

Bhopal, Dated 12<sup>th</sup> August 2025

No. 1644/MPERC/2025-In exercise of powers vested under Sections 14,15,16,17,18 & 19 read with Section 181 of the Electricity Act, 2003 (36 of 2003) and all powers enabling it in that regard, the Madhya Pradesh Electricity Regulatory Commission hereby makes the following Regulations providing for the eligibility criteria for grant of intra-state Transmission licence, procedure to be followed to obtain intra state transmission licence, procedure for application, duties and the terms and condition of the intra-state transmission Licensee; namely: -

**MADHYA PRADESH ELECTRICITY REGULATORY COMMISSION (PROCEDURE, TERMS AND  
CONDITIONS FOR GRANT OF TRANSMISSION LICENCE AND OTHER MATTER OF  
TRANSMISSION LICENSEE (INCLUDING DEEMED LICENSEE)) REGULATIONS, 2025 (REVISION-I)  
(RG-11(I) OF 2025)**

**CHAPTER 1 : PRELIMINARY**

**1. Short Title and Commencement:**

- 1.1.** These Regulations shall be called **“Madhya Pradesh Electricity Regulatory Commission (Procedure, Terms and conditions for Grant of Transmission Licence and Other matter of Transmission Licensee (including deemed Licensee)) Regulations, 2025 (Revision-I) (RG-11(I) of 2025)”**.
- 1.2.** These Regulations shall be applicable to Transmission Licensee (including deemed Licensee) operating in Madhya Pradesh.
- 1.3.** These Regulations shall come into force on the date of their publication in the official Gazette of Government of Madhya Pradesh.

**2. Definitions:**

In these Regulations, unless the context otherwise requires, the words, terms and expressions if not defined in these Regulations, shall have the same meaning as assigned in Act:

- (a)** **“Act”** means the Electricity Act, 2003 (36 of 2003);

- (b) **“Agreement”** means and includes an agreement, contract, memorandum of understanding, or any other covenant in writing on any aspect relating to the Intra- State transmission of electricity, entered into between the Licensee and the Long Term Transmission Customer(s) or the State Transmission Utility, as the case may be;
- (c) **“Annual Accounts”** means the accounts of the Transmission Licensee prepared in accordance with the provisions of the Companies Act 2013 (18 of 2013) as amended from time to time, 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 or MP Act;
- (d) **“Applicant”** means a person who made an application or petition for grant of a Licence for intra-state transmission of electricity;
- (e) **“Application”** means the application or petition made for grant or amendment or renewal or revocation of licence for Intra-State transmission of electricity, as the case may be, and includes annexures and enclosures to such application or petition;
- (f) **“Area of Transmission”** means the area stated in the Transmission Licence, within which the Transmission Licensee is authorized to establish, operate and maintain transmission lines and transmission system;
- (g) **“Auditors”** means the Transmission Licensee’s auditors, and if the Transmission Licensee is a company, auditors holding office in accordance with the requirements of the Companies Act 2013 (18 of 2013) as amended from time to time; or any other law for the time being in force;
- (h) **“Authorized”** in relation to any Person, business or activity, means authorized by Licence granted under Section 14 of the Act or deemed to be granted under first, second and fifth proviso of Section 14 of the Act or granted exemption under Section 13 of the Act;

- (i) **“Bid Process Coordinator (BPC)”** means an agency notified by the State Government for coordinating the process of inviting bids for procurement of services for intra-state transmission of electricity in accordance with the competitive bidding guidelines;
- (j) **“Central Transmission Utility”** or **“CTU”** means any government company notified by the Central Government under Section 38(1) of the Act and shall refer to Central Transmission Utility of India Limited (CTUIL) as presently notified;
- (k) **“Commission”** means the Madhya Pradesh Electricity Regulatory Commission;
- (l) **“Conduct of Business Regulations”** means the applicable Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2016, as revised and amended from time to time;
- (m) **“Deemed Licensee”** means a person, who is deemed to be a Licensee for intra-state transmission of electricity under any of the provisos to Section 14 of the Act;
- (n) **“Financial Statement”** means financial statements comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto and such other particulars and details and in the manner as the Commission may prescribe from time to time and showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either charged from the Licenced Business to any Other Business or vice versa together with a description of the basis of that charge; or determined by apportionment or allocation between the Licenced Business and any other business of the Licensee together with a description of the basis of the apportionment or allocation for each financial year.

