

Andhra Pradesh Provisional Transmission and Bulk Supply Licence, 1999

ANDHRA PRADESH

India

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Rule

ANDHRA-PRADESH-PROVISIONAL-TRANSMISSION-AND-BULK-SUPPLY LICENCE, 1999

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Andhra Pradesh Provisional Transmission and Bulk Supply Licence, 1999Published vide Notification No. G.O.Ms.No. 11, Energy (Power III), dated 30.1.1999Last Updated 22nd August, 2019G.O.Ms.No. 11. - In exercise of the powers conferred by sub-section (4) of Section 14 of the Andhra Pradesh Electricity Reform Act, 1998 (Act No. 30 of 1998), the Governor of Andhra Pradesh, hereby grants to the Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) the provisional licences to engage in the business of transmission and supply of electricity in the State of Andhra Pradesh, on the terms and conditions set out in the licences attached for Transmission and Bulk Supply and Distribution and Retail Supply with effect from First day of February 1999.The Provisional Licence for the Transmission and Bulk Supply of electricity granted by the Government of Andhra Pradesh under Section 14(4) of the Andhra Pradesh Electricity Reform Act, 1998 (Act No. 30 of 1998) to the Transmission Corporation of Andhra Pradesh Limited (APTRANSCO) fore; on the business of Transmission and Bulk Supply within the State of And Pradesh and through the transmission lines owned by the APTRANSCO in the neighbouring States and connected to the Andhra Pradesh Transmission System shall be with the powers and upon the terms and conditions as specified below:

Part I – Terms of the Licence

1. Short Title.

- This Licence may be called as "the Andhra Pradesh Provisional Transmission and Bulk Supply Licence, 1999"

2. Definitions.

- In this licence unless the context otherwise requires;(a)"Act" means the Andhra Pradesh Electricity Reform Act, 1998;(b)"Affiliate" means in relation to the licensee, any subsidiary of the Licensee, any company or entity which has any commercial or financial | interest in the Licensee or in which the Licensee has any commercial or I financial interest;(c)"area of transmission and bulk supply" means the area referred to in the I Schedule of this licence;(d)"bulk supplier" means any person who is authorized to provide bulk I supply;(e)"bulk supply" means the provision of electricity to an authorised person for resale;(f)"distribution" means the transportation of electricity by means of a distribution system;(g)"Distribution and retail supply business" means any Authorised business of the Licensee (i) in or ancillary to distribution (whether for its own account or that of third parties) through any system owned and/or operated by the Licensee and (ii) in the retail supply of electricity to Consumers;(h)"Distribution system" means any system (including the licensee's distribution system) consisting (wholly or mainly) of cables, service lines and overhead lines, electrical plant and metering equipment (excluding generator inter connection facilities) having an operating voltage other than EHV owned or operated by an electricity operator authorized to supply electricity and used for the transportation of electricity to consumers. The Distribution System shall not include any part of a EHV System, except the terminal equipment used for the supply of electricity to a EHV Consumer.(i)"Generating plant" means any plant or apparatus for the production of electricity and shall where appropriate include a generating station comprising one or more than one generating set;(j)"Generator" means a person owning a generating plant connected to the licensee's transmission or distribution system;(k)"Generator inter - connection facilities" means any electric lines, bus bars, switchgear, transformers plant or apparatus owned by generator and utilized for access to the transmission or distribution system;(l)"Grid Code" means the Grid Code prepared under Condition 12 of this Licence;(m)"Licensee" means the Transmission Corporation of Andhra Pradesh Limited (APTRANSCO), constituted under Section 13 of the Act which is the holder of this licence;(n)"Licensee's Distribution system" means any distribution system owned and/or operated by a Distribution and Retail Supply Licensee;(o)"Licensee's Transmission system" means the Transmission System of the Transmission and Bulk Supply Licensee;(p)"Regulations" means regulations made by the Commission under the Act;(q)"retail supply" means sale of electricity for use of the consumers;(r)"separate business" means each of the Transmission and bulk supply business, distribution and retail supply business taken separately from one another and from any other business of the licensee or any affiliate of the Licensee;(s)"supplier" means any electricity operator who carries out or provides bulk supply or retail supply;(t)"supply" means the bulk supply or the retail supply of electricity;(u)"transmission and bulk supply business" means the authorised business of a licensee in transmission and bulk supply;(v)"Transmission System" means the system consisting of extra high voltage electric lines being operated at EHV (Excluding generator inter-connection facilities) owned and/or operated by the licensee for the purpose of the transmission of electricity from one power station to a sub-station or to another power station or between sub-stations or to or from any external inter-connection, equipment up to the inter-connection with the distribution system, any plant and apparatus and meters owned or used by the licensee in connection with the transmission and bulk supply of electricity, but shall not include any part of the licensee's distribution system;(w)The words, terms and expressions used in this licence shall have the same meaning assigned to them in the Andhra Pradesh Electricity Reform

