Investment Approvals

47.

(1)Unless otherwise specified by the Commission, every licensee shall obtain prior approval of the Commission for making investment in the licensed business if such investment is above the limits laid down by the Commission in the Licence Conditions.(2)The limits in the Licence Conditions may be modified by the Commission from time to time by a general or special order.(3)In the application for investment approval, the licensee shall furnish the following information or particulars :(a)A detailed project report containing examination of the salient features and particulars, demonstrating the need for the investment together with the techno economic and environmental aspects of the investment together with the outline of the work to be undertaken;(b)The project cost together with the cost benefit analysis;(c)Whether the investment is in a new project or for expansion or up-gradation of an existing system;(d)Sanctions and statutory clearances required for execution of the project and status of such sanctions and statutory clearances;(e)Phasing of investment over the financial years and the commissioning schedule;(f)The manner in which investments will be capitalised for the purposes of inclusion in the revenue requirements of the Licensee;(g)Constraints which the Licensee may face in making the investments or in implementing the project including constraints on information available;(h)Resource mobilisation and financial plans for meeting the investment; and(i)Such other particulars as the Commission may from time to time direct.(4)(a)The Commission may at its discretion hold such inquiries and consultations as the Commission may consider appropriate while dealing with the application for approval for the investment to be made by the Licensee.(b)The Commission may, at its discretion, initiate a proceeding or consider the

application for investment approval as a part of the proceedings for determination of tariff or along with any other proceeding as the Commission may consider appropriate.(5)(a)The Commission shall be entitled to appoint consultants, experts and others as the Commission may consider appropriate and authorise the Commission's staff, consultants and experts to hold discussions and deliberations with the Licensee before the Commission considers the application of the Licensee for investment approval.(b)The Licensee seeking investment approval shall furnish information, particulars, documents as may be required by the Commission staff, consultants and experts appointed by the Commission for the purpose and allow them access to the records and documents in power, possession or custody of the Licensee.(c)The Licensee shall co-operate with the Commission's staff, consultants and experts to enable them to discharge their functions and to submit a report to the Commission on the outcome of their findings.(6)The Commission shall take into consideration while determining the tariffs of the Licensees as per these regulations and as per the Tariff Regulations to be framed by the Commission under Section 61 of the Act, the approval granted by the Commission to the Licensees for the investments under this Regulation and the actions and inactions on the part of the Licensees in complying with the terms contained in this Regulation.

Chapter VIII

Tariffs

48. Filing by the Licensees.

(1)Subject to the provisions of the Act, each year at the time required under the licence conditions or otherwise as may be directed by the Commission, each Transmission and Distribution Licensee shall file with the Commission, in the format as may be laid down by the Commission, statements containing calculation of the expected aggregate revenue from charges under its currently approved tariff and the expected cost of providing services for the ensuing financial year.(2)In case a Transmission or Distribution Licensee does not submit the Annual Revenue Requirement and Tariff Application within the time limit allowed by the Commission, the Commission may consider taking up the matter suo moto.(3)If a Transmission or Distribution Licensee carries on more than one business, the statements referred to in clause (1) above shall be given separately for each separate business of the licensee and in such manner in respect of each such business as the Commission may direct.(4)The statements referred to in Clause (1) above in the case of a Transmission Licensee shall contain the following details :(a)a calculation of the estimated costs of providing the services under the Licensed Business and estimates of revenue from charges under currently approved tariffs;(b)in case the Licensee carries on any business or services other than the Licensed Business, the Licensee shall give separate revenue and expense statements for the Licensed Business together with such details as the Commission may require in respect of such other business or services especially with regard to interlinkages between the licensed Business and other businesses; and(c)such other information as the Commission may direct.(5)The statements referred to in clause (1) above in the case of the Distribution Licensee shall contain the following details :(a)the licensee's forecast of electricity demand under each customer or consumer category for the ensuing financial year and the basis of the forecast;(b)a calculation of expected aggregate revenue that would result from the

demand under Clause (a) above under the currently approved tariff for customer or consumer category;(c)a calculation of the licensee's estimated costs of providing the service required by the level of demand indicated in sub-clause (a) above for each category of consumers during the specified period calculated in accordance with the financial principles and their application contained in the Sixth Schedule to the Electricity (Supply) Act, 1948 as was in force before the repeal of the said Act by Electricity Act, 2003 and not inconsistent with the Act or such other principles the Commission may direct from time to time;(d)in case the Licensee carries on any business or services other than the Licensed Business, the Licensee shall give separate revenue and expense statements for the Licensed Business together with such details as the Commission may require in respect of such other business or services especially with regard to interlinkages between the licensed Business and other Businesses; and(e)the utility's/licensee's general explanation as to how it proposes to deal with any significant divergence between the revenue and cost figures provided in sub-clauses (b) and (c) above; and(f)such other information as the Commission may direct.(6)The Transmission or the Distribution Licensee shall, if the revenue gap is considered significant or if directed by the Commission, file an application containing tariff proposals to deal with the gaps between the expected aggregate revenue at the then prevalent tariff and the expected cost of services including schemes for reduction in loss levels, other efficiency gains to be achieved and the revision in charges in tariff structure for different categories of consumers.(7)The applications under this regulation shall be accompanied by such fees as the Commission may specify.(8)The Transmission or the Distribution Licensee shall furnish to the Commission such additional information, particulars and documents as the Commission may require, from time to time, after such filing of revenue calculations and tariff proposals.(9)The Transmission or the Distribution Licensee shall publish for the information of the public, the contents of the application in an abridged form in such manner as the Commission may direct and shall provide copies of the application and documents filed with the Commission at a price not exceeding normal photocopying charges.

49. Multi Year Tariff Principles and Guidelines.

(1)The Commission may adopt multi year tariff principles for matters relating to calculation of revenue requirements of the Transmission or the Distribution Licensees and the tariff determination including on aspects of investments, reduction of loss levels, other efficiency gains to be achieved, the revision in charges, changes in tariff structure, and such other matters as the Commission may by a general or special order direct.(2)The Commission may, as and when it considers appropriate, issue guidelines for filing statement of revenue calculations and tariff proposals for period in excess of a financial year and unless waived by the Commission, the licensee shall follow such guidelines issued by the Commission.

50. Hearing.

(1)The Commission shall hold a proceeding on the revenue calculations and tariff proposals given by the Transmission or the Distribution Licensee and shall hold public hearings to decide on such revenue calculations and tariff proposals.(2)The procedure for hearings on the revenue calculations and tariff proposals of the Transmission or the Distribution Licensee shall be in the manner laid down in these Regulations.

51. Order of the Commission.

(1) Upon hearing the Transmission or the Distribution Licensee and holding public hearings and upon making such other inquiry as the Commission considers to be appropriate, the Commission shall make an order and notify to the Transmission or the Distribution Licensee of its decision on the revenue calculations and tariff proposals. (2) The Commission shall, within seven days of the order, forward a copy of the order to the State Government, the Central Electricity Authority and the concerned licensees.

52. Publication.

(1) While making an order as above or at any time thereafter, the Commission shall direct the publication of the tariff determined by the Commission, which the Transmission or the Distribution Licensee shall charge from different consumers or customers and categories thereof in the ensuing period determined by the Commission. (2) The Transmission or the Distribution Licensee shall publish the tariff or tariffs approved by the Commission in the newspapers having circulation in the area of supply as the Commission may direct. The publication shall, besides such other things as the Commission may require, include a general description of the tariff changes and its effect on the classes of the consumers or customers. (3) The tariffs determined by the Commission published under clause (1) above shall be the notified tariffs applicable in the concerned area. In case of any increase in tariff, the same shall take effect preferably with prospective effect and, after such number of days as the Commission may direct which shall not be less than seven days from the date of first publication of the tariffs.

53. Subsidy from State Government.

(1) The State Government may, at any time as it considers to be appropriate, propose any subsidy to any class or classes of consumers in the tariff determined or to be determined by the Commission and upon receiving such proposal, the Commission shall determine the amount to be paid as subsidy and the terms and conditions of such payment including the manner of payment of subsidy amounts by the State Government to the person affected by the decision of the subsidy. (2) While determining the tariff, the Commission shall take into account any subsidy, which the State Government has agreed to give to any class or classes of consumers. (3) The tariff determined by the Commission shall be published duly taking into account such subsidy offered by the State Government as on the date of the decision of the Commission. (4) Notwithstanding anything contained above, no direction of the State Government granting subsidy shall be operative if the payment is not made by the State Government in accordance with the provisions of Section 65 of the Act and in the event of such directions being not operative, the amount for which the State Government has failed to make payment shall be added in the tariff to be charged by the Distribution Licensees to the concerned class or classes of consumers. (5) The Distribution Licensee shall be required to furnish documents to the satisfaction of the Commission that the subsidy amount received by the Distribution Licensee from the State Government is duly accounted for and utilised for the purpose for which the subsidy is given.

54. Bills to Consumers.

(1)The Distribution Licensee shall raise bills for the energy supplied or transmitted or services rendered to the consumers only in accordance with the notified tariff and in accordance with Regulations 52 and 53.(2)The bills to the consumers shall distinctively display the per unit cost of supply of electricity to the class of consumers as determined by the Commission, the subsidy, if any, given by the State Government applicable to such class of consumers as per unit amount of such subsidy, the bill amount payable by the consumer and the cross subsidization of the class of the consumers in the tariff made applicable without taking account of subsidy from the State Government.

55. Revision of Tariff.

(1)No tariff determined by the Commission may be amended more frequently than once in any financial year except that tariff rates shall be adjusted in accordance with Fuel Cost Adjustment Formula incorporated in the tariff order or in any other order of the Commission. Till otherwise notified by the Commission Fuel Cost Adjustment Formula shall be as per Appendix 7.(2)The orders, which the Commission may issue to give effect to subsidy which the State Government may grant from time to time, shall not be construed as amendment of tariff notified. The Distribution Licensee shall, however, give appropriate adjustments in the bills to be raised on the consumers for the subsidy amount in the manner the Commission may direct.

56. Generation Tariff.

(1)The Commission may approve the tariff for the power purchase and procurement by the Distribution Licensee from the Generating Company as per Chapter VI of these Regulations and on such approval being given, the Generating Company shall be entitled to sell the energy to the Distribution Licensee as per the tariff and terms and conditions contained in the Power Purchase Agreement as approved by the Commission.(2)In cases other than those covered by clause (1) above, the Generating Company may file an application to the Commission for determination of tariff for electricity generated by it for the sale of energy in the State of Punjab giving details of the fixed and variable costs associated with the generation.(3)The application by the Generating Company under clause (2) may be filed for determination of the tariff for sale of energy to any specific purchaser including the Distribution Licensee or to more than one such purchaser or generally for sale of energy from time to time to such person or persons including Distribution Licensees who may desire to purchase energy from the Generating Company.(4)The Commission may determine the tariff for the sale of energy by the Generating Company. The Generating Company may thereafter enter into agreements for the sale of energy on the tariff determined by the Commission subject to the terms and conditions laid down by the Commission.Provided that the determination of the Generation Tariff under this Regulation shall not entitle the Generating Company to sell energy to the Distribution Licensees on a long term basis except in accordance with the Power Purchase Agreement or procurement to be finalised by the Distribution Licensee as provided in Chapter VI of these Regulations and on the terms and conditions which the Commission may lay down for the purpose from time to time.Provided also that determination of the Generation Tariff shall not entitle

the Generating Company to sell energy to the Distribution Licensees on a short term basis except in accordance with the Chapter VI of these Regulations and on the terms and conditions laid down by the Commission under the said Chapter VI.

57. Tariff of Electricity Trader.

(1)The Commission may approve the tariff for the power purchase and procurement by the Distribution Licensee from the Electricity Trader as per Chapter VI of these Regulations and on such approval being given, the Electricity Trader shall be entitled to sell the energy to the Distribution Licensee as per the tariff and terms and conditions contained in the Power Purchase Agreement as approved by the Commission.(2)The Commission may, from time to time, fix the trading margin of the electricity trader for intra State trading in electricity in the State of Punjab.(3)Notwithstanding the determination of the trading margin for the Electricity Trader, the Distribution Licensees shall not be entitled to purchase electricity from the Electricity Trader except as provided in Chapter VI of these Regulations and further such sale shall be subject to such further terms and conditions, the Commission may lay down for the purpose from time to time.

Chapter IX

Performance Standards, Codes, Supply Regulations etc.

58.

(1)The Commission may from time to time direct the licensees and generating companies operating in the State to formulate draft for such codes as the Commission considers appropriate for the proper and efficient conduct of the electricity sector and operation of the power system in the State.(2)The Commission may hold such consultations and proceedings as the Commission considers appropriate to deliberate on the draft codes formulated by the licensees and generating companies.(3)The Commission may appoint consultants or experts to advise the Commission on the draft codes formulated by the licensees and generating companies.(4)The Commission may direct such modifications as it considers appropriate to the draft codes formulated by the Licensees and generating companies.(5)The licensees and generating companies shall implement the codes as approved by the Commission consistent with the directions and orders made by the Commission, from time to time.(6)Without prejudice to the generality of the powers of the Commission in regard to the enforcement of standards of performance in operation of the power system, the codes to be formulated and implemented may include :(a)Grid Code,(b)Electricity Supply Code and Conditions of Supply;(c)Transmission System Planning and Security Standards;(d)Distribution System Planning and Security Standards;(e)Codes on Utilisation of Electricity and Demand Side Management.(7)The Licensees and generating companies shall follow the existing standards, codes and conditions of supply till the codes, standards and conditions of supply are formulated and implemented in accordance with this Regulation.

Chapter X

Investigation, Inquiry, Collection of Information, etc.

59. Collection of information.

(1) The Commission may make such order or orders as it thinks fit in terms of the provisions of the Act for collection of information, inquiry, investigation, entry, search and seizure and without prejudice to the generality of its powers, undertake the following : (a) the Commission may specially authorize any officer to enter any building or place where the Commission has reason to believe that any document relating to the subject matter of the inquiry or adjudication with the Commission under the Act, may be found and to seize any such document or take extracts or copies therefrom; (b) in the exercise of powers conferred on it by Section 128 of the Act, the Commission may, on being satisfied that a licensee or a generating company has failed to comply with any of the conditions of the licence or the provisions of the Act or the Rules or any of the Regulations made there-under, at any time, by order in writing, direct any person specified in the order to investigate the affairs of the licensee or generating company and report to the Commission. For this, the Commission may direct the minimum information to be maintained by the licensees and generating companies in their books and also direct the manner in which such information shall be maintained and the checks and verifications to be adopted; (c) the Commission may, at any time, direct the Secretary or any one or more officers or consultants or any other person as the Commission considers appropriate to study, investigate or furnish information with respect to any matter within the purview of the Commission; (d) the Commission may for the above purpose give such other directions as it may deem fit and direct the time within which the report is to be submitted or information furnished; (e) the Commission may issue or authorize the Secretary or an officer to issue directions to any person to produce before it and allow to be examined and kept by an officer of the Commission specified in this behalf, the books, accounts and other documents; (f) the Commission may, for the purpose of collecting any information, particulars or documents which the Commission considers necessary in connection with the discharge of its functions, issue such directions and follow any one or more of the methods provided for in the Act as the Commission considers to be appropriate; (g) if any such report or information obtained as specified in the Act or in these Regulations appears to the Commission to be insufficient or inadequate; the Commission or the Secretary or an officer authorised for the purpose may give directions for further inquiry, report and furnishing of information; and (h) the Commission may direct that such incidental, consequential and supplemental matters which may be considered relevant in connection with the above, be attended to. (2) In the discharge of the functions and powers under the Act and these Regulations, the Commission may, if it thinks fit, direct a notice of inquiry to be issued and proceed with the matter in the manner provided under Chapter II of these Regulations. (3) On receipt of the report from the appointed Investigating Authority, and after giving an opportunity to the licensee or generating company, as the case may be, to make a representation in connection with the report, the Commission may make an order to require the licensee or the generating company to take such action in respect of any matter arising out of the report as the Commission may think fit. (4) The Commission may, after giving reasonable notice to the licensee or the generating company, as the case may be, publish the report submitted by the Investigating Authority or such portion(s) thereof

as may appear to the Commission to be necessary.(5)The Commission may, at any time, take the assistance of any institution, consultants, experts, engineers, chartered accountants, advocates, surveyors and such other technical and professional persons, as it may consider necessary, and ask them to study, investigate, inquire into any matter or issue and submit report or reports or furnish any information. The Commission may determine the terms and conditions for engagement of such professionals.(6)If the report or information obtained in terms of the above clauses or any part thereof is proposed to be relied upon by the Commission in forming its opinion or view in any proceedings, the parties in the proceedings shall be given a reasonable opportunity for filing objections and making submissions on the report or information.