The Financial Statement shall show separately the requirements mentioned above for the Licenced Business and Other Business (es) in which the Licensee may be engaged with the approval of the Commission;

- (o) **"Financial Year"** or **"Year"** means a period of twelve months commencing on 1<sup>st</sup> April of a year and terminating on 31<sup>st</sup> March of the following year;
- (p) **"Force Majeure"** means the events or circumstances or combination of events or circumstances including those stated below which partly or fully prevents the transmission Licensee to complete the project within the time specified in the Investment Approval, and only if such events or circumstances are not within the control of the transmission Licensee and could not have been avoided, had the transmission Licensee taken reasonable care or complied with prudent utility practices:
- i. Act of God including lightning, drought, fire and explosion, earthquake, volcanic eruption, landslide, flood, cyclone, typhoon, tornado, geological surprises, or exceptionally adverse weather conditions which are in excess of the statistical measures for the last hundred years; or
  - ii. Any act of war, invasion, armed conflict or act of foreign enemy, blockade, embargo, revolution, riot, insurrection, terrorist or military action; or
  - iii. Industry wide strikes and labour disturbances having a nationwide impact in India; or
  - iv. Delay in obtaining statutory approval for the project except where the delay is attributable to project developer;
- (q) **"General Conditions"** means General Conditions of Transmission as specified in these Regulations;
- (r) **"Grid Code"** means the MP Electricity Grid Code (MPEGC) specified by the Commission under Section 86 (1) (h) of the Act and includes the Indian Electricity Grid Code (IEGC) as amended from time to time;

- (s) **"Holding Company"** For the purpose of these Regulations a Company shall be deemed to be a holding company of another if and only if that other is a subsidiary as defined herein / shall have the same meaning as in Section 2(46) of the Companies Act, 2013;
- (t) **"Intra-state Transmission System"** means any system for transmission of electricity other than an inter-State Transmission System;
- (u) **"Licenced Business"** means the business of Transmission of electricity in the Area of Licence as authorized under the Transmission Licence;
- (v) **"MPPMCL"** means the Madhya Pradesh Power Management Company Limited, a company incorporated under the Companies Act, 1956 (now Companies Act, 2013) and the holding company for 3 State Distribution Companies, namely MP Madhya Kshetra Vidyut Vitaran Company Limited, Bhopal, MP Paschim Kshetra Vidyut Vitaran Company Limited, Indore and MP Poorv Kshetra Vidyut Vitaran Company Limited, Jabalpur;
- (w) **"MP Act"** means the Madhya Pradesh Vidyut Sudhar Adhiniyam 2000 (4 of 2001);
- (x) **"Open Access"** Open Access shall have the same meaning as defined in Section 2(47) of the Act;
- (y) **"Other Business"** means any business of a Transmission Licensee other than the Licenced Business;
- (z) **"Person"** shall include any company or body corporate or association or body of individuals, whether incorporated or not, or artificial juridical person;
- (aa) **"Standards of Performance"** means the standards as may be specified by the Commission pursuant to Section 86 (1) (i) of the Act;
- (bb) **"State Committee (s)"** means committee(s) constituted by State Government as referred to in the MoP Guidelines for "Encouraging Competition in Development of Transmission Projects", dated 10th August 2021 as amended from time to time;

- (cc) **"State Transmission Utility"** or **"STU"** means the State Transmission Utility notified by the Government of Madhya Pradesh under Section 39 (1) of the Act;
- (dd) **"Supply"** means the supply of electricity and the word Supplier is construed accordingly;
- (ee) **"Tariff Based Competitive Bidding Guidelines"** means the guidelines issued by the Central Government in terms of Section 63 of the Act for the Development of Transmission Projects, as amended from time to time;
- (ff) **"Transfer"** shall include the sale, exchange, gift, lease, licence, loan securitization, 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;
- (gg) **"Transmission Licence"** means a Licence granted by the Commission to a person /company under Section 14(a) of the Act for establishing, operating and maintaining of transmission lines and transmission system in the area specified in the licence;
- (hh) **"Transmission Licensee"** means a Licensee authorized to establish or operate transmission lines;
- (ii) **"Transmission Operating Standards"** means the standards related to the Licensee's operation of its Intra-State Transmission System as specified by the Commission;
- (jj) **"Transmission Planning and Security Standards"** means the standards related to the adequacy of the Licensee's system planning and security of its Intra-State Transmission System as specified by the Commission;
- (kk) **"Use of System"** means use of the Transmission System for the transmission of electricity by a Person specified in Regulation 25; and
- (ll) **"Users"** means anyone who uses the assets of the Transmission Business including the Generators, Traders, Distribution Licensees, Open Access Customers and Consumers.