Act, 1998 (Act No. 30 of 1998) and rules and regulations made thereunder;(x)Words, terms and expressions used in this licence which are not defined in this Licence or in the Andhra Pradesh Electricity Reform Act, 1998 (Act No. 30 of 1998) shall have the same meaning given to them in the Indian Electricity Act, 1910 (9 of 1910) and the Electricity (Supply) Act, 1948 (54 of 1948) as the case may be;(y)Any references to any enactment or any section of, Schedule to, or other provision of any such enactment shall be construed, at any particular time, as including a reference to any modification or re-enactment thereof then in force as the same may have been so modified or re-enacted from time to time.

3. Term off Licence.

(1)The Government of Andhra Pradesh in exercise of the powers conferred by Section 14 (4) of the Act hereby grants a Licence for Transmission and Bulk Supply of electricity to the APTRANSCO in the area of Transmission and Bulk Supply during the period specified in paragraph 3(2) subject to the conditions set out in Parts II, III and IV of this licence.(2)This Licence shall come into force on the First day of February 1999 and shall cease to be valid and effective;(a)on completion of twelve months from the said date of enforcement; or(b)on the date notified by the Commission under Section 14 (4) (b) of the Act; whichever is earlier.

Part II – General Conditions

4. Grant of Licence.

(1)The licensee who is seeking licence shall upon the establishment of the Commission, place this licence before the Commission for a Transmission and Bulk Supply Licence which shall be deemed to constitute an application under Section 15 (1) of the Act.(2)Before the commencement of the licence the State Government and thereafter the Commission may add, alter or substitute any of the conditions contained in this licence with prior consultation with the Licensee during the term of this licence.

5. Prohibited Activities.

(1)The licensee shall not on its own account:(a)purchase or otherwise procure electricity or sell or otherwise dispose of electricity to any person other than pursuant to its Transmission and Bulk Supply Business except that the Licensee shall be permitted to enter into arrangements for the purchase of ancillary services; or(b)own, hold any beneficial interest in. or operate, any generating set or other sources of production of power in the area of Transmission and Bulk Supply; except for meeting its emergency power requirements, or(c)own, hold any beneficial interest in, or operate, any facilities for the transmission of electricity in the area of transmission and bulk supply other than pursuant to a licence granted by the State Government, or(d)commence any non-core activity.(2)For the purposes of this paragraph the terms "ancillary services" and "non-core activity" shall have the following meaning:"ancillary services" means black start, reactive power, frequency control and such other services as any electricity operator may be required to have available as

ancillary services pursuant to the Grid Code or any agreement with the licensee primarily for the purpose of securing stability of operation of the Licensee's transmission system: "non-core activity" means any activity of the licensee or an affiliate of the Licensee other than those authorised or licensed under this Act.

6. Information to the State Government or Commission.

(1) Subject to paragraph 6 (2) the licensee shall supply to the State Government or Commission in the manner and at the times specified by the State Government or Commission, such information as the State Government or Commission may consider necessary in respect of the conditions or as it may require for the purpose of performing its functions and duties under the provisions of the Act. (2) The power of the State Government or Commission to require information under paragraph 6 (1) is in addition to the power of the State Government or Commission to require information under or pursuant to any other condition of this licence or the provisions of the Act. (3) "Information" under this condition shall include any documents, accounts, estimates, returns or reports whether or not prepared specifically at the request of the State Government or Commission of any description specified by the State Government or Commission. This information may be for; (a) the Commission's own purpose; or (b) the purposes of the Government of India; or (c) the purposes of the State Government; or (d) the purposes of the Central Electricity Authority. (4) The licensee shall notify to the State Government and Commission as soon as possible of any major incident affecting any part of the total system which has occurred and shall within two (2) months of the date of such major incident: (a) prepare a report giving full details of the facts of the incident and its causes, and (b) furnish copies of the report to the State Government and Commission and to all parties involved in the major incident.

7. Disposal of Assets.

(1) The licensee shall not dispose of or relinquish operational control over any asset unless permitted by the State Government prior to the constitution of the Commission, and thereafter by the Commission. (2) In this Condition "asset" means any asset with a replacement cost in excess of Rs. 30 lakhs or such other figure as the State Government prior to the constitution of the Commission, and thereafter by the Commission, may specify for the time being and from time to time forming part or intended to form part of the Transmission and Bulk Supply Business or for any use in conjunction therewith and any legal or beneficial right, title or interest in land upon which any of the foregoing is situated: and "disposal" includes any sale, gift, transfer, lease. Licence, the grant of any right of possession or ownership whether immediate or in the future, transfer of ownership, loan, security, mortgage, charge or grant of any other encumbrance or the permitting of any encumbrance to subsist or any other disposition to a third party and "dispose" shall be construed accordingly.