Chapter XI

Fines and Charges

60. Imposition of Fines and Charges.

(1)The Commission may initiate a proceeding for imposition of fines and charges and award of compensation upon receiving a complaint or on its own if the Commission is of the view that the facts made known prima facie constitute non-compliance or violation by a generating company, a licensee or other person of any provision or requirement of the Act or of any of the Rules or Regulations framed thereunder or of directions or orders of the Commission.(2)If the Commission decides on the basis of the information received or otherwise that there is a prima facie cause to proceed in the matter, a case shall be registered and notice shall be issued to the person responsible for non-compliance or violation under sub-clause (1) above to show cause within a reasonable time as to why the Commission should not impose the fines or charges on him. The notice shall state the substance of the allegation against such person with specific reference to the alleged non-compliance or violation.(3)On the date fixed in the notice for appearance, the Commission shall explain to the person responsible for non-compliance or violation or his authorised representative, the nature of non-compliance or violation committed by such person.(4)Where the person responsible for non-compliance or violation appears in response to the notice and admits the truth of the allegation by a memorandum in writing, the Commission shall record the response and may impose such fines or charges as the Commission may consider appropriate in accordance with the provisions of the Act and the Regulations framed by the Commission for the purpose and may also award compensation to the affected person.(5)Where the person responsible for non-compliance or violation on appearance does not admit the alleged violation or non-compliance and demands a hearing, the Commission shall proceed to hear the case in accordance with the provisions of the Act and these Regulations.(6)If any person to whom a notice has been issued fails without reasonable cause to appear before the Commission on the date fixed for hearing or any subsequent date to which the proceeding may have been adjourned, the Commission may at its discretion proceed with the case ex parte in the absence of such person.(7)The Commission shall proceed to hear the complainant and take such evidence, oral or documentary, or by way of affidavit, as may be produced in support of the case and take all such evidence as may be produced by the complainant and the person responsible for non-compliance or violation in his defence. Where the proceeding has been initiated upon information received by the Commission, it may direct any of its officers to

act as complainant in the matter and present the evidence in the case.(8)The Commission, at any stage of the proceeding, shall have the power to summon and enforce the attendance of any person who appears to be acquainted with the facts and circumstances of the case to give evidence or to produce any document which in the opinion of the Commission appears to be material or relevant to the subject matter of the proceeding.

61. Process for levy and recovery of Fines and Charges.

(1)If on the conclusion of any proceeding under Regulation 60, the Commission is satisfied that a person is liable to fines or charges, it may by order in writing impose such fines or charges in accordance with the provisions of the Act and the Regulations specified for the purpose and may also award compensation.(2)While determining the quantum of fines or charges, the Commission shall, amongst others, consider the following factors :(a)the nature and extent of non-compliance or violation,(b)wrongful gain or unfair advantage derived as a result of the non-compliance or violation,(c)loss or degree of harassment caused to any person(s) as a result of the non-compliance or violation, and(d)the repetitive nature of the non-compliance or violation.(3)While passing an order under these Regulations, the Commission may award compensation to the complainant or affected party to be paid by the person found to be guilty of non-compliance or violation.(4)The Commission may direct the time within which the fines, charges or compensation should be paid by the concerned person.

62. Withdrawal and Disposal of Complaint.

(1)If a complainant, at any time before final order is passed in any proceedings satisfies the Commission that there are sufficient grounds for permitting him to withdraw his complaint against the respondent named in the complaint, or if there be more than one respondent, against all or any of them, the Commission may permit the complainant to withdraw the same.(2)If the Commission, is of the opinion that it will not be appropriate to allow the withdrawal of the complaint, the Commission may make orders for the proceedings in the complaint being continued by such other person in place of the complainant and in such manner as the Commission may consider appropriate.(3)Where the Commission is of the opinion that the continuance of the proceeding under these Regulations is unnecessary or is an abuse of the process, it may at any stage, terminate the proceeding for reasons to be recorded in writing.

Chapter XII

Application of Certain Provisions of Indian Penal Code and Criminal Procedure Code

63. Applicability of provisions of Indian Penal Code and Criminal Procedure Code.

(1)In terms of Section 95 of the Electricity Act, 2003, the proceedings before the Commission shall be deemed to be judicial proceedings within the meaning of Sections 193 and 228 of the Indian

Penal Code and Commission shall be deemed to be a Civil Court for the purposes of Sections 345 and 346 of the Code of Criminal Procedure, 1973.

Chapter XIII

Miscellaneous

64. Review of the decisions, directions and orders.

(1) Any person aggrieved by a decision or order of the Commission, from which no appeal is preferred or allowed, and who, from the discovery of new and important matter or evidence which, after the exercise of due diligence, was not within his knowledge or could not be produced by him at the time when the decision/order was passed by the Commission or on account of some mistake or error apparent on the face of record, or for any other sufficient reason, may apply for review of such order within 60 days of the date of decision/order of the Commission. (2) An application for review shall be filed in the same manner as a petition under Chapter II of these Regulations. (3) The application for review shall be accompanied by such fee as may be specified by Commission. (4) When it appears to the Commission that there is no sufficient ground for review, the Commission shall reject such review application. (5) When the Commission is of the opinion that the application for review should be granted, it shall grant the same.

65. Continuance of proceedings after death, etc.

(1) Where in any proceeding any of the parties to the proceeding dies or is adjudicated as an insolvent and in the case of a Company, it being under liquidation or winding up or subject to amalgamation, merger etc, the proceedings shall continue with the successors-in-interest, executor, administrator, receiver, liquidator or other legal representative of the party concerned. The Commission may, for reasons to be recorded, treat the proceeding as abated in case the Commission so directs and dispense with the need to bring the successors-in-interest to come on record. (2) In case any person wishes to bring on record the successors-in-interest etc., the application for the purpose shall be filed within 90 days from the event requiring the successors-in-interest etc. to come on record. Provided that the Commission may, if it is satisfied that there is sufficient cause for not filing the application within the time allowed, condone the delay subject to such terms and conditions, as the Commission may consider appropriate. (3) If the person fails to bring on record the successor-in-interest etc. within the time allowed under clause (2) and in the event the application for condoning the delay in bringing on record the successor-in-interest is filed but delay is not condoned under the proviso to clause (2), the proceedings against the deceased person shall abate.

66. Proceedings to be open to public.

- The Proceedings before the Commission shall be open to the public subject to availability of sitting accommodation. Provided that the Commission may, if it thinks fit, and for reasons to be recorded in writing, order at any stage of the proceedings of a case that the public generally or any particular

person or group of persons shall not have access to or be or remain in, the room or building used by the Commission for the purpose of conduct of the proceeding.

67. Publication of petition.

(1)Where any application, petition, or other matter is required to be published under the Act or these Regulations or as per the directions of the Commission, it shall, unless the Act or these Regulations otherwise provide, be published within such time as the Commission may direct and in the absence of any specific direction to the contrary not less than 5 days before the date fixed for hearing and further unless otherwise directed by the Commission such publication shall be done in newspapers at least one each in English, Punjabi and Hindi Languages having circulation in the area concerned.(2)Except as otherwise provided, such publications shall give a heading describing the subject matter in brief.(3)Such advertisement to be published shall be approved by the Secretary or any other officer of the Commission designated for the purpose by the Secretary.

68. Issue of orders and practice directions.

- Subject to the provisions of the Act and these Regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of the Regulations and procedure to be followed on various matters which the Commission has been empowered by these Regulations to lay down.

69. Saving of inherent power of the Commission.

(1)Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for meeting the ends of justice or to prevent the abuse of the process of the Commission.(2)Nothing in these Regulations shall bar the Commission from adopting a procedure, which is 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.(3)Nothing in these Regulations shall, expressly or impliedly, bar the Commission to deal with any matter or exercise any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters and exercise powers and functions in a manner it thinks fit.

70. General power to review and rectify.

(1)The Commission may on its own motion review any of its decision, direction or orders and pass such appropriate orders as the Commission thinks fit.(2)The Commission may, at any time, rectify any defect or error in any proceeding before it.

71. Power to remove difficulties.

- If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do anything not being inconsistent with the provisions of the Act or rules framed thereunder which appears to it to be necessary or expedient for the purpose of removing the difficulty.

72. Power to dispense with the requirement of the Regulations.

- The Commission shall have the power, for reasons to be recorded in writing and with notice to the affected parties, to dispense with the requirements of any of the Regulations in a specific case or cases subject to such terms and conditions as may be directed by the Commission.

73. Extension or abridgment of time allowed.

- Subject to the provisions of the Act, the time allowed by these Regulations or by order of the Commission for doing any act may be extended or abridged by order of the Commission.

74. Effect of non-compliance.

- The failure to comply with any requirement of these Regulations shall not invalidate any proceeding merely by reason of such failure unless the Commission is of the view that such failure has resulted in miscarriage of justice.

75. Costs.

(1) Subject to such conditions and limitations as may be directed by the Commission, the cost of all proceedings shall be awarded at the discretion of the Commission and the Commission shall have powers to determine by whom and to what extent such costs are to be paid and give all necessary directions for the aforesaid purposes. (2) The costs shall be paid within 30 days from the date of the order or within such time as the Commission may, by order, direct. The order of the Commission awarding costs shall be executed in the same manner as the decree or order of a Civil Court.

76. Enforcement of orders passed by the Commission.

- The Secretary shall have the power to enforce the compliance of the orders passed by the Commission, by the persons concerned in accordance with the provisions of the Act or the Rules framed thereunder and these Regulations.

77. Recognition for Consumer Association and consumer interest.

(1) It shall be open for the Commission to permit any recognised association, forum or other bodies corporate or any group of consumers to participate in any proceeding before the Commission and

permit them to make such representation or participation in the proceeding before the Commission in such manner as the Commission considers appropriate.(2)It shall be open for the Commission for the sake of timely completion of proceedings, to direct grouping of the consumers, associations, forums referred to in clause (1) above so that collective representation can be made by such group.(3)The Commission may appoint any officer or any other person to represent consumers' interest, if considered necessary.(4)The Commission may, for the purpose of clause (3) above, direct payment of such fees, costs and expenses by such of the parties in the proceedings, as the Commission may consider appropriate.

78. Repeal and Savings.

(1)The provisions of the Punjab State Electricity Regulatory Commission (Conduct of Business) Regulations, 2002 shall stand repealed with the coming into force of these Regulations.(2)Notwithstanding such repeal, anything done or any action taken or purported to have been done or taken including any order or notice made or issued or any instrument executed or direction given under the repealed regulations shall be valid and shall be deemed to have been done or taken under the corresponding provisions of these Regulations.
Appendix - 1Form 1(See Regulation 10)General Heading for ProceedingsBefore the Punjab State Electricity Regulatory Commission, ChandigarhFile No.Case No.(To be filled by the Office)In The Matter of :
(Gist of the purpose of the petition or application)AndIn The Matter of :
(Names and full addresses of the petitioners/applicants and names and full addresses of the respondents).
Appendix - 2Form 2(See Regulation 10)Before the Punjab State Electricity Regulatory Commission, ChandigarhFile No.Case No. (To be filled by the Office)In The Matter of :
(Gist of the purpose of the petition or application)AndIn The Matter of :
(Names and full addresses of the petitioners/applicants and names and full addresses of the respondents)
AffidavitI, _____ Son of _____ aged _____ residing at _____ do hereby solemnly affirm and state as follows :

1. I am the petitioner/Director/Secretary/ _____ of _____ Limited, the petitioner in the above matter and am duly authorized by the said petitioner to make this affidavit on its behalf.

2. The statements made in paragraphs _____ of the petition are true to my knowledge and the statements made in paragraphs _____ are based on information received from _____ based on the records of _____ and I believe them to be true.

3. There is no case pending in any court of law with regard to the subject matter of the petition.

DeponentVerification :I, the deponent above named do hereby verify that the contents of my above affidavit are true to my knowledge and belief; no part of it is false and nothing material has been concealed therefrom.Verified at _____ on the day of _____ DeponentAppendix -

3A Punjab State Electricity Regulatory Commission General Conditions of Distribution Licence Index

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1. Definitions

1.1 Unless the context otherwise requires, in these General Conditions : "Accounting Statement" means for each financial year, accounting statements for the Licensed Business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with schedules and notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the

Distribution Licensee engages in any business or activity in addition to the Licensed Business, the accounting statements shall comply with the regulations of the Commission dealing with the treatment of income of Other Business of Distribution Licensee and show separately the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either : (a) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or (b) determined by apportionment or allocation between the Licensed Business and any Other Business of the Distribution Licensee together with a description of the basis of the apportionment or allocation. "Act" means the Electricity Act, 2003 (36 of 2003); "Annual Accounts" means the accounts of the Distribution Licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act; "Area of Distribution" or "Area of Supply" means the area of Distribution stated in the Distribution Licence within which the Distribution Licensee is authorised to establish, operate and maintain the Distribution System and supply electricity; "Auditors" means the Distribution Licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956); "Authorised", in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act; "Commission" means the Punjab State Electricity Regulatory Commission; "Deemed Licensee" means a person authorised under the first, second, third, and fifth provisos to Section 14 of the Act; "Distribution" means the conveyance or wheeling of electricity by means of a Distribution System; "Distribution Business" means Authorised business of a Distribution Licensee to operate and maintain a Distribution System for supplying of electricity to the consumers in an Area of Supply; "Distribution Code" means the Code governing all material technical aspects relating to connections to and the operation and use of the Distribution System as approved by the Commission; "Distribution Licensee" means the person authorised by the Distribution Licence and shall include the deemed licensee who is so authorised under Section 14 of the Act; "Distribution System Operating Standards" means the standards related to the Distribution Licensee's operation of the Distribution System as approved by the Commission; "Distribution System Planning and Security Standards" means the standards related to the adequacy of the Distribution Licensee's system planning and security of the Distribution System, as approved by the Commission; "Existing Distribution System Operating Standards" means the standards for operating the Distribution System existing in the area of distribution as on the date of the grant of Licence; "Existing Distribution System Planning and Security Standards" means the standards for system planning and security of the Distribution System existing in the area of distribution as on the date of the grant of Licence; "Force Majeure" means events beyond the reasonable control of the Licensee, including, but not limited to earthquake, cyclone, flood, storm, war, terrorist attack, civil commotion or other similar occurrence that lead to any act that would involve a breach of relevant laws or regulations concerned with electrical safety; "General Conditions" means these General Conditions; "Generating Set" means any plant or apparatus for the production of electricity and shall, where appropriate, include a generating station comprising of one or more than one generating unit; "Generator Interconnection Facilities" means electrical lines, transformers, busbars, switch-gear, plant or apparatus utilised to enable access to a Transmission System or Distribution System by the Generating Set(s); "State Grid Code" means the Grid Code approved by the Commission, covering all material technical aspects

relating to connections to and the operation of the Grid and the use of Transmission System, and in so far as relevant to the operation and use of a Distribution System, the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any Supplier, and shall include the Interim State Grid Code;"Holding Company" shall have the same meaning as in Section 4 of the Companies Act 1956 (1 of 1956);"Interim State Grid Code" means the existing practices and procedures implemented by the State Transmission Utility pending the approval of the State Grid Code by the Commission,"Interim Distribution Code" means the existing practices and procedures in the area of distribution as on the date of the grant of the Licence to be followed by the Distribution Licensee for operating the Distribution System pending the approval by the Commission or the Distribution Code of the Distribution Licensee;"Licensed Business" means the business of Distribution and Supply of electricity as authorised under the Distribution Licence;"Major Incident" means an incident associated with the Distribution of electricity, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise directed by the Commission and shall also include any other incident which the Commission expressly declares to be a major incident;"Operational Control" means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipment;"Other Business" means business of the Distribution Licensee other than the Licensed Business;"Performance Standards" means the standards as may be determined by the Commission pursuant to Section 57 of the Act;"Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;"Regulations" means the Regulations made by the Commission, under the provisions of the Act;"Specific Conditions" means the conditions in addition to or in variation to these General Conditions which the Commission may lay down specifically for a Distribution Licensee;"State" means the State of Punjab;"State Government" means the Government of Punjab;"Subsidiary" shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);"Trading Business" means the Authorised business of an Electricity Trader in the Area of Operation allowed under the Trading Licence granted;"Trading Licence" means the Licence granted under Section 14 of the Act to undertake Trading in Electricity;"Trading Licensee" means an Electricity Trader and shall include deemed licensee who is so authorised under Section 14 of the Act;"Transfer" shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;"Use of System" means use of the Distribution System for the transportation or wheeling of electricity;"Users" means anyone who uses the Distribution System.1.2 Words, terms and expressions to which meanings are assigned by the Act, shall have the same meaning in these General Conditions.

2. Term

The Distribution Licence shall come into force on the date to be mentioned by the Commission in the order granting the licence and subject to the terms and conditions of the grant of licence, shall remain in force for a period of 25 years.

3. Compliance with laws, rules and regulations

3.1The Distribution Licensee shall comply with the provisions of the Act and the Rules made thereunder and Regulations, Orders and Directions issued by the Commission from time to time and the provisions of all other applicable laws.3.2The Distribution Licensee shall act in accordance with these General Conditions except where the Distribution Licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation there from.3.3The Distribution Licensee shall duly comply with the orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act.

4. Functions of the distribution licensee

4.1The Distribution Licensee shall develop and maintain an efficient, co-ordinated and economical distribution system in the Area of Distribution and effect supply of electricity to consumers in such area of supply in accordance with the provisions of the Act and the Rules made thereunder and the Regulations, Orders and Directions of the Commission issued from time to time.4.2The Distribution Licensee shall be entitled to : (a)Purchase, import or otherwise procure electricity from generating companies, electricity trader and from other persons with whom the Distribution Licensee has agreements or arrangements of power purchase or procurement of energy in accordance with the terms and conditions of such agreement and arrangement consented to or approved by the Commission; (b)Purchase or procure electricity from any person whose generating unit existing its on date of the grant of the Licence, is directly connected to and interfaced with the Distribution System of the Distribution Licensee, provided that the Distribution Licensee shall intimate the Commission of the existing arrangements for such purchase or acquisition of electrical energy and obtain the general or special approval of the Commission; (c)Purchase or otherwise procure electricity from any person or licensee on the tariffs and terms and conditions as approved by the Commission; (d)Appoint Franchisees to distribute and/or supply electricity in a specified area within the area of distribution of the Distribution Licensee without a separate licence to be taken by such franchisee provided that the Distribution Licensee shall be responsible for all obligations relating to distribution of electricity in the area; (e)Undertake Trading in electricity without the need for a separate Trading Licence; (f)Provide access to the Distribution System in area of supply to any person for wheeling of electricity in accordance with Regulations made by the Commission for the purpose; and (g)Sell electricity or energy capacity contracted, for such period and to the extent of electricity or capacity not required by the Distribution Licensee for the discharge of his obligations to supply electricity in the area of supply.4.3The Distribution Licensee shall not sell, supply or otherwise dispose of electricity to any person, except in accordance with his Licence, on the tariffs and terms and conditions as approved by the Commission.4.4The Distribution Licensee shall purchase the energy required by the Licensee for meeting obligation under the Distribution Licence in an economical manner and under a transparent power purchase or procurement process and in accordance with the Regulations, guidelines, directions issued by the Commission from time to time.4.5The Distribution Licensee shall engage in any Other Business only consistent with the Regulations of the Commission issued under Section 51 of the Act.4.6The Distribution Licensee shall

seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of, any person except when made or issued for the purposes of the Licensed Business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.