## CHAPTER 2: SELECTION OF PROJECT AND IMPLEMENTING AGENCY

### 3 Intra-State Transmission Planning & Responsibility of State Transmission Utility:

- 3.1. State Transmission Utility (STU) has the key responsibility of network planning and development based on the National Electricity Plan in coordination with all concerned agencies. Such a network plan to be developed by STU shall be according to the Guidelines for Encouraging Competition in Development of Transmission Projects issued by the Ministry of Power, GoI vide notification dated 10<sup>th</sup> August 2021 as amended from time to time.
- 3.2. The State Transmission Utility shall discharge all the functions of planning and co-ordination relating to the intra-state transmission system in coordination with all the agencies as prescribed in Section 39 (2) of the Act.
- 3.3. "State Committee(s) on Transmission" may be constituted by the State Government as envisaged under the MoP Guidelines for "Encouraging Competition in Development of Transmission Projects", dated 10<sup>th</sup> August 2021. The Committee(s) constituted by the State Government may discharge such functions as assigned to them by the State Government through terms of Reference and may identify the projects to be included in the Transmission Plan and to be developed under tariff based competitive guidelines.
- 3.4. Intra-State transmission projects costing above the threshold limit specified by the Commission in MPERC (Terms and Conditions for Determination of Transmission Tariff), Regulations, 2024 as amended from time to time other than those exempted by the State Government, shall be implemented through tariff based competitive bidding according to the Tariff based Competitive Bidding Guidelines.
- 3.5. A Bid Process Coordinator (BPC) as notified by State Government shall be responsible for conducting the bidding process for procurement of required transmission services for each intra-state transmission project to be implemented under tariff-based competitive bidding in accordance with the Tariff based Competitive Bidding Guidelines.

- 3.6** The BPC shall intimate the Commission about initiation of the bidding process.
- 3.7** The Special Purpose Vehicle (SPV) incorporated by BPC shall be designated as the Transmission Service Provider (TSP). The successful bidder shall acquire the SPV after submitting a contract performance guarantee.
- 3.8** Transmission Service Provider, shall, approach the Commission, within a period of five (5) working days from the date of the acquisition of entire equity of the said SPV, for grant of transmission licence and adoption of transmission tariff.
- 3.9** The projects exempted by the State Government or projects below the threshold limit as specified by the Commission shall be developed by the State Transmission Utility or deemed transmission Licensee, or a state owned or controlled company. The transmission tariff of such projects shall be determined by the Commission under Section 62 of the Act:

### **CHAPTER 3: PROCEDURE FOR GRANT OF LICENCE**

#### **4 Proceedings Before the Commission:**

All proceedings before the Commission under these Regulations shall be governed by the MPERC (Conduct of Business) Regulations, 2016 as amended from time to time.

#### **5 Eligibility for Grant of Licence:**

- 5.1. No person shall be eligible for grant of licence for intra-state transmission of electricity unless it is,
- (a) Selected through the process under the tariff based competitive bidding guidelines issued under Section 63 of the Act; or
- (b) Selected by the State Government or its designated agency to implement a project whose tariff is determined by the Commission under Section 62 of the Act.

Provided that a generating company or a person setting up a captive generating plant or an Energy Storage System or a consumer having load

of not less than ten Megawatt in case of Intra-State Transmission System shall not be required to obtain licence under the Act for establishing, operating or maintaining a dedicated transmission line to connect to the grid, if such company or person or consumer complies with the Regulations, technical standards, guidelines and procedures issued under the provisions of the Act.