8. Health and safety.

- The licensee shall duly comply with all health and safety requirements under the Indian Electricity Rules, 1956 and other applicable laws and regulations in force at the relevant time.

9. Application of Indian Electricity Act, 1910 (9 of 1910) and the Electricity (Supply) Act, 1948 (54 of 1948).

(1)The licensee shall comply with the requirements of the Indian Electricity Act, 1910 and Electricity (Supply) Act. 1948 and rules made thereunder, to the extent they have not been disapplied under the Act, in carrying out its functions and obligations under this licence.(2)The State Government may publish an order authorizing the licensee to exercise any power or authority which could be given to the licensee under the Indian Electricity Act, 1910 (9 of 1910) and the Electricity (Supply) Act. 1948 (54 of 1948).

10. Application of the Indian Telegraph Act, 1885 (13 of 1885).

- The licensee shall have all the powers for the placing of appliances and apparatus for the transmission of electricity, that a telegraph authority possesses under the Indian Telegraph Act, 1885 (13 of 1885), with respect to the placing of telegraph lines and posts for the purposes of a telegraph established or maintained by the Government or to be so established or maintained.

Part III – Technical Conditions

11. Grid Code.

(1)Subject to paragraph 11 (3) the licensee shall in consultation with generators, other licensees and persons materially affected thereby prepare as soon as possible and ensure that there is in force at all times a Grid Code and shall implement and comply. The Grid Code shall;(a)cover all material technical aspects relating to connections to the operation and use of the Licensee's transmission system including the operation of electric lines connected to the Licensee's Transmission System; and(b)be designed so as to permit the development, maintenance and operation of an efficient, co-ordinated and economical system for the transmission of electricity in the Licensee's area of transmission and bulk supply(2)Following consultation with generators, licensees and persons materially affected thereby as the State Government or Commission may consider appropriate the State Government prior to the constitution of the Commission, and thereafter the Commission may issue directions requiring the licensee to revise the Grid Code in such manner as may be specified in the directions, and the licensee shall forthwith comply with any such directions.(3)The State Government, prior to the constitution of the Commission, and thereafter the Commission may following consultations as it may consider appropriate with the licensee issue directions relieving the licensee of its obligations to implement or comply with the Grid Code in respect of such parts of the Licensee's transmission system or to such extent as may be specified in the directions.

12. Capacity procurement Procedure.

(1)The licensee may not enter into any new arrangement to purchase electricity or arrangements for the construction of additional generation capacity, without an authorisation granted by the State Government prior to the constitution of the Commission, and thereafter by the Commission under

the terms of this paragraph.(2)An authorisation required under paragraph 12.1 will be granted when the licensee demonstrates to the satisfaction of the State Government or the Commission as the case may be, that-(a)there is need for the additional power which it proposes to purchase.(b)the licensee has examined the economic, technical, system and environmental aspects of all available alternatives to the proposals for purchasing additional electricity including arrangements for reducing the level of demand and such examination has been carried out in the manner approved by the State Government or the Commission as the case may be, and(c)The licensee will obtain tenders from independent power producers and other parties, specifying the prices and other terms on which they will sell electricity or construct and operate generating plant, the obtaining of such tenders to be in a manner approved by the State Government prior to the constitution of the Commission, and thereafter by the Commission.(3)The restrictions imposed in Paragraphs 12(1) and 12(2) shall not be applicable for short term (less than 6 months) purchases; Provided that the details of such purchases shall be submitted to the Commission within 30 days of concluding arrangement for such short term purchases, except that the Commission may issue general or special orders to regulate such short term purchases.

Part IV – Tariffs

13. Basis of Charges.

(1)The tariffs notified by the APSEB vide B.P.Ms. No. 62 (Operation and Commercial) dated 28-12-1998 shall continue to apply and the APTRANSCO shall be entitled to recover charges as per the above notification till further orders as provided in paragraph 13 (2)(2)The State Government prior to the constitution of the Commission, and thereafter the Commission may issue orders for separate tariffs for transmission, bulk supply or any other activity or services by the APTRANSCO. The APTRANSCO shall be entitled to recover the charges as per the revised orders from the date notified in the said orders.(3)Except as mentioned above the tariff shall be determined in accordance with the provisions of Section 26 of the Act.

Schedule

Area of Transmission and Bulk SupplyThe area of Transmission and Bulk Supply shall comprise of the State of Andhra Pradesh, provided that the licensee may transmit bulk power through transmission lines owned by it in neighbouring States.