4.7 The Distribution Licensee may engage any of the Subsidiaries or Holding Company or a Subsidiary of such Holding Company of the Distribution Licensee to provide any goods or services to the Licensee in connection with the Licensed Business, subject to the following conditions : (a) that the transaction shall be on an arms-length basis and at a value that is fair and reasonable in the circumstances; (b) that the transaction shall be consistent with any Regulations framed by the Commission relating to the provision of goods and services with respect to Licensed Business; and (c) that the Licensee shall give 15 days' intimation with details of such arrangement, to the Commission prior to commencement of such arrangement.

4.8 The Distribution Licensee may establish Subsidiaries or associated companies or appoint a Franchisee or enter into management contracts to conduct or carry out any of the functions, which the Distribution Licensee is authorised to conduct or carry under the Licence provided that the Distribution Licensee shall be responsible for all actions of the subsidiaries or associated companies or Franchisees or contractors, as if the acts have been undertaken by the Distribution Licensee.

4.9 Except as provided in clause 4.8 above, the Distribution Licensee shall not transfer or assign this Licence or any of the functions under the Licence to any other person without the prior approval of the Commission.

4.10 The Distribution Licensee shall provide open access to the Distribution System for use by other Licensees, and Generating Companies including the Captive Generating Plants and the Consumers subject to absence of operational constraints in the Distribution System and subject to payment by the user of all applicable tariffs and charges as determined or directed to be charged by any general or special order of the Commission.

4.11 The Distribution Licensee shall not, without the prior approval of the Commission : (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee; or (b) merge his utility with the utility of any other licensee; Provided that nothing contained in this clause shall apply if the utility of the licensee is situate in a State other than the State in which the utility referred to in clause (a) or clause (b) is situate.

4.12 The Distribution Licensee shall not acquire any beneficial interest in any Generating Company or Generating Station or transmission or trading undertakings without the approval of the Commission.

4.13 No licensee shall at any time assign his licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission.

4.14 The Distribution Licensee shall provide to other Licensees the intervening Distribution facilities to the extent of surplus capacity available in his Distribution System and in the event of any dispute as to the availability of the surplus capacity, the same shall be determined by the Commission. The charges, terms and conditions for the use of the intervening facilities may be mutually agreed between the Licensees subject to any order made by the Commission for the purpose. In the event of any disagreement, the same shall be decided by the Commission.

5. Accounts

5.1 Unless otherwise permitted by the Commission, the financial year of the Distribution Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall be from the first of April of an year to the thirty-first of March in the succeeding year.

5.2 The

Distribution Licensee shall, in respect of the Licensed Business and also of any Other Business of the Distribution Licensee : (a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Distribution Licensee, from those of Other Business in which the Distribution Licensee may be engaged; (b) prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statements; namely (i) in respect of the first and last six months of each financial year, a Half Yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may direct from time to time; and (ii) the Accounting Statements along with an Auditor's Report for each financial year, stating whether in the Auditor's opinion the statements have been properly prepared in accordance with the requirements and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; A copy of each Half Yearly account shall be furnished to the Commission not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate. 5.3 The Distribution Licensee shall not change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year without prior approval of the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards and Rules and further with any guidelines issued by the Commission in that regard. 5.4 Where, in relation to the Accounting Statements in respect of a financial year, the Distribution Licensee has proposed to change the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Distribution Licensee shall, if directed by the Commission, in addition to preparing Accounting statements on those basis, which it has proposed to adopt, prepare and deliver to the Commission such Accounting Statements on the basis, which it applied in respect of the immediately preceding financial year. 5.5 The Accounting Statements under clause 5.2. above shall, unless otherwise directed by the Commission : (a) be prepared in the manner provided in these general conditions or in the specific conditions; (b) state the accounting policies adopted; (c) be prepared in accordance with the generally accepted Indian accounting standards; (d) be prepared in accordance with the requirements of the applicable laws; and (e) be prepared in the form as the Commission may stipulate from time to time; 5.6 The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon. 5.7 The Distribution Licensee shall ensure that the Annual Accounts and the Accounting Statements in respect of each financial year prepared under clause 5.2. and the Auditor's Report thereon are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

6. Prohibition of undue preference

The Distribution Licensee shall not show undue preference to any person in the distribution or supply of electricity or rendering of services in the area of supply. The Distribution Licensee shall

not be held to have shown any such undue preference if any differentiation of the consumer occurs as a result of the implementation of any order of the Commission or of the order of the State Government in regard to subsidy payment under Section 65 of the Act or otherwise.

7. Provision of information to the commission

7.1 The Distribution Licensee shall duly maintain the information as the Commission may direct under the Act. The Distribution Licensee shall furnish to the Commission without delay such information, documents and details related to the Licensed Business or any Other Business of the Distribution 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 Commission, the Central Electricity Authority, the Central Transmission Utility, the State Transmission Utility, National Load Despatch Centre, Northern Regional Load Despatch Centre or State Load Despatch Centre. 7.2 The Distribution Licensee shall, within 3 months of the end of each financial year, submit to the Commission a report indicating the performance of the Distribution Licensee's Distribution System during the previous financial year. The Distribution Licensee shall provide annually, information to the Commission as to the means by which it proposes to achieve the Performance Standards and other standards applicable to the Distribution Licensee. The Distribution Licensee shall, if required by the Commission, publish a summary of the report in the manner approved by the Commission. 7.3 The Distribution Licensee shall notify the Commission the occurrence of any Major Incident affecting any part of its Distribution System as soon as possible and (a) by not later than one month from the date of such occurrence, submit a detailed report to the Commission giving full details of the facts within the knowledge of the Distribution Licensee regarding the incident and its cause; (b) in the event the report under sub-clause (a) is likely to take more than one month from the date of such incident, the Distribution Licensee shall within two weeks from such date of the incident submit a preliminary report with such details which the Distribution Licensee can reasonably furnish and state reasons as to why the Distribution Licensee requires more than one month for giving full report of such incident; and (c) give copies of the report to the State Government, Central and State Transmission Utilities, Central Electricity Authority, National Load Despatch Centre, Northern Regional Load Despatch Centre, State Load Despatch Centre and to such persons as the Commission may direct. 7.4 The decision of the Commission as to what constitutes a Major Incident shall be final. 7.5 The Commission may by order, after providing an opportunity of hearing, direct the Distribution Licensee to provide such amount of compensation as the Commission may direct to persons who suffer substantial damage, loss or injury or to the heirs of those who lose their lives as a result of such major incident where the Major Incident has been caused by any act of commission, omission or negligence on the part of any of the employees or agents/franchisees of the Distribution Licensee. 7.6 The Commission at its discretion may require the submission of a report on the Major Incident to be prepared by an independent person at the expense of the Distribution Licensee. 7.7 The Distribution Licensee shall also undertake such studies as the Commission may direct from time to time for the improvement of its Distribution System and any other matter concerning the Distribution Business that the Commission considers necessary in the public interest to avoid the occurrence of any such Major Incident. 7.8 The Distribution Licensee shall duly inform the Commission about any incident restricting it from meeting obligations under the licence granted including any act of omission or commission by others and steps taken by the

Distribution Licensee to mitigate the effect of such incident.7.9The Commission may at any time require the Distribution Licensee to comply with the provisions of clauses 7.3 to 7.8 as to incidents which the Commission may specifically direct and the Distribution Licensee shall be obliged to comply with the same notwithstanding that such incidents are not Major Incidents; provided that the time limits specified in clause 7.3 shall commence from the date, the Commission notifies Distribution Licensee of such requirement.7.10The Distribution Licensee shall submit a Business Plan within three months of Distribution Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall amongst others, specifically contain year wise load growth, year wise Distribution loss reduction proposal along with specific action plan, metering plan for metering interface points, investment plan as detailed in Clause 8.3 herein, treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters.7.11The Commission may require the Distribution Licensee to intimate by the end of first quarter of each financial year the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-a-vis the Plan as approved by the Commission.

8. Investments

8.1The Distribution Licensee shall duly comply with the Regulations, guidelines, directions and orders that the Commission may issue from time to time in regard to the investments to be made in the Distribution Business.8.2The Distribution Licensee shall make the investments in a prudent manner being guided by the duty to build, maintain and operate an efficient, co-ordinated and economical Distribution System in the State.8.3The Distribution Licensee shall submit for the approval of the Commission Investment Plans as a part of the Business Plan under clause 7.10 above giving details of investment schemes to be undertaken during the relevant period. The Distribution Licensee shall demonstrate to the satisfaction of the Commission that:(a)there is a need for such Investments as contained in the Investment Plan in the Distribution System; and(b)the Distribution Licensee has examined the economic, technical, financial and environmental aspects of all viable alternative proposals for investment and that the investment proposed is optimum;8.4The Distribution Licensee shall submit to the Commission, by the end of the first quarter of each financial year :(a)the annual investment plan with details of investment schemes to be carried out during the financial year; and(b)the progress made in implementing the annual investment plan of the previous financial year with the comparison of actual implementation vis-a-vis the plan as approved by the Commission for the relevant period.8.5The Distribution Licensee shall not undertake schemes involving Major Investments, not covered under the Investment Plan approved by the Commission under clause 8.3 above without the prior approval of the Commission, and for such approval the Distribution Licensee shall demonstrate to the satisfaction of the Commission the factors mentioned in clause 8.3 above.8.6The Distribution Licensee shall invite and finalise tenders for procurement of equipment, material and/or services relating to Major Investment, in accordance with a transparent tendering procedure as may be directed by the Commission.8.7For the purposes of this clause 8, the term "Major Investment" means any planned investment in or acquisition of Distribution facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds an amount which the

Commission may direct in the specific conditions applicable to the Distribution Licensee or otherwise decided by the Commission from time to time by a general or special order.8.8The Distribution Licensee shall be entitled to make Investment in the Distribution Business other than those covered under clauses 8.3 and 8.5 above but for the purposes of considering such investment at the time of determination of tariff and charges, the Distribution Licensee shall satisfy the Commission that the investment was required for the Distribution Business and that such investment was made in an efficient, co-ordinated and economical manner.8.9The Distribution Licensee shall submit to the Commission along with the "Expected Revenue Calculations" filed under Section 62 of the Act, the salient aspects of the annual investment plan consisting of the schemes approved by the Commission, schemes submitted before the Commission for approval and all schemes not requiring prior approval of the Commission planned for the ensuing financial year and shall make investment in the said financial year in accordance with the said investment plan as approved by the Commission. Provided that if any unforeseen contingencies require reallocation of funds within the schemes listed in the annual investment plan, the Distribution Licensee may do so to the extent such reallocation in respect of individual projects does not exceed an amount which the Commission may direct in the Specific conditions applicable to the Distribution Licensee or otherwise by a general or special order. The Distribution Licensee shall give due intimation of such reallocation to the Commission before making the investment

9. Transfer of assets

9.1Save as provided in this Clause 9, the Distribution 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 in the Specific conditions applicable to the Distribution Licensee or otherwise by a general or special order.9.2The Distribution Licensee shall give to the Commission prior notice of its intention to transfer or relinquish Operational Control over any asset whose value exceeds the amount decided by the Commission as per clause 9.1 above and the Distribution Licensee shall disclose details of the assets proposed to be transferred and reasons for the transfer. The Commission may, within 30 days of the receipt of the notice, seek further information relating to the transaction and shall, generally within 30 days of such further information being submitted by the Distribution Licensee, and where no such further information is sought by the Commission as above, within 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 to be contained in the order issued by the Commission.9.3The Distribution Licensee may Transfer or relinquish Operational Control over any asset as is detailed in any notice given under clause 9.2 where : (a) the Commission confirms in writing that it consents to such Transfer or relinquishment of Operational Control subject to such conditions as the Commission may impose; or (b) the Commission does not inform the Distribution Licensee in writing of any objection to such Transfer or relinquishment of Operational Control within the notice period referred to in condition 9.2 and the transfer is effected by a transparent and competitive bidding process.9.4The Distribution Licensee may also Transfer or relinquish Operational Control over any asset where : (a) the Commission has issued directions for the purposes of this clause 9 containing a general consent to : (i) the transactions of a specified description, and/or (ii) the Transfer or relinquishment of Operational Control over assets of a

specified description, and/or(iii)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 mandated under any other law, or(c)the asset in question was acquired and used by the Distribution Licensee exclusively or primarily in connection with any Other Business and does not constitute a legal or beneficial interest in land, or otherwise form part of the Distribution System or is not otherwise an asset required for the Licensed Business.9.5The Distribution Licensee shall be entitled to utilise the assets for facilitating financing its investment requirement including collateral for debt financing, or securitisation of receivables for benefit of licensed business subject to the conditions that :(a)the Distribution Licensee will inform the Commission about such arrangements at least one month prior to the effective date of the relevant agreements;(b)the Distribution Licensee acts in a prudent and reasonable manner in such utilisation of assets; and(c)the Distribution Licensee retains the Operational Control over the assets in the Distribution System.9.6Notwithstanding anything contained in this clause 9, in case of any emergency, the Distribution Licensee may transfer the assets subject to the condition that the Distribution Licensee shall immediately after such transfer seek post-facto approval of the Commission giving the detailed facts about the emergency and the details of the transactions entered into. It shall be the obligation of the Distribution Licensee to establish to the satisfaction of the Commission of the presence of emergency condition necessitating the transfer of the assets without the prior approval of the Commission and the fact that the Distribution Licensee has acted in a prudent and reasonable manner in such transaction.

10. Payment of licence fees

10.1Within such period as the Commission may direct the Distribution Licensee shall pay to the Commission the Licence Fees, initial and periodic, mentioned in the Specific Condition of licence or as amended by the Commission in such manner as the Commission may direct.10.2Where the Distribution Licensee fails to pay to the Commission any of the fees due under clause 10.1 by the due dates :(a)without prejudice to other obligations, the Distribution Licensee shall be liable to pay outstanding fee alongwith a lump sum amount as determined by the Commission and interest on the outstanding fee at a simple interest of 2 percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission; and(b)in the event of continued default by the Distribution Licensee, the Commission may revoke the Distribution Licence.10.3The Distribution Licensee shall be entitled to take into account any fee paid by it under this clause 10 excluding however, any lump sum amount and interest paid for delayed payment of such fees as an expense in the determination of aggregate revenues to be charged to the Tariffs.

11. Amendment of licence conditions

11.1These General Conditions of Licence may be altered or amended by the Commission under Section 18 of the Act at any time if it is in public interest provided that no alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Commission, been unreasonably withheld. For any such alteration or amendment, the following provisions shall have effect :(a)where the Distribution Licensee has made an

application under sub-section (1) of Section 18 of the Act proposing any alteration or amendment in the Conditions of Licence, the Distribution Licensee shall publish a notice of such application with such particulars and in such manner as may be directed by the Commission;(b)in the case of an application proposing alteration or modification in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the alteration or modification shall be made only with the consent of the Central Government;(c)where any alteration or amendment in a licence is proposed to be made otherwise than on the application of the Distribution Licensee, the Commission shall publish the proposed alteration or amendment with such particulars and in such manner as the Commission may consider to be appropriate;(d)the Commission shall not make any alteration or amendment to the Distribution Licence unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered by the Commission.

12. Revocation of licence

12.1Subject to the provisions of Section 19 of the Act and the Regulations framed thereunder, the Commission may, at any time initiate proceedings against the Distribution Licensee for revocation of the Distribution Licence and if satisfied in such proceedings that the public interest so requires, it may revoke the Distribution Licence in any of the following cases :(a)where the Distribution Licensee in the opinion of the Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the Rules or Regulations made thereunder;(b)where the Distribution Licensee violates any of the terms or conditions of his licence, the breach of which is expressly declared by such licence to render it liable to revocation;(c)where the Distribution Licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted therefor -(i)to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his licence, or(ii)to make deposits or furnish the security, or pay the fees or other charges required by his licence;(d)where in the opinion of the Commission the financial position of the Distribution Licensee is such that he will not be able to fully and efficiently discharge the duties and obligations imposed on him; or(e)where the Distribution Licensee has failed to comply with any of the Regulations, codes, and standards or the orders and directions of the Commission or otherwise has committed an act which renders the Distribution Licence revocable on any other grounds under the Act or the Rules or Regulations framed thereunder.12.2Where in its opinion the public interest so requires, the Commission may revoke the Licence of a Distribution Licensee as to the whole or any part of his area of Distribution upon such terms and conditions as it thinks fit.12.3No licence shall be revoked unless the Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.12.4The Commission, may, instead of revoking a licence permit it 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.12.5Where the Commission revokes a licence, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation

shall take effect.12.6Where the Commission has given notice for revocation of licence under clause 12.5 without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under the Act, the licensee may, after prior approval of the Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.12.7Before revoking a Distribution Licence the Commission shall, if in its opinion considered necessary, refer the matter to the State Government and agree on an alternate arrangement to be made for discharging the duties of the Distribution Licensee.

13. Dispute resolution

The Commission shall be entitled to adjudicate the disputes or in its discretion nominate person(s) as arbitrator(s) to adjudicate and settle disputes between the Distribution Licensee and any other licensee or between the Distribution Licensee and a generating company in pursuance of clause (f) of sub-section (1) of Section 86 read with Section 158 of the Act and the Regulations of the Commission.