## **6 Procedure for Grant of Licence:**

- 6.1.** Any person desirous of engaging in the State of Madhya Pradesh in the business of intra-state transmission of electricity shall apply to the Commission for the grant of licence in such form ( Annexure 1 ) as specified under Regulation 6.2 of these Regulations and accompanied by documentary evidence of having paid such fees as may be specified for the purpose under Schedule-1 of Madhya Pradesh Electricity Regulatory Commission (Fees, Fines and Charges) (Revision-II) Regulations, 2024 as amended from time to time .
- 6.2.** The application (Annexure 1) for intra-state transmission licence shall be made in accordance with the provisions of the Act and these Regulations.
- 6.3.** The applicant shall forward a copy of the application including the documents attached to the application to the STU and MPPMCL.
- 6.4.** Every application or petition for intra-state transmission licence and the supporting documents, in such number of copies as the Commission may specify in MPERC (Conduct of Business) Regulations, 2016 as amended from time to time, shall be signed by applicant/ petitioner and addressed to Secretary or such Officer as the Commission may designate in this behalf and shall be accompanied by:
  - i. a statement of business plan, with the capital proposed to be expended in carrying on the Licenced Business, the means of financing for such capital expenditure, the resultant efficiency improvements and such other particulars as the Commission may require;

- ii. a copy of the Memorandum of Association and Articles of Association of the company, where the Applicant is a body corporate, and similar applicable documents of incorporation, registration or agreement in case of other business entities;
- iii. a copy of Annual Accounts or other similar documents as may be required;
- iv. an affidavit by the Applicant verifying the information disclosed in the application;
- v. where the Applicant is a body corporate, details of any group company(ies) engaged in the business of generation, distribution, transmission or trading of electricity, whether within the State of Madhya Pradesh or in any other State;
- vi. where the Applicant is not a body corporate, details of any business of generation, distribution, transmission or trading of electricity, whether within the State of Madhya Pradesh or in any other State, in which the Applicant is directly or indirectly interested;
- vii. A receipt in acknowledgement of payment of the fees; and
- viii. Such other documents or information as the Commission may seek.

**6.5. Contents of application:**

The application referred to in Regulation 6.2 above shall contain the following particulars:

- i. A short title descriptive of the proposed licence 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;
- ii. Location of the proposed area of operation;
- iii. A description of the proposed area of operation;
- iv. Details of area including the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation

of the Government for defence purpose, under the proposed area of operation. A no objection certificate to grant the licence, on part of the Central Government, shall be submitted if the proposed area of operation have any or all of these.

- v. The general conditions and also the specific conditions, if any, which the Commission has specified for inclusion in the licences of the nature applied with justification for any deviation sought for; and
- vi. Such other particulars as the Commission may specify

**6.6. 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.

**6.7. Copies of supporting documents for public inspection:**

The applicant shall maintain at his own office and at such other place as may be specified by the Commission, the copies of complete set of the documents referred to in Regulation 6.4 for public inspection and furnish to persons applying for them at a price not exceeding reasonable photocopying charges. The applicant shall also upload the complete application along with annexures on its website. The application shall be kept posted on the website of the applicant till such time the application is disposed of by the Commission.

**6.8. Calling for additional information:**

The Commission or the Secretary or any Officer designated for the purpose by the Commission 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 considered necessary for the purpose of dealing with the application.

**6.9. Notifying the due filing of the application:**

**6.9. Notifying the due filing of the application:**

On confirmation of receipt of the requisite and necessary information, particulars and documents, the Commission or the Secretary or the officer designated for the purpose shall certify that the application is ready to be considered for grant of licence in accordance with the procedure provided in the Act and in these Regulations and shall communicate the same to the applicant.

**6.10. Advertisement of application and contents thereof:**

**6.10.1.** The applicant shall, within seven (7) working days of filing such application to the Commission, publish a notice of its application by public advertisement in at least two leading daily newspapers having wide circulation, one in English language and another in the Hindi language where an element of the project or concerned transmission line network is situated or proposed to be situated, inviting comments from the general public. The advertisement shall contain such particulars as the Commission may specify. The notice shall also be kept posted on the website of the applicant.

**6.10.2.** The application published in the newspapers and uploaded on applicant's website should clearly mention that the suggestions and objections to the application, if any, may be filed by any person within twenty-one (21) days of publication of the notice to the Applicant with a copy to Secretary, MPERC at the address, as specified in Conduct of Business Regulations, 2016 through an order made in that behalf.

**6.10.3.** The Commission may direct that the notice of the application be served on the Central Government, the State Government and such other authority, person or body as the Commission may specify in the manner as the Commission may consider appropriate.

**6.11. Objections:**

(a) Any person intending to object to the grant of the licence shall file objections within twenty-one (21) days from the date of publication of the notice or extended period as may be specified by the Commission.