14. Compliance with the grid code

14.1The Distribution Licensee shall comply with the provisions of the Grid Code and the State Grid Code in so far as it is applicable to the operation of the Distribution System or otherwise to any of the activities of the Distribution Licensee.14.2The Commission may, in consultation with any affected Generating Companies, the Transmission Licensees, Regional Load Despatch Centre, the State Transmission Utility, the State Load Despatch Centre and the Electricity Traders, issue directions relieving the Distribution Licensee of obligation under clause 14.1 in respect of such parts of the Grid Code and the State Grid Code and to such extent as may be directed by the Commission.14.3Till such time the Grid Code and the State Grid Code are approved by the competent authority, the Distribution Licensee shall comply with the Interim Grid Code.

15. Electricity supply code and distribution code

15.1The Distribution Licensee shall abide by the Regulations of the Commission and the Electricity Supply Code and Distribution Code as directed by the Commission from time to time.15.2(a)The Electricity Supply Code may, amongst others, provide for recovery of electricity charges, intervals for billing of electricity charges, disconnection of supply for non-payment thereof, restoration of supply of electricity, tampering, distress or damage to electrical plant, electric lines or meter, entry of distribution licensees or any person acting on his behalf for disconnecting supply and removing the meter, entry for replacing, altering or maintaining electric lines or electrical plant or meter.(b)The Commission may, at the instance of the Licensee, issue directions relieving the Licensee of its obligations under the Electricity Supply Code in respect of such parts of the Licensee's Distribution System and to such extent as may be directed by the Commission.15.3The Commission may from time to time approve, at the request of the Distribution Licensee, other conditions applicable for supply of electricity by the Distribution Licensee in the area of Distribution.15.4The Distribution Code shall be designed so as to permit the development, maintenance and operation of an efficient, co-ordinated and economical Distribution

System.15.5The Distribution Code may, amongst others, cover all material technical aspects relating to connections, and the operation and use of the Distribution System including the operation of the electrical lines and electrical plant and apparatus connected to the Distribution System in so far as relevant to the operation and use of the Distribution System and shall include, but not limited to : (a)the Distribution Planning and connection code containing : (i)planning code specifying the plan for laying the Distribution lines and the service lines in the Area of Supply, the technical and design criteria and procedures to be applied by the Licensee in the planning and development of the Licensee's Distribution System; and(ii)connection conditions specifying the technical, design and operational criteria to be complied with by any person connected or seeking connection with the Licensee's Distribution System; and(b)the Distribution operating code specifying the conditions under which the Licensee shall operate the Licensee's Distribution System and under which persons shall operate their plant and/or Distribution System in relation to the Licensee's Distribution System, in so far as necessary to protect the security and quality of supply and safe operation of the Licensee's Distribution System under both normal and abnormal operating conditions.15.6The Distribution Licensee shall, till the Electricity Supply Code or Distribution Code comes into force, follow the same practices which have been followed by the supply Licensees in the State with such modifications as may be directed or permitted by the Commission.15.7The Distribution Licensee shall from time to time as appropriate, review the Distribution Code and its implementation in consultation with the State Transmission Utility, Regional and State Load Despatch Centres, Transmission Licensees, Trading Licensees, Generating Companies and such other persons as the Commission may order. The Licensee shall also undertake such review as and when directed to do by the Commission. Following any such review, the Distribution Licensee shall send to the Commission : (a)a report on the outcome of such review;(b)any proposed revisions to the Distribution Code as the Distribution Licensee (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives of the Distribution Code and his Licence; and(c)all written representations or objections received during such review.15.8All revisions to the Distribution Code and Electricity Supply Code shall become effective only after the approval is given by the Commission.15.9The Distribution Licensee shall make available to any person requesting for it, copies of the Distribution Code and the Electricity Supply Code in force at the relevant time, at a price not exceeding the reasonable cost of duplicating it.15.10A compilation of the existing codes and practices relating to construction of the Licensee's Distribution System, and its Distribution facilities shall be filed with the Commission by the Licensee within 90 days of the grant of this Licence. The Licensee shall follow the existing codes and practices with such modification as the Commission may direct from time to time. The construction practices shall be reviewed and upgraded by the Licensee from time to time, as appropriate, based on relevant technological improvements and changes.Consumer Service :-15.11The Distribution Licensee shall duly comply with the Regulations specified by the Commission from time to time in regard to consumer services including the terms and conditions relating to consumer services contained in the Electricity Supply Code and other conditions of supply. Without prejudice to the above, the Distribution Licensee shall duly comply with the following :A. Code of Practice on Payment of Bills(a)The Licensee shall, within 90 days from the grant of Licence, prepare and submit to the Commission, for its approval, a Code of Practice concerning the payment of electricity bills by Consumers and procedures for disconnection in the event of non-payment by the consumer. In granting the approval, the Commission may make such modifications, as it considers necessary to the Code of Practice.(b)The

Commission may, upon receiving a representation or otherwise, review the Code of Practice and the manner in which it has been implemented and on such review make such modification as the Commission may consider appropriate.(c)The Distribution Licensee shall, in consultation with such other persons as the Commission may direct, review and submit any revision to the Code of Practice that it wishes to make, to the Commission for its approval, including any representation received by the Distribution Licensee and not accepted by it. The Commission may modify the Code of Practice concerning payment of bills as it considers necessary.(d)The Distribution Licensee shall :(i)draw to the attention of Consumers, in such manner as the Commission may direct, the existence of the Code of Practice and each substantive revision of it and how they may inspect or obtain a copy of the Code of Practice in its latest form;(ii)make a copy of the Code of Practice, revised from time to time, available for inspection by members of the public during normal working hours; and(iii)provide an updated copy of the Code of Practice revised from time to time to each new Consumer and to any other person who requests for it at a price not exceeding the reasonable cost of duplicating it.(e)The Distribution Licensee shall comply with the existing practice and procedures with respect to the payment of electricity bills by Consumers with such modifications as the Commission may direct, until the Code of Practice on payment of bills by Consumers, as mentioned in this clause is adopted with the approval of the Commission.

B. Complaint Handling Procedure :(a)The Distribution Licensee shall establish a Forum for redressal of grievances of the consumers in accordance with the Regulations notified by the Commission under Section 42 of the Act.(b)The Distribution Licensee shall, within 90 days from the grant of licence, prepare and submit to the Commission for its approval a detailed Complaint Handling Procedure laying down the procedure to be followed and persons/offices to be contacted for attending various types of complaints such as delay in release of service connection, delay in issue of first bill/subsequent bills, receipt of incorrect energy bills, defects in meter/metering equipments, delay in replacement of defective/dead stop meters, non-restoration of supply in case of interruption or outage/breakdown or disconnection and other miscellaneous defaults. Names and phone numbers of next higher official for attending each type of complaint shall also be indicated in the procedure.(c)In granting the approval, the Commission may make such modifications as the Commission considers appropriate.(d)The Distribution Licensee shall, in consultation with other persons as the Commission may direct, review and submit any revision to the Complaint Handling Procedure that it wishes to make to the Commission for its approval, including any representation received by the Distribution Licensee and not accepted by it. The Commission may modify the Complaint Handling Procedure as it considers necessary.(e)The Distribution Licensee shall :(i)draw to the attention of consumers, in such manner as the Commission may direct, the existence of the Complaint Handling Procedure and its each revision and how they may inspect or obtain a copy of the Complaint Handling Procedure in its latest form;(ii)make a copy of the Complaint Handling Procedure, revised from time to time, available for inspection by members of the public during normal working hours; and(iii)provide an updated copy of the Complaint Handling Procedure, revised from time to time, to each new consumer and to any other person who requests for it at a price not exceeding the reasonable cost of duplicating it.(f)The Distribution Licensee shall comply with the existing practices and procedures with respect to complaint handling with such modification as the Commission may direct until the Complaint Handling Procedure as mentioned in this paragraph is adopted with the approval of the Commission.

C. Consumer Rights Statement(a)The Distribution Licensee shall, within a reasonable period of time as directed by the Commission after the Licence becomes effective or such other time

as the Commission may allow, prepare and submit to the Commission for approval, a Consumer Rights Statement, explaining to Consumers their rights as Consumers serviced by the Licensee.(b)The Commission may, upon holding such consultation with the State Advisory Committee and such other persons or bodies of persons whom the Commission considers as representing the interests of consumers likely to be affected by it, make such modification of the Statement, as it considers necessary in public interest.(c)The Commission may, upon receiving a representation or otherwise, require the Distribution Licensee to review the Consumer Rights Statement and the manner in which it has been implemented with a view to determine whether any modification should be made to it or to the manner of its implementation.(d)The Distribution Licensee shall submit any revision to the Consumer Rights Statement that it wishes to make to the Commission for approval, including any representation received by the Distribution Licensee and not accepted by it. The Commission may modify the existing Consumer Rights Statement, as it considers necessary.(e)The Distribution Licensee shall : (i)draw to the attention of consumers, in such manner as the Commission may direct, the existence of its Consumer Rights Statement and the revisions of it and how the consumers may inspect or obtain a copy of such Consumer Rights Statement in its latest form.(ii)make a copy of its Consumer Rights Statement, as revised from time to time, available for inspection by members of the public at its offices during normal working hours; and(iii)provide a copy of the Consumer Rights Statement, as revised from time to time, to all new Consumers to be served by it, and to any other person who requests for it at a price not exceeding the reasonable cost of duplicating it.Standards of Performance15.12The Distribution Licensee shall duly comply with the Standards as the Commission may direct from time to time, for the performance of the duties of the Distribution Licensees under the Act.

16. Distribution system planning and security standards, distribution system operating standards, overall performance standards

16.1The Distribution Licensee shall comply with the Existing Distribution System Planning, Security Standards and the Existing Distribution System Operating Standards and overall performance standards, with such modifications as the Commission may direct, until the modifications to the Distribution System Planning and Security Standards and Distribution System Operating Standards and overall performance standards proposed by the Distribution Licensee are approved by the Commission.16.2The Distribution Licensee shall, within such time as the Commission may direct in the Specific Conditions of Licence or otherwise, submit to the Commission the modifications which the Distribution Licensee wishes to propose to the standards mentioned in Clause 16.1.16.3The Distribution Licensee shall, in consultation with Suppliers, the Generating Companies, the Central Transmission Utility, the State Transmission Utility, State Load Despatch Centre, the Regional Electricity Board, other Licensee and such other persons as the Commission may order, review the standards and their implementation on each occasion a review of the Grid Code/State Grid Code is undertaken. Following any such review, the Distribution Licensee shall send to the Commission : (a)a report on the outcome of such review; and(b)any revision which the Distribution Licensee proposes to make to such documents from time to time (having regard to the outcome of such review); and(c)any written representations or objections (including those not accepted by the Distribution Licensee) received or made during the consultation process;16.4The Commission may, having regard to any written representations and objections received and following such further

consultation as the Commission may consider appropriate, issue directions requiring the Distribution Licensee to revise the standards mentioned in clause 16.1 in such manner as may be given in the directions. The Distribution Licensee shall duly carry out the revisions directed by the Commission.

17. Obligation to connect consumers and public lamps

17.1 Subject to the other provisions of these conditions, the Distribution Licensee shall on the application of the owner or occupier of any premises within the Area of Supply, give connection from the Distribution Licensee's Distribution System for the purposes of providing Supply of electricity to such premises, in accordance with the applicable regulations, directions and orders of the Commission. 17.2 The Distribution Licensee shall abide by the Rules prescribed by the State Government for laying down or placing electric supply lines. 17.3 Where, after Distribution mains have been laid down under the provisions of clause 17.2 and the supply of energy through those mains or any of them has commenced, a requisition is made by the State Government or by a local authority requiring the Distribution Licensee to supply energy for any public lamps within the Area of Supply, the Distribution Licensee shall supply, and save in so far as it is prevented from doing so by events of Force Majeure and operational constraints, continue to supply energy for such lamps in such quantities as the State Government or the local authority, as the case may be, may require. The State Government or the relevant local authority, as the case may be, may require the Distribution Licensee : (a) to provide the mains and other equipment for public lamps; and (b) to use for that purpose supports, if any, previously erected or set up by it for supply of energy. 17.4 The Distribution Licensee may levy any reasonable charge for carrying out works/release of supply, in accordance with any procedures that may be stipulated by the Distribution Licensee and approved by the Commission as well as the provisions of the Act and the Regulations of the Commission.

18. Obligation to supply and power supply planning standards

18.1 The Distribution Licensee shall take all reasonable steps to ensure that all consumers connected to the Distribution Licensee's Distribution System receive a safe, economical and reliable supply of electricity as provided in the Performance Standards, and other guidelines issued by the Commission in accordance with the provisions of the Act and the Rules and Regulations issued thereunder. 18.2 The Distribution Licensee shall : (a) forecast annually the demand for power within the Area of Supply in each of the next succeeding 10 years; (b) prepare and submit such forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time; and (c) co-operate with the generating companies and other Licensees in the preparation of power demand forecasts for the State of Punjab. 18.3 Subject to the foregoing clauses, the Distribution Licensee shall purchase electricity from the Generating Companies, Electricity Traders and others as consented to by the Commission in quantities which the Commission considers sufficient to meet the expected demand of the Consumers in the Area of Supply. 18.4 The Distribution Licensee shall, within three months from the effective date of the Licence granted to him or such other time as the Commission may allow, prepare and submit to the Commission for approval, a disaster management plan, to address emergencies that may arise in connection with the operation of the Distribution System. For purposes of this clause, an emergency shall mean any condition and/or

situation that materially and adversely :(a)affects the ability of the Licensee to maintain safe, adequate and continuous operation of all or any part of the Licensed Business; or(b)endangers the security of any person, plant, or other life, equipment or property.

19. Power to recover charges, expenditure and security

(a)The Distribution Licensee shall be entitled to recover tariff, charges, fee and security deposit for supply of electricity and for provision of electric line or electric plant or electric meter in accordance with the Regulations notified by the Commission.(b)The Licensee shall also be entitled to recover expenditure incurred for providing electric line or electrical plant for the purpose of giving service connection to any consumer/premises in accordance with the Regulations notified by the Commission under Section 46 of the Act.

20. Use of meters

The Distribution Licensee shall comply with the requirements of the Act and the Rules and Regulations framed thereunder and the directions and orders of the Commission in regard to supply of electricity through meter.

21. Connection and use of system

The Distribution Licensee shall make arrangements for open access to the use of his Distribution System by Users subject however to the availability of the adequate Distribution capacity in the system in accordance with Regulations notified by the Commission for the purpose under the Act.

22. Expected revenue calculation and tariffs

The Distribution Licensee shall calculate the expected revenue from charges which it is permitted to recover, in accordance with the provisions of the Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

23. Power to enter premises and to remove fittings or other apparatus of Licensee

23.1In accordance with Section 163 of the Act, the licensee or any person duly authorised by the licensee may, at reasonable time, and on informing the occupier of his intent, enter any premises to which supply has been made or over which electric lines and works have been lawfully placed for the purpose of :(a)Inspecting, testing, repairing or altering electric supply lines, meters, fittings belonging to the licensee; or(b)Ascertaining the amount of electricity supplied; or(c)Removing such lines, meters, fittings, works where electricity supply is not required.23.2The Licensee or its authorised person may on a special order of the Executive Magistrate give a notice of not less than twenty four hours in writing to the occupier for entering any premises for purposes mentioned in

clause 23.1 above.23.3Where a consumer refuses to allow a licensee or any person authorized as aforesaid to enter his premises or land in pursuance of the provisions of clause 1 or 2 above or when such licensee or person has so entered refuses to allow him to perform any act which he is authorized as aforesaid to perform or fails to give reasonable facilities for such entry or performance, the licensee may, after the expiry of twenty-four hours from the service of a notice in writing on the consumer, cut off the supply to the consumer for so long as such refusal or failure continues, but for no longer.

24. Disconnections and other actions

24.1The Distribution Licensee shall have the authority to disconnect the supply to the consumers or premises in accordance with the provisions of the Electricity Supply Code and other applicable Regulations issued by the Commission.24.2Pursuant to Sections 126, 127, 135-140 of the Act, the Licensee shall have the powers and authority to take appropriate actions for :(a)Metering at the point of supply of electricity;(b)Revenue realisation;(c)Implementing credit control procedure as approved by the Commission;(d)Prosecution for theft;(e)Prevention of meter tampering;(f)Prevention of diversion of electricity, and(g)Prevention of unauthorised use of electricity; and(h)All such similar matters affecting Distribution or Retail Supply.

25. Miscellaneous

25.1All issues arising in relation to interpretation of these General Conditions shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act.25.2The Commission may at the time of grant of Distribution Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a Distribution Licensee.25.3These General conditions shall apply to all Distribution Licensees after the coming into force of the Act and also to all deemed Distribution Licensees under Section 14 of the Act.Appendix 3 BPunjab State Electricity Regulatory CommissionGeneral Conditions of Transmission LicenceIndex

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1. Definitions

1.1 Unless the context otherwise requires in these General Conditions, "Accounting Statement" means for each financial year, Accounting statements for the Licensed Business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with schedules and notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Transmission Licensee engages in any business or activity in addition to the Licensed Business, the accounting statement shall comply with the regulations of the Commission dealing with the treatment of income of Other Business of Transmission Licensee and show separately the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either : (a) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or (b) determined by apportionment or allocation between the Licensed Business and any Other Business of the Transmission Licensee together with a description of the basis of the apportionment or allocation. "Act" means the Electricity Act, 2003 (36 of 2003) "Annual Accounts" means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act; "Area of Transmission" means the area stated in the Transmission Licence within which the Transmission Licensee is authorised to establish, operate and maintain transmission lines; "Auditors" means the Transmission Licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate, of the Companies Act, 1956 (1 of 1956); "Authorised", in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act; "Commission" means the Punjab State Electricity Regulatory Commission; "Deemed Licensee" means the person authorized under the first, second, third and fifth provisos to Section 14 of the Act; "Distribution" means the conveyance or wheeling of electricity by means of a Distribution System; "Force Majeure" means events beyond the reasonable control of the Licensee, including, but not limited to earthquake, cyclone, flood, storm, war, terrorist attack, civil commotion or other similar occurrence that lead to any act that would involve a breach of relevant laws or regulations concerned with electrical safety; "Generating Set" means any plant or apparatus for the production of electricity and shall, where appropriate, include a generating station

comprising of one or more than one generating unit;"General Conditions" means these General Conditions;"State Grid Code" means the Grid Code approved by the Commission covering all material technical aspects relating to connections to and the operation of the Grid and the use of a Transmission System, and in so far as relevant to the operation and use of a Transmission System, the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any Supplier, and shall include the interim State Grid Code;"Holding Company" shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956)"Intervening Transmission Facilities" means the electric lines owned or operated by a Transmission Licensee where such electric lines can be utilized for transmitting electricity for and on behalf of another licensee;"Licensed Business" means the business of Transmission of electricity as authorised under the Transmission licence;"Major Incident" means an incident associated with the Transmission of electricity, which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, or as otherwise directed by the Commission and shall also include any other incident which the Commission expressly declares to be a major incident;"Operational Control" means possessing the authority to make operational decisions such as commissioning and utilisation of units, transmission lines and equipment;"Other Business" means business of the Transmission Licensee other than the Licensed Business;"Performance Standards" means the standards as may be determined by the Commission pursuant to Section 57 of the Act;"Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;"Regulations" means the Regulations made by the Commission, under the provisions the Act;"Specific Conditions" means the conditions in addition to or in variation to these General Conditions, which the Commission may lay down specifically for a Transmission Licensee;"State" means the State of Punjab;"State Government" means the Government of Punjab;"Subsidiary" shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);"Transfer" shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;"Transmission Business" means the Authorised business of a Transmission Licensee to transmit electricity through any system owned and/or operated by such Licensee;"Transmission Licensee" means the entity, which has been granted a Transmission Licence or is a deemed Licensee under Section 14 of the Act and is authorized to transmit electricity;"Transmission Operating Standards" means the standards related to the Transmission Licensee's operation of the Transmission System as approved by the Commission;"Transmission Planning and Security Standards" means the standards related to the adequacy of the Transmission Licensee's system planning and security of its Transmission System as approved by the Commission;"Transmission System" means the system consisting mainly of extra high voltage electric lines having nominal voltage of higher than 66 KV, owned or controlled by the Transmission Licensee, and used for the purposes of the conveyance of electricity between the switchyards of two Generating Sets or from the Switchyard of a Generating Set to a substation, or between substations, or to or from any external interconnection and includes all bays/equipment upto the interconnection with the Distribution System, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, but shall not include any part of a Distribution System;"Use of System" means use of the Transmission System for the transportation of electricity for any person pursuant to a contract entered into with the Transmission

Licensee;"Users" means anyone who uses the Transmission System.1.2 Words, terms and expressions to which meanings are assigned by Act shall have the same meaning in these General Conditions.

2. Term :

The Transmission Licence shall come into force on the date to be mentioned by the Commission in the order granting the licence and subject to the terms and conditions of the grant of licence, shall remain in force for a period of twenty five years.

3. Compliance with laws, rules and regulations

3.1 The Transmission Licensee shall comply with the provisions of the Act and the Rules made thereunder and Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws.3.2 The Transmission Licensee shall act in accordance with these General Conditions except where the Transmission Licensee is exempted from any provisions of these General Conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation therefrom.3.3 The Transmission Licensee shall duly comply with the orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act.

4. Activities of the transmission licensee

4.1 The Transmission Licensee in the Area of Transmission shall duly discharge the duties of the Transmission Licensee as provided under Section 40 of the Act.4.2(a) The Transmission Licensee shall provide non-discriminatory open access to its Transmission System for use by the Licensees, and/or Generating Company including the Captive Generating Plant and the Consumers subject to availability of transmission capacity in the transmission system and in the case of use of such Transmission System for supply of electricity to the consumers subject to payment of transmission charges and surcharge wherever applicable to the transmission licensee to meet the current level of cross subsidy as envisaged in Section 40 read with sub-section (2) of Section 42 of the Act.(b) The Transmission Licensee shall pay to the Distribution Licensee concerned as provided in Sections 39 and 40 read with sub-section (2) of Section 42 of the Act the amount of surcharge if any permitted to be recovered by the Transmission Licensee in the case of transmission of electricity to the consumer as directed by the Commission.4.3 The Transmission Licensee shall not without the prior approval of the Commission :(a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee; or(b) merge his utility with the utility of any other licensee; Provided that nothing contained in this Regulation shall apply if the utility of the licensee is situate in a State other than the State in which the utility referred to in clause (a) or clause (b) is situate.4.4 The Transmission Licensee shall not without the prior approval of the Commission :(a) acquire any beneficial interest in any Generating Company of Generating Station; or(b) transmit electricity to any person in the State of Punjab, not authorised to by the Commission;4.5 The Transmission Licensee shall not engage in the business of electricity Trading or directly or indirectly

associate in the business of an electricity trader or the Distribution Licensee.4.6The Commission may, on an application made to it by a licensee, require the Transmission Licensee to provide to the other licensees intervening transmission facilities to the extent of surplus capacity available in his Transmission System and in the event of any dispute as to the availability of the surplus capacity the same shall be determined by the Commission. The charges and terms and conditions for the intervening facilities may be mutually agreed between the licensees and in the event of any disagreement the same shall be decided by the Commission.4.7in the event the Transmission Licensee engages in any Other Business for optimum utilization of its assets the same shall be with prior intimation to the Commission and shall be subject to the following conditions : (a) the Licensed Business and the conduct thereof by the Transmission Licensee is not prejudiced and/or adversely affected in any manner by reason of the Other Business; (b) a proportion of the revenue, as may be directed by the Commission, derived from such Other Business shall be utilized for reducing the charges for Transmission and Wheeling; (c) the Transmission Licensee shall prepare and keep, in respect of the Other Business activities, separate accounting records as would be required to be kept in respect of such activities as if they were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such Other Business activities are separately identifiable from those of the Licensed Business; (d) the Licensed Business does not subsidize in any way such Other Business and the Transmission Licensee does not create encumbrance on the Transmission System in any way to support such. Other Business; and (e) the Transmission Licensee shall not transfer any assets utilised in the Transmission System for the purposes of Other Business activities.4.8The Transmission Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of, any person except when made or issued for the purposes of the Licensed Business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval.4.9The Transmission Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company of the Transmission Licensee to provide any goods or services to the Transmission Licensee in connection with the Licensed Business, subject to the following conditions that : (a) such subsidiaries or holding company or other subsidiaries of such holding Company do not engage in any business activities which the Transmission Licensee is prohibited from doing or which the Transmission Licensee is not entitled to engage in without the prior approval of the Commission; (b) the transaction shall be on an arms-length basis and at a value that is fair and reasonable in the circumstances; (c) the transaction shall be consistent with any Regulations framed by the Commission relating to the provision of goods and services with respect to Licensed Business; and (d) the Transmission Licensee shall give 30 days' intimation with details of such arrangement, to the Commission prior to commencement of such arrangement.4.10In all cases of engagement of such Subsidiary or Holding Company or a subsidiary of the Holding Company other than mentioned in clause 4.9, prior permission of the Commission will be required. Where such prior permission is required, the Transmission Licensee will file a suitable application with the Commission disclosing the relevant facts. The Commission may, within 30 days of the filing of the application, seek further information in support of the application. The Commission shall generally within 30 days of such further information being submitted by the Transmission Licensee, and where no such further information is required, generally within 60 days of the filing of the application, allow the arrangement subject to such terms and conditions or modifications as it considers appropriate or reject the same, for

reasons to be recorded in writing in the order issued by the Commission.4.11The Transmission Licensee shall not at any time assign his licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission. To obtain the approval of the Commission as aforesaid, the Transmission Licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose of such application expeditiously.

5. Accounts

5.1Unless otherwise permitted by the Commission, the financial year of the Transmission Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall be from the first of April of an year to the thirty-first of March in the succeeding year.5.2The Transmission Licensee shall, in respect of the Licensed Business and also of any Other Business of the Transmission Licensee :(a)keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Transmission Licensee, from those of Other Business in which the Transmission Licensee may be engaged;(b)prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statements; namely;(i)in respect of the first and last six months of each financial year, a Half Yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may direct from time to time; and(ii)the accounting Statements alongwith an Auditor's Report for each financial year, stating whether in the Auditor's opinion the statements have been properly prepared in accordance with the requirements and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate;A copy of each Half Yearly account shall be furnished to the Commission not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate.5.3The Transmission Licensee shall not normally change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year without prior approval of the Commission. Any change, if proposed, in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards and Rules and further with any guidelines issued by the Commission in that regard.5.4Where, in relation to the Accounting Statements in respect of a financial year, the Transmission Licensee has proposed to change the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Transmission Licensee shall, if directed by the Commission, in addition to preparing Accounting Statements on those basis which it has proposed to adopt, prepare and deliver to the Commission such Accounting Statements on the basis, which it applied in respect of the immediately preceding financial year.5.5Accounting Statements under clause 5.2 above shall, unless otherwise directed by the Commission :(a)be prepared in the manner provided in these General Conditions or in the Specific Conditions;(b)state the accounting policies adopted;(c)be prepared in accordance with generally accepted Indian accounting standards;(d)be prepared in accordance with the requirements of the applicable laws;

and(e)be prepared in the form as the Commission may stipulate from time to time;5.6The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.5.7The Transmission Licensee shall ensure that the Annual Accounts and the Accounting Statements in respect of each financial year prepared under clause 5.2 and the Auditor's report thereon are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

6. Provision of information to the commission

6.1The Transmission Licensee shall duly maintain the information as the Commission may direct under the Act. 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 Commission, the Central Electricity Authority, the Central Transmission Utility, the State Transmission Utility, National Load Despatch Centre, Northern Regional Load Despatch Centre or the State Load Despatch Centre.6.2The Transmission Licensee shall, within 3 months of the end of each financial year, submit to the Commission a report indicating the performance of its Transmission System during the previous financial year. The Transmission Licensee shall, if so required by the Commission, publish a summary of the report in the manner approved by the Commission.6.3The Transmission Licensee shall notify the Commission the occurrence of any Major Incident affecting any part of its Transmission System as soon as possible and:(a)by not later than one month from the date of such occurrence, submit a detailed report to the Commission giving full details of the facts within the knowledge of the Transmission Licensee regarding the incident and its cause;(b)in the event the report under sub-clause (a) is likely to take more than one month from the date of such incident, the Transmission Licensee shall within two weeks from such date of the incident submit a preliminary report with such details which the Transmission Licensee can reasonably furnish and state reasons as to why the Transmission Licensee requires more than one month for giving full report of such incident; and(c)give copies of the report to the State Government, Central and State Transmission Utilities, Central Electricity Authority, National Load Despatch Centre, Northern Regional Load Despatch Centre, State Load Despatch Centre and to such other persons as the Commission may direct.6.4The decision of the Commission as to what constitutes a Major Incident shall be final.6.5The Commission may by order, after providing an opportunity of hearing direct the Transmission Licensee to provide such amount of compensation as the Commission may direct to persons who suffer substantial damage, loss or injury or to the heirs of those who lose their lives as a result of such Major Incident where the 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.6.6The Commission at its own discretion may require the submission of a report on the Major Incident to be prepared by an independent person at the expense of the Transmission Licensee.6.7The Transmission Licensee shall also undertake such studies as the Commission may direct from time to time for the improvement of its Transmission Business and any other matter concerning the Transmission Business that the Commission considers necessary in the public

interest to avoid the occurrence of any such Major Incident.6.8The Transmission Licensee shall duly inform the Commission about any incident restricting it from meeting its obligations under the licence granted including any act of omission or commission by others and steps taken by the Transmission Licensee to mitigate the effect of such incident.6.9The Commission may, at any time, require the Transmission Licensee to comply with the provisions of clauses 6.3 to 6.8 above as to incidents which the Commission may specifically direct and the Transmission Licensee shall be obliged to comply with the same notwithstanding that such incidents are not Major Incidents; provided that the time limits specified in clause 6.3 shall commence from the date, the Commission notifies Transmission Licensee of such requirement.6.10The Transmission Licensee shall submit a Business Plan within three months of Transmission Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall, amongst others, specifically contain year wise load growth, year wise Transmission loss reduction proposal along with specific action plan, metering plan for metering interface points, investment plan as detailed in clause 7 herein, treatment of previous losses, debt restructuring plan, cost reduction plan, projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters.6.11The Commission may require the Transmission Licensee to intimate by the end of first quarter of each financial year the progress made in implementing the Business Plan of the previous financial year with the comparison of actual implementation vis-a-vis the Plan as approved by the Commission.

7. Investments

7.1The Transmission Licensee shall duly comply with the Regulations, guidelines, directions and orders that the Commission may issue, from time to time in regard to the investments to be made in the Transmission Business.7.2The Transmission Licensee shall make the investments in a prudent manner being guided by the duty to build, maintain and operate an efficient, co-ordinated and economical Transmission System in the State.7.3The Transmission Licensee shall submit for the approval of the Commission Investment Plans as a part of the Business Plan under clause 6.10 above giving details of investment schemes to be undertaken during the relevant period. The Transmission Licensee shall demonstrate to the satisfaction of the Commission that :(a)there is a need for such investments as contained in the Investment Plan, in the Transmission System; and(b)the Transmission Licensee has examined the economic, technical, financial and environmental aspects of all viable alternative proposals for investment and that the investment proposed is optimum.7.4The Transmission Licensee shall submit to the Commission by the end of the first quarter of each financial year :(a)the annual investment plan with details on investment schemes to be carried out during the financial year; and(b)the progress made in implementing the annual investment plan of the previous financial year with the comparison of actual implementation vis-a-vis the plan as approved by the Commission for the relevant period.7.5The Transmission Licensee shall not undertake schemes involving Major Investments, not covered under the Investment Plan approved by the Commission under clause 7.3 above without the prior approval of the Commission, and for such approval the Transmission Licensee shall demonstrate to the satisfaction of the Commission the factors mentioned in clause 7.3 above.7.6The Transmission Licensee shall invite and finalise tenders for procurement of equipment, material and/or services relating to major investments, in accordance with a transparent tendering procedure as may be

directed by the Commission.7.7For the purposes of this clause 7, the term "Major Investment" means any planned investment in or acquisition of Transmission facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds an amount which the Commission may direct in the specific conditions applicable to the Transmission Licensee or otherwise decided by the Commission from time to time by general or special order.7.8The Transmission Licensee shall be entitled to make investment in the Transmission Business otherwise than those covered under clauses 7.3 and 7.5 above but for the purposes of considering such investment at the time of determination of the tariff and charges, the Transmission Licensee shall satisfy the Commission that the investment was required for the Transmission Business and such investment was made in an efficient, co-ordinated and economical manner.7.9The Transmission Licensee shall submit to the Commission along with the "Expected Revenue Calculations" filed under Section 62 of the Act, the salient aspects of the annual investment plan consisting of the schemes approved by the Commission, schemes submitted before the Commission for approval and all schemes not requiring prior approval of the Commission planned for the ensuing financial year and shall make investment in the said financial year in accordance with the said investment plan as approved by the Commission. Provided that if any unforeseen contingencies require reallocation of funds within the schemes listed in the annual Investment Plan, the Transmission Licensee may do so to the extent such reallocation in respect of individual projects does not exceed an amount which the Commission may direct in the Specific Conditions applicable to the Transmission Licensee or otherwise by a general or special order. The Transmission Licensee shall give due intimation of such reallocation to the Commission before making the investment. Provided also that if on account of unforeseen circumstances the Transmission Licensee is required to make investment in a scheme, which does not find place in the annual Investment Plan, the Transmission Licensee may do so if the same is not a major investment and subject to the conditions contained in clause 7.8 above.

8. Transfer of assets

8.1Save as provided in this clause 8, 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 in the Specific Conditions applicable to the Transmission Licensee or otherwise by a general or special order.8.2The Transmission Licensee shall give to the Commission prior notice of its intention to transfer or relinquish operational control over any asset whose value exceeds the amount decided by the Commission as per clause 8.1 above and the Transmission Licensee shall disclose details of the assets proposed to be transferred and reasons for the transfer. The Commission may, within 30 days of the receipt of the notice, seek further information relating to the transaction and shall, generally within 30 days of such further information being submitted by the Transmission Licensee, and where no such further information is sought by the Commission as above, within 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 to be contained in the order issued by the Commission.8.3The Transmission Licensee may Transfer or relinquish operational control over any asset as is detailed in any notice given under clause 8.2 where : (a) the Commission confirms in writing that it consents to such Transfer or relinquishment of operational

control subject to such conditions 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 notice period referred to in condition 8.2 and the transfer is effected by a transparent and competitive bidding process. 8.4 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 clause 8 containing a general consent to : (i) the transactions of a specified description, and/or (ii) the Transfer or relinquishment of operational control over assets of a specified description, and/or (iii) 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 mandated under any other law; or (c) the asset in question was acquired and used by the Transmission Licensee exclusively or primarily 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 required for the Licensed Business. 8.5 The Transmission Licensee will be entitled to utilise the assets for facilitating financing its investment requirement including collateral for debt financing or securitisation of receivables subject to the conditions that : (a) the Transmission Licensee will inform the Commission about such arrangements at least one month prior to the effective date of the relevant agreements; (b) the Transmission Licensee acts in a prudent and reasonable manner in such utilisation of assets; and (c) the Transmission Licensee retains the operational control over assets in the Transmission System. 8.6 Notwithstanding anything contained in this clause 8, in case of any emergency, the Transmission Licensee may transfer the assets subject to the condition that the Transmission Licensee shall immediately after such transfer seek post-facto approval of the Commission giving the detailed facts about the emergency and the details of the transactions entered into. It shall be the obligation of the Transmission Licensee to establish to the satisfaction of the Commission of the existence of emergency condition necessitating the transfer of the assets without the prior approval of the Commission and the fact that the Transmission Licensee has acted in a prudent and reasonable manner in such transactions.

9. Payment of licence fees

9.1 Within such period as the Commission may direct, the Transmission Licensee shall pay to the Commission the Licence Fees, initial and periodic, mentioned in the Specific Conditions of Licence or as amended by the Commission in such manner as the Commission may direct. 9.2 Where the Transmission Licensee falls to pay to the Commission any of the fees due under clause 9.1 by the due dates : (a) without prejudice to other obligations, the Transmission Licensee shall be liable to pay outstanding fee alongwith a lumpsum amount as determined by the Commission and interest on the outstanding fee at a simple interest of 2 percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission; and (b) in the event of continued default by the Transmission Licensee, the Commission may revoke the Transmission Licence. 9.3 The Transmission Licensee shall be entitled to take into account any fee paid by it under this clause 9 excluding however any lump sum amount and interest paid for delayed payment of such fees, as an expense in the determination of aggregate revenues to be charged to the Tariffs.

10. Amendment of licence conditions

10.1 These General Conditions of Licence may be altered or amended by the Commission under Section 18 of the Act at any time if it is in public interest, provided that no alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Commission, been unreasonably withheld. For any such alteration or amendment, the following provisions shall have effect : (a) where the Transmission Licensee has made an application under Section 18, sub-section (1) of the Act proposing any alteration or amendment in the Conditions of Licence, the Transmission Licensee shall publish a notice of such application with such particulars and in such manner as may be directed by the Commission; (b) in the case of an application proposing alteration or modification in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the alteration or modification shall be made only with the consent of the Central Government; (c) where any alteration or amendment in a licence is proposed to be made otherwise than on the application of the Transmission Licensee, the Commission shall publish the proposed alteration or amendment with such particulars and in such manner as the Commission may consider to be appropriate; (d) the Commission shall not make any alteration or amendment to the licence unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered by the Commission.

11. Revocation of licence

11.1 Subject to the provisions of Section 19 of the Act and the Regulations framed thereunder, the Commission may, at any time initiate proceedings against the Transmission Licensee for revocation of the Transmission Licence and if satisfied in such proceedings that the public interest so requires it may revoke the Transmission Licence in any of the following cases : (a) where the Transmission Licensee in the opinion of the Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder; (b) where the Transmission Licensee violates any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation; (c) where the Transmission Licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted therefor : (i) to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his licence; or (ii) to make deposits or furnish the security, or pay the fees or other charges required by his licence; (d) where in the opinion of the Commission the financial position of the Transmission Licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him; or (e) where the Transmission Licensee has failed to comply with any of the Regulations, codes, and standards or the orders and directions of the Commission or otherwise has committed an act which renders Transmission Licence revocable on any other grounds under the Act or the Rules or Regulations framed thereunder. 11.2 Where in its opinion the public interest so requires, the Commission may revoke the licence of a Transmission Licensee as to the whole or any part of his area of transmission upon such terms and conditions as it thinks fit. 11.3 No licence shall be revoked unless the Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any

cause shown by the licensee within the period of that notice, against the proposed revocation.11.4The Commission may, instead of revoking a licence permit it 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.11.5Where the Commission revokes a licence, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.11.6Where the Commission has given notice for revocation of licence under clause 11.5 without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under the Act, the licensee may, after prior approval of the Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.11.7Before revoking a Transmission Licence, the Commission shall, if in its opinion considered necessary, refer the matter to the State Government and agree on an alternate arrangement to be made for discharging the duties of the Transmission Licensee.

12. Dispute resolution

The Commission shall be entitled to adjudicate the disputes or in its discretion nominate person(s) as arbitrator(s) to adjudicate and settle disputes between the Transmission Licensee and any other licensee or between the Transmission Licensee and a generating company in pursuance of clause (f) of sub-section (1) of Section 86 read with Section 158 of the Act and the Regulations of the Commission.

13. Transmission planning and security standards; transmission operating standards; and other operating standards

13.1The Transmission Licensee shall ensure that Transmission System is built, operated and maintained to provide an efficient, economical and coordinated system of Transmission in accordance with the State Grid Code and the Overall Performance Standards.13.2The Transmission Licensee shall make arrangements, within such time as the Commission may direct, to meet the Power Supply Planning and Security Standards and Power Supply Operating Standards.13.3(a)The Transmission Licensee shall, within such time as the Commission may direct in the Specific Conditions or otherwise, submit to the Commission the existing planning and security standards and the operating standards for its Transmission System and the existing planning and security standards and operating standards relating to generation capacity connected to its Transmission System being followed by the Transmission Licensee. Such existing standards, with such modifications as the Commission may direct, shall continue to remain in effect until the new standards are approved by the Commission.(b)The State Transmission Utility shall, within such time as the Commission may direct, prepare, in consultation with the Suppliers, Generating Companies, Central Transmission Utility, the Transmission Licensees, Regional Electricity Board, Distribution Licensees and such other person as the Commission may direct, and submit to the Commission for approval the State Transmission Utility's proposal for Transmission Planning and Security Standards and Transmission Operating Standards, and Other Operating Standards in accordance with these General Conditions.(c)The Transmission Planning and Security Standards and Transmission Operating Standards, and the Other Operating Standards submitted by the State

Transmission Utility pursuant to this clause 13, with such modifications as the Commission may require, shall take effect from such dates as the Commission may direct.13.4The Transmission Licensee shall not be in breach of its obligations, if the failure to meet the Transmission Planning and Security Standards or the Transmission Operating Standards is due to Force Majeure, provided that the Transmission Licensee is able to establish to the satisfaction of the Commission that it has used its reasonable efforts, to comply with the Transmission Planning and Security Standards or the Transmission Operating Standards, as the case may be.13.5The State Transmission Utility shall, in consultation with Suppliers, the Generating Companies, the Central Transmission Utility, the Transmission Licensee, Regional Electricity Board, the Distribution Licensees and such other persons as the Commission may order, review the standards and their implementation on each occasion a review of the State Grid Code is undertaken. Following any such review, the State Transmission Utility shall send to the Commission : (a) a report on the outcome of such review; and (b) any revision which the State Transmission Utility proposes to make to such documents from time to time (having regard to the outcome of such review); and (c) any written representations or objections (including those not accepted by the State Transmission Utility) from Suppliers, the Generating Companies, the Central Transmission Utility, the Transmission Licensee, Regional Electricity Board, Distribution Licensees and such other persons as the Commission may order arising during the consultation process; Provided that the Commission may, upon application of the State Transmission Utility relieve the State Transmission Utility from the obligation to review the standards and their implementation, to such extent as shall be stated in directions issued to the State Transmission Utility by the Commission for the purposes of this condition.13.6The Commission may, having regard to any written representations and objections received and following such further consultation as the Commission may consider appropriate, issue directions requiring the State Transmission Utility, to revise the standards in such manner as may be stated in the directions. The State Transmission Utility shall duly carry out the revisions directed by the Commission.13.7The 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.13.8The Transmission Licensee shall, upon requisition by the Commission, provide to the Commission such information as the Commission may require under or for the purpose of monitoring the duties and responsibilities of the Transmission Licensee under this clause 13.

14. Grid code

14.1The Transmission Licensee shall ensure due compliance with the National Grid Code and the State Grid Code in operation.14.2The State Grid Code shall be formulated initially by the State Commission.14.3The Commission may, on reasonable grounds and after consultation with any affected Generating Companies, the Transmission Licensee, the State Transmission Utility, the State Load Despatch Centre and Electricity Traders, issue directions relieving the Transmission Licensee of its obligation in respect of such parts of the State Grid Code and to such extent as may be decided by the Commission.14.4The State Transmission Utility shall, in consultation with other Transmission Licensees, Generating Companies, the Central Transmission Utility, the Regional

Electricity Board, its successor entities and such other persons as the Commission may direct, review the State Grid Code and its implementation from time to time in so far as the operation of the Transmission Licensee is concerned. Such review should be carried by the State Grid Review Committee in accordance with provisions of State Grid Code. Following any such review, the State Transmission Utility shall send its proposal to the Commission for its approval and the same shall contain the following : (a) a report on the outcome of such review; and (b) any proposed revisions to the State Grid Code from time to time as the State Grid Review Committee reasonably thinks fit; and (c) all written representations or objections received by the State Transmission Utility during the consultation process.

15. Connection and use of system

15.1 The Transmission Licensee shall make such arrangements for non-discriminatory open access to the use of his Transmission System by Users subject however to the availability of the adequate transmission capacity in accordance with Open Access Regulations notified by the Commission and further subject to the User agreeing to pay all applicable charges including the transmission charges and surcharges wherever applicable. 15.2 On receipt of application for grant of a connection or modification of an already existing connection by any person intending to use the Transmission System, the Transmission Licensee shall offer to enter into an agreement with such person for connection to the Transmission System or for modification of such an existing connection and such offer shall make provision for : (a) carrying out of works necessary to make the required connection, including the installation of meters; (b) carrying out of any works necessary to reinforce the Transmission Licensee's Transmission System; (c) the connection charges to be paid as directed by the Commission; and (d) the completion date and such other terms as are relevant to the circumstances. 15.3 The Transmission Licensee shall offer terms for agreements in accordance with clauses 15.1 or 15.2 as soon as practicable to the intended Users of the System. The Transmission Licensee shall not be obliged to offer to enter into any agreement if; (a) the adequate transmission capacity is not available in the Transmission system, provided that the existence or absence of such available capacity shall be subject to determination by the State Transmission Utility and in case of any dispute pertaining to the same on such determination the same shall be subject to the decision of the Commission; (b) it is likely to result in breach of its duties under the Act; or (c) it is likely to result in breach of any Rules or Regulations relating to safety or Standards applicable to the Transmission Business including the prevailing Rules; (d) being in breach of any provision of the Grid Code or State Grid Code; (e) the person making the application does not undertake to comply with the Grid Code/State Grid Code in force from time to time to the extent that it is applicable to that person; or (f) the person making the application is not in a position to pay or refuses to pay the applicable charges, surcharges, adjustment for losses of electricity in the Transmission Systems determined by the Commission. 15.4 If, after a period which appears to the Commission to be reasonable for the purpose, the Transmission Licensee has failed to enter into an agreement with any intending user of the Transmission System, the Commission may at the request of such intending user settle such terms between the Transmission Licensee and the intending users and the Transmission Licensee shall forthwith enter into and implement such agreement in accordance with the terms as settled by the Commission. 15.5 The Transmission Licensee shall prepare and submit to the Commission on an annual basis, a statement showing in respect of each of the 5 succeeding

financial years forecasts of circuit capacity, power flows and loading on the Transmission System under standard planning criteria, together with : (a) such further information as shall be reasonably necessary to enable any person seeking use of System to identify and evaluate the opportunities available when connecting to and making use of such system; and (b) a statement prepared by the Transmission Licensee indicating its views as to those parts of its Transmission System most suited to new connections and transport of further quantities of electricity. 15.6 At the request of a person or a supplier who wishes to use the Transmission System, the Transmission Licensee shall prepare an update to the above statement, incorporating most recent data but specifically including any facility for which any other person or a supplier has requested use of and connection to the Transmission System. 15.7 The Transmission Licensee may for any statement given or sent to persons seeking use of System, charge an amount reflecting the Transmission Licensee's reasonable costs of providing such a statement. 15.8 The Transmission Licensee is entitled to undertake all activities necessary, related or incidental to the conduct of the Transmission Business, including but not limited to laying and operating appropriate communication network to implement information technology based solutions like remote metering etc. for the Licensed Transmission Business.

16. Expected revenue calculation and tariffs

The Transmission Licensee shall calculate the expected revenue from charges which it is permitted to recover, in accordance with the provisions of the Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.

17. Application of general conditions to the State transmission utility :

The provisions of these general conditions shall apply to the State Transmission Utility save as the provisions relating to revocation or amendment of the Transmission Licence and those relating to the functions of State Load Despatch Centre under Section 32 of the act and activities of the State Transmission Utility under clauses (b) and (c) of sub-section (2) of Section 39 of the Act.

18. Miscellaneous

18.1 All issues arising in relation to interpretation of these General Conditions shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act. 18.2 The Commission may at the time of grant of Transmission Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a Transmission Licence.

19. These General conditions shall apply to all Transmission Licensees after the coming into force of the Act and also to all deemed Transmission Licensees under Section 14 of the Act.

Appendix 3 CPunjab State Electricity Regulatory CommissionGeneral Conditions of Trading LicenceINDEX

Clause No. Particulars

1	Definitions
2	Term
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9	Amendment of Licence conditions
10	Revocation of Licence
11	Dispute resolution
12	Tariff and trading margins expected revenue calculation andtariffs
13	Miscellaneous

1. Definitions

1.1 Unless the context otherwise requires in these general conditions : "Accounting Statement" means for each financial year, accounting statements for the Licensed Business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with schedules and notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Trading Licensee engages in any business or activity in addition to the Licensed Business, the accounting statements shall comply with the Regulations of the Commission dealing with the treatment of income of Other Business of Trading Licensees and show separately the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either : (a) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or (b) determined by apportionment or allocation between the Licensed Business and any Other Business of the Trading Licensee together with a description of the basis of the apportionment or allocation. "Act" means the Electricity Act, 2003 (36 of 2003) "Annual Accounts" means the accounts of the Trading Licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act; "Area of Activity" means the area of activity stated in the Trading Licence within which the Trading Licensee is authorised to trade; "Auditors" means the Trading Licensee's auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate, of the Companies Act, 1956 (1 of 1956); "Authorised", in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under Section 14 of the Act or exemption granted under Section 13 of the Act; "Commission" means the Punjab State Electricity Regulatory Commission; "Deemed Licensee"

means a person authorised under the first, second, third and fifth proviso to Section 14 of the Act; "Distribution" means the conveyance or wheeling of electricity by means of a Distribution System; "Distribution Code" means the Code governing all material technical aspects relating to connections to and the operation and use of the Distribution System as approved by the Commission; "State Grid Code" means the Grid Code approved by the Commission, covering all material technical aspects relating to connections to and the operation of the State Grid and the use of the Transmission System, and in so far as relevant to the operation and use of a Distribution System, the operation of electric lines and electrical plant connected to the Transmission System, the Distribution Systems, or the system of any Supplier, and shall include the Interim State Grid Code; "Licence" means the licence granted under Section 14 of the Act; "Licensed Business" means the business of Intra State Trading in electricity in the State as authorised under the licence; "Other Business" means business of the Trading Licensee other than the Licensed Business; "Person" shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person; "Regulations" means the Regulations made by the Commission, under the provisions of the Act; "Specific Conditions" means the conditions in addition to or in variation to these General Conditions which the Commission may lay down specifically for a trading licensee; "State" means the State of Punjab; "State Government" means the Government of Punjab; "Trading Business" means the Authorised business of a Trading Licensee; "Trading Licensee" means the entity which has been granted a Licence under Section 14 of the Act for undertaking Trading and shall include Deemed Licensee for the purpose; "Transmission Licensee" means the entity, which has been granted a Transmission Licence or is a deemed Licensee under Section 14 of the Act; "Transfer" shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing; 1.2 Words, terms and expressions to which meanings are assigned by the Act, shall have the same meaning in these General Conditions.

2. Term

The Trading Licence shall come into force on the date to be mentioned by the Commission in the order granting the licence and subject to the terms and conditions of the grant of licence, shall remain in force for a period of twenty five years unless revoked earlier in accordance with law.

3. Compliance with laws, rules and regulations

3.1 The Trading Licensee shall comply with the provisions of the Act and the Rules made thereunder and Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws. 3.2 The Trading Licensee shall act in accordance with these General Conditions except where the Trading Licensee is exempted from any provisions of these general conditions at the time of the grant of licence or otherwise specifically obtains the approval of the Commission for any deviation therefrom. 3.3 The Trading Licensee shall duly comply with and undertake the activities consistent with the State Grid Code, Distribution Code, Supply Regulations, Conditions of Supply and other codes and standards, orders and directions of the National Load Despatch Centre, Northern Regional Load Despatch Centre and the State Load Despatch Centre and

other statutory authorities, issued in the discharge of their functions under the Act.

4. Activities of the trading licensee

4.1 The Trading Licensee may engage in the business of trading in electricity in its area of activity in the State. 4.2 The Trading Licensee shall not undertake transmission of electricity to any person in the State. 4.3 The Trading Licensee shall not, without the prior approval of the Commission: (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee; (b) merge his utility with the utility of any other licensee; Provided that nothing contained in this Regulation shall apply if the utility of the licensee is situated in a State other than the State in which the utility referred to in clause (a) or clause (b) is situated. 4.4 The Trading Licensee shall not, without the prior approval of the Commission: (a) acquire any beneficial interest in any Generating Company or Generating Station; or (b) engage in the business of electricity distribution. 4.5 The Trading Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of, any person except when made or issued for the purposes of the Licensed Business. The loans to employees pursuant to their terms of service and trade advances in the ordinary course of business are excluded from the requirement to seek such approval. 4.6 The Trading Licensee shall not at any time transfer or assign his licence in any manner without the prior approval of the Commission.

5. Accounts

5.1 Unless otherwise permitted by the Commission, the financial year of the Trading Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall be from the first of April of an year to the thirty-first of March in the succeeding year. 5.2 The Trading Licensee shall, in respect of the Licensed Business and also of any Other Business of the Trading Licensee: (a) keep such accounting records as would be required to be kept in respect of each such business so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Trading Licensee, from those of Other Business in which the Trading Licensee may be engaged; (b) prepare on a consistent basis from such accounting records and deliver to the Commission, the Accounting Statements; namely:-(i) in respect of the first and last six months of each financial year, a Half Yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may direct from time to time; and (ii) the Accounting Statements alongwith, an Auditor's report for each financial year, stating whether in the Auditor's opinion the statements have been properly prepared in accordance with the requirements and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate. A copy of each Half Yearly account shall be furnished to the Commission not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate. 5.3 The Trading Licensee shall not change the basis of charge or apportionment or allocation of revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year, without prior approval of the Commission. Any change, if proposed,

in the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards and Rules and further any guidelines issued by the Commission in this regard.5.4Where, in relation to the Accounting Statements in respect of a financial year, the Trading Licensee has proposed to change the basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Trading Licensee shall, if directed by the Commission, in addition to preparing Accounting Statements on those basis which it has proposed to adopt, prepare and deliver to the Commission such Accounting Statements on the basis, which it applied in respect of the immediately preceding financial year.5.5The Accounting Statements under clause 5.2 above shall, unless otherwise directed by the Commission : (a) be prepared in the manner provided in these General Conditions or in the Specific Conditions; (b) state the accounting policies adopted; (c) be prepared in accordance with generally accepted Indian accounting standards; (d) be prepared in accordance with the requirements of the applicable laws; and (e) be prepared in the form as the Commission may stipulate from time to time;5.6The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.5.7The Trading Licensee shall ensure that the Annual Accounts and the Accounting Statements in respect of each financial year prepared under clause 5.2 and the Auditor's report thereon are publicised in such manner as the Commission may direct and are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

6. Provision of information to the commission

6.1The Trading Licensee shall duly maintain the information as the Commission may direct under the Act. The Trading Licensee shall furnish to the Commission without undue delay such information, documents and details related to the Licensed Business or any Other Business of the Trading Licensee, as the Commission may require from time to time for its own purposes or for the purposes of the Central Government, Central Transmission Utility, National Load Despatch Centre, Northern Regional Load Despatch Centre, State Government, the State Transmission Utility, The State Load Despatch Centre, the Central Commission or the Central Electricity Authority.6.2The Trading Licensee shall, within 3 months of the end of each financial year submit to the Commission a report indicating the activities undertaken during such financial year. The Trading Licensee shall, if so required by the Commission, publish a summary of the report in the manner approved by the Commission.6.3The Trading Licensee shall duly inform the Commission as soon as possible about any incident restricting it from meeting its obligation under the licence granted including any act of omission or commission and steps taken by the Trading Licensee to mitigate the effect of such incident. The Trading Licensee shall notify the Commission as soon as possible the occurrence of any other incident which materially affects any part of its Trading activities. The Licensee shall in any event, by not later than one month from the date of such occurrence : (a) submit a detailed report to the Commission giving full details of the facts within the knowledge of the Trading Licensee regarding the incident and its cause; or (b) in the event the report under sub-clause (a) is likely to take more than one month from the date of such incident, the Trading Licensee shall within two weeks from such date of the incident submit a preliminary report with such details which the Trading Licensee can reasonably furnish and state reasons as to why the Trading Licensee requires

more than one month for giving full report of such incident;6.4The Commission may by order, after providing an opportunity of hearing, direct the Trading Licensee to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Trading Licensee.6.5The Trading Licensee shall also undertake such studies as the Commission may direct it to undertake from time to time in regard to the trading activities and any other matter concerning the Trading Business that the Commission considers necessary in public interest. The Commission at its own discretion may require the submission of a report to be prepared by an independent person on the activities of the Trading Licensee at the cost and expense of the Trading Licensee.

7. Capital adequacy, creditworthiness norms to be maintained

7.1The Trading Licensee shall duly comply with the Regulations, guidelines, directions and orders which the Commission may issue from time to time in regard to the technical and financial parameters and norms to be maintained at all times by the Trading Licensee.7.2The non-maintenance of the technical and financial parameters as per sub- clause (1) above shall amount to a material breach of the obligations of the Trading Licensee.

8. Payment of licence fees

8.1Within such period as the Commission may direct, the Trading Licensee shall pay to the Commission the Licence Fees, initial and periodic, mentioned in the Special Conditions of Licence or as amended by the Commission, in such manner as the Commission may direct.8.2Where the Trading Licensee fails to pay to the Commission any of the fees due under clause 8.1 by the due dates :(a)without prejudice to other obligations, the Trading Licensee shall be liable to pay outstanding fee alongwith a lump sum amount as determined by the Commission and interest on the outstanding fee at a simple interest of 2 percent per month, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made to the Commission; and(b)in the event of continued default by the Trading Licensee, the Commission may revoke the Trading Licence.8.3The Trading Licensee shall be entitled to take into account any fee paid by it under this Clause 8 excluding however any lump sum amount and interest paid for delayed payment of such fees, as an expense in the determination of aggregate revenues to be charged to the Tariffs.

9. Amendment of licence conditions

9.1These General Conditions of Licence may be altered or amended by the Commission at any time it deems fit to do so in public interest in exercise of powers under Section 18 of the Act provided that no alterations or amendments shall be made except with the consent of the licensee, unless such consent has, in the opinion of the Commission, been unreasonably withheld. For any such alterations or amendments in the Trading Licence, the following provisions shall have effect:(a)where the Trading Licensee has made an application under sub- section (1) of Section 18 of the Act proposing any alteration or amendment in the Conditions of Licence, the Trading Licensee shall publish a notice of such application with such particulars and in such manner as may be

directed by the Commission;(b)in the case of an application proposing alterations or modification in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the alterations or modifications shall be made only with the consent of the Central Government;(c)where any alteration or amendment in a licence is proposed to be made otherwise than on the application of the Trading Licensee, the Commission shall publish the proposed alteration or amendment with such particulars and in such manner as the Commission considers to be appropriate;(d)the Commission shall not make any alteration or amendment to the licence unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered by the Commission.

10. Terms of revocation

10.1Subject to the provisions of Section 19 of the Act and the Regulations framed thereunder, the Commission may, at any time initiate proceedings against the Trading Licensee, for revocation of the Trading Licence and if satisfied in such proceedings that the public interest so requires, it may revoke the Trading Licence in any of the following cases : (a)where the Trading Licensee in the opinion of the Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the Rules or Regulations made thereunder;(b)where the Trading Licensee violates any of the terms or conditions of his licence, the breach of which is expressly declared by such licence to render it liable to revocation;(c)where the Trading Licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted therefor;(i)to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his licence; or(ii)to make deposits or furnish the security, or pay the fees or other charges required by his licence;(d)where in the opinion of the Commission the financial position of the Trading Licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him;(e)where the Trading Licensee has failed to maintain the technical requirements, capital adequacy and creditworthiness specified by the Commission; or(f)where the Trading Licensee has failed to comply with any of the Regulations, codes, and standards and also orders and directions of the Commission or otherwise has committed an act which renders Trading Licence revocable on any other grounds under the Act or the Rules or Regulations framed there-under.10.2Where in its opinion the public interest so requires, the Commission may revoke the licence for the whole or any part of area of Trading upon such terms and conditions as it thinks fit.10.3No licence shall be revoked unless the Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.10.4The Commission may, instead of revoking a licence permit it 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.10.5Where the Commission revokes a licence, it shall serve notice of revocation upon the licensee and fix a date on which the revocation shall take effect.10.6Where the Commission has given notice for revocation of licence under clause 10.5 without prejudice to any penalty which may be imposed or prosecution proceedings which may be initiated under the Act, the

licensee may, after prior approval of the Commission, sell his utility to any person who is found eligible by the Commission for grant of licence.^{10.7} Before revoking a Trading Licence, the Commission may make such alternate arrangement for discharging the duties of the Trading Licensee which the Commission considers necessary in public interest and all such arrangement shall be at the cost and risk of the Trading Licensee.

11. Dispute resolution

The Commission shall be entitled to adjudicate the disputes or at its discretion nominate person(s) as arbitrator(s) to adjudicate and settle disputes between the Trading Licensee and any other licensees or between the Trading Licensee and generating companies in pursuance of clause (f) of sub- section (1) of Section 86 read with Section 158 of the Act and the Regulations of the Commission.

12. Tariff and trading margins expected revenue calculation and tariffs

The Trading Licensee shall charge the trading margin, in accordance with the provisions of the Act, the Regulations of the Commission, the terms and conditions of tariff and other guidelines, orders and directions issued by the Commission from time to time.

13. Miscellaneous

13.1 All issues arising in relation to interpretation of these General Conditions shall be a matter for the determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal under Section 111 of the Act. 13.2 The Commission may at the time of grant of Trading Licence waive or modify the application of any of the provisions of these General Conditions either in the order granting the licence or by Specific Conditions made applicable to a Trading Licensee. 13.3 These General conditions contained herein shall apply to all Trading Licensees after the coming into force of the Act and also to all deemed Trading Licensees under Section 14 of the Act. APPENDIX 4 A (See Regulation 24) Punjab State Electricity Regulatory Commission FORM - 1 : Application Form for grant of a Distribution Licence in the State of Punjab The applicant must submit the completed application in ten copies to the Secretary, Punjab State Electricity Regulatory Commission, along with application fee as determined by the Commission, from time to time, in the form of a DD drawn in favour of Punjab State Electricity Regulatory Commission payable at Chandigarh. PART - A : General Information of Applicant

1. Details of Applicant

a. Full Name of the Applicant : b. Full Address of the Applicant : c. Name, Designation & Address of the Contact Person : d. Contact Telephone Numbers : Fax Number(s) : Email ID :

2. Nature and Details of Ownership

a. Company/Firm/Co-op Society/Individual/Others :b. Details of Incorporation/RegistrationPlace of Incorporation/RegistrationYear of Incorporation :Registration Number :c. Names mid Addresses of Directors/partners/governing body members/trusteesd. Permanent Account Number allotted by the Income Tax Department

3. Principal Shareholders/Partners/Members

4. Details of the area of distribution and supply or the area of operation for which Distribution licence is sought :

a. Boundaries of the proposed Area of Distribution/supply/operation :b. Coverage of Distribution Network :c. Nature of other electricity licences/authorisation, if any, for electricity transmission, distribution or trading already granted in the area :d. Arrangement proposed for Sourcing of Power :i. Voltages :ii. Source of Supply (Name of supplier) :iii. Quantum of electricity proposed to be handled (Demand in MW and Energy in MU) :iv. Purchase price at which electricity is proposed to be procured :e. Supply of Poweri. Voltages :ii. Categories of Distribution & Supply :f. Method and manner of establishing a forum for redressal of consumer grievances :g. Funding arrangements (source and application) to meet supply obligations :

5. Arrangement, if any, proposed with the existing Distribution Licensee in the area of distribution or supply

6. Arrangement with the Transmission Licensees and other Distribution Licensees for evacuation of electricity

7. Resume of the Organisation giving details of

a. Management Capabilityb. Financial Strengthc. Ability to discharge distribution and supply activities in a sustainable manner

8. Prior Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

General Information

Name & Address of the project(s) developed

Brief description of project(s) developed

Cost of the project(s) developed - Rs. Lakhs.

Name & Address of the Client company(s) for whom the project(s) were developed

Name, Designation & Address of Reference person of Client Co(s)

9. Details of the Assets and facilities required for the Business

(i) Is the applicant acquiring Existing Assets or Creating New Assets? (ii) Funding of Acquisition and contract details.

Funding

Proposed means of Finance Equity (Rs.

Lakhs) Applicant Co-promoters. Others Debt Domestic (Rs. Lakhs) Indian Financial Institutions Commercial Banks Others (specify) International (FC Million) Supplier's Credit Direct Borrowing Others (specify) Equivalent INR (with Exchange rate used) Others

In case Asset Procurement/Project is proposed to be jointly funded by an External Agency Name & Address of the Agency, and contact details of the reference person of the Agency (name, address, telephone/fax numbers, email etc.,) Proposed Equity from the Agency (Rs. Lakhs) Agency's equity as a percentage of total equity (%) Nature of proposed tie-up between Applicant and the other agency.

Details of debt proposed for the Asset Procurement/Project Details of Lenders (name & address). Details of Loan packages indicating the loan amount, currency, term of loan, interest rate, up-front fees, commitment charges etc. Whether any guarantee is being sought for the loans from any agency. If so provide details

EPC

Whether the Applicant is proposing to employ an EPC Contractor. If Yes, Name, Address & contact details of the same. Proposed Contract Value Foreign Currency Equivalent INR (with Exchange rate used) Yes/No

Other Contracts

Whether the Applicant is proposing to employ any Contractor(s) for O&M work. If Yes, Name, Address & contact details of the same. Period of the Contract Details of the experience Yes/No of the O&M contractor in similar business(es)

Note :

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.

2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

10. Details of Expertise (Personnel) available with applicant

Name of Personnel Qualification Specialisation Years of Experience Status in the Firm

1.

- 2.
- 3.
- 4.
- 5.

11. Financial Details of other business ventures of the applicant :

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable) and separately for each business unit]

General Information

[illegible]

1.2.3.4.5. 1.2.3.4.5.

Financial Indicators

Year	Year	Year	Year	Year
1	2	3	4	5

Fixed Assets	Gross Fixed Assets	Accumulated Depreciation	Net Fixed Assets
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EquityPromoters'Government/Financial InstitutionsPublicOthers

LiabilitiesLong TermShort Term

IncomeSale of PowerOthers

Expenses	Admn. & General Expense	Repairs & Maintenance	Employee
Salaries	100	100	100
Wages	100	100	100
Materials	100	100	100
Repairs	100	100	100
Travel	100	100	100
Telephone	100	100	100
Postage	100	100	100
Printing	100	100	100
Supplies	100	100	100
Utilities	100	100	100
Insurance	100	100	100
Depreciation	100	100	100
Interest	100	100	100
Taxes	100	100	100
Other	100	100	100
Total	1000	1000	1000

Cost	Interest & Financial Charges	Long Term	Short Term	Others
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Overall Turnover (Rs. Lakhs)

Profits & Returns (Rs. Lakhs)	Net Profits	Dividends Paid
1999-2000	1,000	1,000
2000-2001	1,000	1,000
2001-2002	1,000	1,000
2002-2003	1,000	1,000
2003-2004	1,000	1,000
2004-2005	1,000	1,000
2005-2006	1,000	1,000
2006-2007	1,000	1,000
2007-2008	1,000	1,000
2008-2009	1,000	1,000
2009-2010	1,000	1,000
2010-2011	1,000	1,000
2011-2012	1,000	1,000
2012-2013	1,000	1,000
2013-2014	1,000	1,000
2014-2015	1,000	1,000
2015-2016	1,000	1,000
2016-2017	1,000	1,000
2017-2018	1,000	1,000
2018-2019	1,000	1,000
2019-2020	1,000	1,000
2020-2021	1,000	1,000
2021-2022	1,000	1,000
2022-2023	1,000	1,000
2023-2024	1,000	1,000
2024-2025	1,000	1,000
2025-2026	1,000	1,000
2026-2027	1,000	1,000
2027-2028	1,000	1,000
2028-2029	1,000	1,000
2029-2030	1,000	1,000
2030-2031	1,000	1,000
2031-2032	1,000	1,000
2032-2033	1,000	1,000
2033-2034	1,000	1,000
2034-2035	1,000	1,000
2035-2036	1,000	1,000
2036-2037	1,000	1,000
2037-2038	1,000	1,000
2038-2039	1,000	1,000
2039-2040	1,000	1,000
2040-2041	1,000	1,000
2041-2042	1,000	1,000
2042-2043	1,000	1,000
2043-2044	1,000	1,000
2044-2045	1,000	1,000
2045-2046	1,000	1,000
2046-2047	1,000	1,000
2047-2048	1,000	1,000
2048-2049	1,000	1,000
2049-2050	1,000	1,000
2050-2051	1,000	1,000
2051-2052	1,000	1,000
2052-2053	1,000	1,000
2053-2054	1,000	1,000
2054-2055	1,000	1,000
2055-2056	1,000	1,000
2056-2057	1,000	1,000
2057-2058	1,000	1,000
2058-2059	1,000	1,000
2059-2060	1,000	1,000
2060-2061	1,000	1,000
2061-2062	1,000	1,000
2062-2063	1,000	1,000
2063-2064	1,000	1,000
2064-2065	1,000	1,000
2065-2066	1,000	1,000
2066-2067	1,000	1,000
2067-2068	1,000	1,000
2068-2069	1,000	1,000
2069-2070	1,000	1,000
2070-2071	1,000	1,000
2071-2072	1,000	1,000
2072-2073	1,000	1,000
2073-2074	1,000	1,000
2074-2075	1,000	1,000
2075-2076	1,000	1,000
2076-2077	1,000	1,000
2077-2078	1,000	1,000
2078-2079	1,000	1,000
2079-2080	1,000	1,000
2080-2081	1,000	1,000
2081-2082	1,000	1,000
2082-2083	1,000	1,000
2083-2084	1,000	1,000
2084-2085	1,000	1,000
2085-2086	1,000	1,000
2086-2087	1,000	1,000
2087-2088	1,000	1,000
2088-2089	1,000	1,000
2089-2090	1,000	1,000
2090-2091	1,000	1,

Operating Ratios Return on Equity Return on Capital Employed Return on Net Fixed Assets

Liquidity RatioDebt Service Coverage RatioCurrent RatioQuick Ratio

Capital Adequacy & Creditworthiness Debt/Networth Debt/Equity

Turnover RatioTotal Asset TurnoverFixed Asset Turnover

12. Baseline Information (Business for which Licence is sought)

General InformationAsset Base

Sub-station No.(s) :

66 KV, 33 KV, 11 KV

Transformers (Nos.)

Above 500 KVA(separately for each rating)

500 KVA

300 KVA

250 KVA200 KVA100 KVA63 KVA25 KVA10 KVA

HT Line (Circuit Kms.)

66 KV33 KV11 KV

LT Line (Circuit Kms.)

440 Volts.

Commercial Information

Metering StatusMetered Consumers (as a % of Total Consumers)

Billing StatusBilling (as a % of Total Input)

Revenue RealizationRevenue Realization per Unit Sale(Rs./Unit)Collection Efficiency (%)

Estimated LossesTechnical Losses (%)Commercial Losses (%)

PART - B List of Documents to Accompany Licence Application

1. Information relating to pre-existing licence (if any), of the Applicant with copy of licence/sanction.

2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents.

3. Certification of incorporation/Registration.

4. Certification for commencement of Business.

5. Original Power of Attorney of the Signatory confirming the authorization from the Applicant or its Promoter.

6. Details of Income Tax registration.

7. Data relating to Management and Financial capability

a. Manageriali. Senior management's curriculum vitaeii. Cadre strength for different categories (technical and non- technical)b. Financiali. Bank references asserting that the Applicant is financially solventii. Most recent Annual Financial Statements (Balance Sheet)iii. Annual Audited Accounts for the past 3 years for the Applicant and the Holding Company and its Subsidiary or affiliated companies, if any.iv. Any accompanying notes and certifications on the above statements from reputed chartered accountantc. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.

8. Data relating to the Applicant's Business proposals

a. Five year Business Plan (with projection) for the proposed business for which the application relatesb. Five year annual forecasts of costs, sales, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

9. Detailed Map(s)

i. Detailed electrical distribution map (including information on sub-stations and configuration of the system) and geographical map for the proposed area of Distribution, drawn to scale not less than 10 Cms to a Km or any other scale as may be approved by the Commission.ii. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the obligation to supply.iii. A list of all local authorities vested with the administration of any portion of the area of Distribution.iv. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the licence and the means of such acquisition.

10. No objection certificates to distribute or supply in an area from the Central Government as per Section 15(2)(ii) of the Electricity Act, 2003 or an acknowledgement for the filling of the application with the Central Government seeking such approval.

11. Draft Licence.

Date,Signature of the ApplicantAppendix 4 B(See Regulation 24)Punjab State Electricity Regulatory CommissionFORM - 1 : Application Form for Intra State Transmission Licence in the State of PunjabThe applicant must submit the completed application in ten copies to the Secretary, Punjab State Electricity Regulatory Commission, along with application fee as determined by the Commission, from time to time, in the form of a DD drawn in favour of Punjab State Electricity Regulatory Commission payable at ChandigarhPART-A General Information of Applicant

1. Details of Applicant

a. Full Name of the Applicant :b. Full Address of the Applicant :c. Name, Designation & Address of the Contact Person :d. Contact Telephone Numbers :Fax Number(s) :Email ID :

2. Nature and Details of Ownership

a. Company/Firm/Co-op Society/Individual/Others :b. Details of Incorporation/RegistrationPlace of Incorporation/Registration :Year of Incorporation :Registration Number :c. Names and Addresses of Directors/partners/governing body members/trusteesd. Permanent Account Number allotted by Income Tax Department

3. Principal Shareholders/Partners/Members

4. Details of the area of transmission for which the licence is sought :

a. Boundaries of the proposed Area of Transmission :b. Coverage of the Transmission Network :c. Nature of other electricity licenses/authorisation, if any, for electricity transmission, distribution or

trading already granted in the area :d. Funding arrangements (source and application) to meet the obligations :

5. Arrangement proposed with the State Transmission Utility

6. Arrangement, if any, proposed with other licensees

7. Arrangement, if any, with Generating Companies

8. Resume of the Organisation giving details of

a. Management capabilityb. Financial Strength,c. Ability to attend to the activities in a sustainable manner

9. Prior Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

General Information

Name & Address of the project(s) developed

Brief description of project(s) developed

Cost of the project(s) developed - Rs. Lakhs.

Name & Address of the Client company(s) for whom theproject(s) were developed

Name, Designation & Address of Reference person of ClientCo(s)

10. Details of the Assets and facilities required for the Business

(i)Is the applicant acquiring Existing Assets or Creating New Assets ?(ii)Funding of Acquisition and Contract details

Funding

Proposed means of FinanceEquity (Rs.

Lakhs)ApplicantCo-promoters.OthersDebtDomestic (Rs. Lakhs)Indian Financial InstitutionsCommercial BanksOthers (specify)International (FC Million)Supplier's CreditDirect BorrowingOthers (specify)Equivalent INR (with Exchange rateused)Others

In case Asset Procurement/Projectis proposed to be jointly funded by an External AgencyName & Address of the Agency,and contact details of the reference person of the Agency (name,address, telephone/fax numbers, email etc.,)Proposed Equity from the Agency(Rs. Lakhs)Agency's equity as a percentage oftotal equity (%)Nature of proposed tie-up between Applicant and the otheragency.

Details of debt proposed for the Asset Procurement/Project Details of Lenders (name & address). Details of Loan packages indicating the loan amount, currency, term of loan, interest rate, up-front fees, commitment charges etc. Whether any guarantee is being sought for the loans from any agency. If so provide details

EPC

Whether the Applicant is proposing to employ an EPC Contractor. If Yes, Name, Address & contact details of the same. Proposed Contract Value Foreign Currency Equivalent INR (with Exchange rate used) Yes/No

Other Contracts

Whether the Applicant is proposing to employ any Contractor(s) for O&M work. If Yes, Name, Address & contact details of the same. Period of the Contract Details of the experience Yes/No of the O&M contractor in similar business(es)

Note :

1. Consent letters of the other Agency & Contractors to associate with the Applicant for the above project to be enclosed.

2. Necessary approvals and no objections to be obtained at appropriate time and forwarded to the Commission.

11. Details of Expertise (Personnel) available with applicant :

Name of Personnel Qualification Specialisation Years of Experience Status in the Firm

- a.
- b.
- c.
- d.
- e.

12. Financial Details of other business ventures of the applicant

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable) and separately for each business unit :

General Information

Names of Subsidiary Business Units Products Manufactured/Services provided

Financial Indicators	Year	Year	Year	Year	Year
	1	2	3	4	5

Fixed Assets Gross Fixed Assets Accumulated Depreciation Net Fixed Assets

Equity Promoters' Government/Financial Institutions Public Others

Liabilities Long Term Short Term Income Sale of Power Others
Expenses Admin. & General Expense Repairs & Maintenance Employee
Cost Interest & Financial Charges Long Term Short Term Others
Financial Indicators
Overall Turnover (Rs. Lakhs)
Profits & Returns (Rs. Lakhs) Net Profits Dividends Paid
Operating Ratios Return on Equity Return on Capital Employed Return
on Net Fixed Assets
Liquidity Ratio Debt Service Coverage Ratio Current Ratio Quick Ratio
Capital Adequacy & Creditworthiness Debt/Networth Debt/Equity
Turnover Ratio Total Asset Turnover Fixed Asset Turnover

13. Baseline Information (Business for which Licence is sought)

General Information

1. Sub-station No(s) 400 KV, 220 KV, 132 KV.
2. Transformer No(s) to be given separately for each rating.
3. Transmission line (Ckt. Kms) 400 KV, 220 KV, 132 KV

Part B – List of Documents to Accompany Licence Application

1. Information relating to pre-existing licence (if any), of the Applicant with copy of licence/sanction.

2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents

3. Certification of incorporation/Registration

4. Certification for commencement of Business

5. Original Power of Attorney of the Signatory confirming the authorization from the Applicant or its Promoter

6. Details of Income Tax registration

7. Data relating to Management and Financial capability

- a. Manageriali. Senior management's curriculum vitaeii. Cadre strength for different categories (technical and non- technical)
- b. Financiali. Bank references asserting that the Applicant is financially solventii. Most recent Annual Financial Statements (Balance Sheet)iii. Annual Audited

Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or affiliated companyiv. Any accompanying notes and certifications on the above statements from reputed chartered accountantc. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.

8. Data relating to the Applicant's Business proposals

- i. Five year Business Plan (with projection) for the proposed business for which the application relatesii. Five year annual forecasts of costs, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

9. Detailed Maps :

- i. A detailed transmission map (including information as sub-stations and configuration of the system) and geographical map of the proposed area of transmission.ii. The map shall clearly distinguish between the existing system and new facilities that shall be required for meeting the transmission obligations.iii. A list of all local authorities vested with the administration of any portion of the area of transmission.iv. An approximate Statement describing any lands, which the Applicant proposes to acquire for the purpose of the licence and the means of such acquisition.

10. Acknowledgement for service of the copy of the application with the annexures and documents to the State Transmission Utility.

11. No objection certificate to transmit over an area from the Central Government as per Section 15(2)(ii) of the Electricity Act, 2003 or an acknowledgment of the filing of the application with the Central Government seeking such approval.

12. Draft Licence.

Date,Signature of the ApplicantAppendix 4 C(See Regulation 24)Punjab State Electricity Regulatory CommissionForm - 1 : Application Form for Intra State Trading Licence in the State of PunjabThe applicant must submit the completed application in ten copies to the Secretary, Punjab State Electricity Regulatory Commission, along with application fee as determined by the Commission from time to time in the form of a DD drawn in favour of Punjab State Electricity Regulatory Commission payable at ChandigarhPART-A : General Information of Applicant

1. Details of Applicant

- a. Full Name of the Applicant :b. Full Address of the Applicant :c. Name, Designation & Address of the Contact Person :d. Contact Telephone Numbers :Fax Number(s) :Email ID :

2. Details of Ownership

a. Company/Firm/Co-op Society/Individual/Others :b. Details of Incorporation/Registration Place of Incorporation/Registration :Year of Incorporation :Registration Number :c. Names and Addresses of Directors/partners/governing body members/trusteesd. Permanent Account Number allotted by Income Tax Department

3. Principal Shareholders/Partners/Members

4. Details of the area of operation

a. Nature of other electricity licenses/authorisation, if any, of the applicant for electricity transmission, distribution or trading already granted

5. Details of Operation

a. Maximum trading volume proposed to be undertaken by the applicant on a monthly basis for the first three years; (In Million Units and Capacity)

6. Funding arrangements (source and application) to meet the obligations :

7. Arrangement for purchase of energy

8. Arrangement, if any, proposed with other existing trading and distribution licensees

9. Resume of the Organisation giving details of

a. Management capabilityb. Financial Strengthc. Ability to attend to the activities in a sustainable manner

10. Prior Experience (Past 5 years details for Related Business)

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable)]

General Information

Name & Address of the project(s) developed

Brief description of project(s) developed

Cost of the project(s) developed - Rs. Lakhs.

Name & Address of the Client company(s) for whom the project(s) were developed

Name, Designation & Address of Reference person of ClientCo(s)

11. Financial Details of other business ventures of the applicant

[To be filled in by the applicant or by each participant separately in case of JVC/consortium (As applicable) and separately for each business unit

General Information

Names of Subsidiary Business Units Products Manufactured/Services provided

Financial Indicators	Year 1	Year 2	Year 3	Year 4	Year 5
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Fixed AssetsGross Fixed AssetsAccumulated DepreciationNet Fixed Assets

EquityPromoters'Government/Financial InstitutionsPublicOthers

LiabilitiesLong TermShort Term

IncomeSale of PowerOthers

ExpensesAdmn. & General ExpenseRepairs & MaintenanceEmployee

CostInterest & Financial ChargesLong TermShort TermOthers

Overall Turnover (Rs. Lakhs)

Profits & Returns (Rs. Lakhs)Net ProfitsDividends Paid

Operating RatiosReturn on Equity

Operating RatiosReturn on EquityReturn on Capital EmployedReturn on Net Fixed Assets

Liquidity RatioDebt Service Coverage RatioCurrent RatioQuick Ratio

Capital Adequacy &CreditworthinessDebt/NetworthDebt/Equity

Turnover RatioTotal Asset TurnoverFixed Asset Turnover

12. Baseline Information (Business for which Licence is sought)

General Information

PART - B List of Documents to Accompany Licence Application

1. Information relating to pre-existing licence (if any), of the Applicant with copy of licence/sanction

2. Copies of Company's Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents

3. Certification of incorporation/Registration

4. Certification for commencement of Business

5. Original Power of Attorney of the Signatory confirming authorization from the Applicant or its Promoter

6. Details of Income Tax registration

7. Data relating to Management and Financial capability

a. Manageriali. Senior management's curriculum vitaeii. Cadre strength for different categories (technical and non- technical)b. Financiali. Bank references asserting that the Applicant is financially solventii. Most recent Annual Financial Statements (Balance Sheet)iii. Annual Audited Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or affiliated companyiv. Any accompanying notes and certifications on the above statements from reputed chartered accountantc. Any other documentary evidence to substantiate the financial capabilities, technical competence and others.

8. Data relating to the Applicant's Business proposals

(a)Five year Business Plan (with projection) for the proposed business for which the application relates(b)Five year annual forecasts of costs, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)

9. No objection certificate for trading in an area from the Central Government as per Section 15(2)(ii) of the Electricity Act, 2003 or an acknowledgment for the filing of the application with the Central Government seeking such approval.

10. Draft Licence.

Date,Signature of the ApplicantAppendix 5(See Regulation 31)Proforma of PublicationPunjab State Electricity Regulatory CommissionPublic Notice Inviting Objections in Respect of Application filed by_____for Licence for_____Notice is hereby given to all the interested persons that Messrs _____ (name and address of the applicant) has applied to the Punjab State Electricity Regulatory Commission for grant of licence to _____ (nature of the licence) in the area _____ (specify the area of operation). The application and other documents filed by the

applicant can be inspected at the main office of the applicant, at _____ and other offices listed below. The copies of the same will be available from the applicant at any of the above offices for a price of Rs. _____. Any person interested in objecting to or otherwise making representation in regard to the grant of licence may within 30 days of the publication of this notice forward the objections/representation to the Secretary, Punjab State Electricity Regulatory Commission in seven copies by hand delivery or by registered post and should serve a copy of the objection/representation to Messrs _____ at any of the offices mentioned above. The person filing the objection/representation should give the following particulars

1. Name and full address

2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available

3. Whether he wishes to be heard in person or through authorised representative at the time of hearing.

APPENDIX 6(See Regulation 45)Format for Furnishing Technical Details by Generating Companies & CPPs

1. General

i. Name of the Company :ii. Address of Registered Office :iii. Postal Address for communication :iv. Location of the existing/proposed Generating Station :(a)District :(b)Tehsil :

2. Particulars of existing/proposed generating Unit(s)

(i)Installed Capacity in KVA :(ii)No. of Units :(iii)Capacity of each unit in KVA :(iv)No. of Phases :(v)Power Factor :(vi)Frequency (Hz) :(vii)Technical specifications of other equipment :(viii)Voltage of generation in KV :(ix)Step up transformer details (whether Single Phase/Three Phases) :

3. Fuel for existing/proposed Power Plant

(i)Coal/Gas/Naptha :(ii)Others - Specify fuel :(strike-off whichever is not applicable)

4. Tie-up for supply of fuel

(applicable for large unit(s) i.e. MVA and above)(i)Whether Fuel/Coal linkage is received.If yes, particulars :(ii)Whether Fuel Transport Agreement entered into.If yes give details :

5. Other technical particulars.

(i)Actual/Proposed date of commencement of generation : (ii)Salient features of the project relating to Technical details of Generator, Prime Mover, Exciter, Automatic Voltage Regulation, Protection, Interconnection with Licensee (to be separately attached) : (iii)Planned peak generation in MW : (iv)Operating plant load factor : (v)Total annual requirement of electricity in millions of units by the proposed Licensee : (vi)Peak requirement of power by proposed Licensee in MW : (vii)Voltage at which interconnection with Licensee system is desired : (viii)Nearest supply point of interconnection with Licensee : (ix)Arrangements for synchronization, if generating units are proposed to be run in parallel : (x)Estimated cost of proposed interconnection : Date :,SignatureName of the applicant and DesignationAppendix - 7(See Regulation 55)Fuel Cost Adjustment (FCA) formulaTo reflect change in fuel cost for PSEB Thermal Stations and Central Generating Stations that are due to reasons beyond the control of the Board, the following is approved :-

1. Adjustment Amount :

$A = Cfc.gen + Cfc.PPA = \text{Adjustment Amount (during the quarter)}$
 $Cfc., = \text{Change in fuel cost of PSEB thermal stations.}$
 $Cfc.PP = \text{Change in power purchase cost due to change in fuel cost alone for Central Generating Stations.}$

2. Chargeable FCA from the consumers :

Metered Category $FCAM = Am/Um$
 Un-metered Category $FCAHP = AHP/LHP$ where Am and AHP are to be arrived at by apportioning A on the basis of consumption of metered and un-metered category. Um is the number of units billed to metered consumers during the quarter under consideration. LHP is the sum of the connected load of un-metered consumers at the end of each month for the quarter under consideration.

3. The approved formula is subject to the followings :

(i)Commission can review the formula at any stage. (ii)FCA surcharge shall not be charged, if the energy bill including FCA surcharge remains within MMC. (iii)For levy of FCA surcharge, showing basis of calculations/authenticated data shall be supplied by the Board to the Commission by August, November, February and May end each year for the FCA increases of the 1st, 2nd, 3rd and 4th quarter respectively of each year. (iv)The FCA amount shall be calculated on the basis of norms fixed by the Commission for various parameters including total Generation, Power, Purchase, SHR, Transit Loss of Coal, Auxilliary consumption at thermal plants and T&D losses. (v)The FCA for the first quarter of a financial year i.e. from April to June shall be worked out by the Board and approved by the Commission by the end of September of the same year so that the FCA is charged from October onwards. Similarly FCA for the 2nd quarter of a financial year i.e. from July to September shall be worked out by the Board and approved by the Commission by December of the same year so that Fuel Cost Adjustment is charged from January onwards. Similar schedule shall be followed for charging FCA for the third and fourth quarters.