- (b) Any person who desires to have any amendment made in the conditions of licence shall deliver a statement of the amendment to the applicant and to such officer as the Commission may designate in this behalf within the time allowed by the Commission.

**6.12. Hearings and local inquiries:**

- a) If the applicant has duly arranged for the publication of the notice of the application and the time for filing the objection is over, the Commission shall proceed with the hearing of the application.
- b) The Commission shall give the notice of inquiry or hearing to the applicant, the persons who had filed objections, the Central Government, the State Government and such other authority, person or body as the Commission considers appropriate.
- c) If any person objects to the grant of licence applied for, the Commission may cause a local enquiry to be held in such manner as the Commission may direct.
- d) In case of such local enquiry, a memorandum of the findings of the local enquiry shall be prepared and shall be signed by the applicant, the officer or person designated for the purpose and such other person as the Commission may direct.

**6.13.** The STU and MPPMCL shall send their comments/ objections/ suggestions, if any, to the Commission, with a copy to applicant, on the proposal for grant of licence made in the application within a period as directed by the Commission.

**6.14.** The applicant may submit his response, duly supported by an affidavit, on the comments/ objections/ suggestions made by STU/ MPPMCL, if any, received in response to the public notice within seven (7) working days of receipt of such comments/ objections/ suggestions, with an advance copy to the STU/ MPPMCL and the person, if any, who has filed the comments/ objections/ suggestions on the proposal made in the application.

**7. Grant of Licence:**

- 7.1.** The Commission after considering the suggestions and objections received in response to the public notice, and the comments, if any, received from STU/ MPPMCL may either propose to grant the licence to the applicant or for reasons to be recorded in writing, reject the application.
- 7.2.** Before granting a licence, the Commission shall also publish a notice of its proposal on the Commission's website and in two daily newspapers, having wide circulation, as the Commission may consider appropriate, stating the name and address of the person to whom it proposes to grant the licence, details of the project for which it proposes to grant a licence, location or route of the elements of the project, and any other details that the Commission may consider appropriate, to invite further suggestions and objections on its proposal within 21 days of the publication of the notice.
- 7.3.** The Commission may, after consideration of the further suggestions and objections, if any, received in response to the public notice in terms of Regulation 7.2 of these Regulations, grant licence to the applicant, or for reasons to be recorded in writing, reject the application.
- 7.4.** The Commission shall before granting the licence or rejecting the application under the provisions of these Regulations provide an opportunity of hearing to the applicant, STU, MPPMCL and the person who has filed comments/ objections/ suggestions, or any other interested person.
- 7.5.** The Commission shall, within seven ( 7 ) days of making the order to grant the licence to an applicant send a copy of the licence to Energy Department, Govt of MP, the Central Electricity Authority, the State Transmission Utility and the applicant.
- 7.6. Commencement of Transmission Licence:**
- The Transmission Licence shall commence from such date as the Commission shall notify.

**7.7. Validity of Transmission Licence:**

The Transmission Licence shall be valid for a period of twenty-five (25) years from the date of commencement unless it is revoked by the Commission.

**7.8. Deposit of Maps:**

Upon grant of Transmission Licence, four (4) sets of maps showing the route of the transmission line along with locations and with such details as the Commission may specify, shall be signed and dated to correspond with the date of notification of the grant of the licence, by the Secretary or any other officer designated by the Commission. One set of such maps shall be retained by the Commission, one set shall be deposited with STU and the other two (2) sets shall be returned to the Licensee.

**7.9. Deposit of Copies of Licence:**

**7.9.1.** Every person who is granted a Transmission Licence shall, within thirty (30) days of the grant thereof:

- a) have adequate number of copies of the Transmission Licence printed;
- b) have adequate number of maps prepared showing the area of transmission specified in the Transmission Licence; and
- c) Arrange to exhibit a copy of such Transmission Licence and maps for public inspection during working hours at his head office, at his local offices (if any) and at the office of every local authority within the area of supply as the Commission may specify in this regard.

**7.9.2.** Every Transmission Licensee shall, within the aforesaid period of thirty (30) days, supply, free of charge, one copy of the Licence and the relevant maps to every local authority as may be specified by the Commission in this regard and shall also make necessary arrangements for the sale of printed copies of the Transmission Licence to all persons applying for the same, at a price not exceeding normal photocopying charges.

**CHAPTER 4 : GENERAL CONDITIONS / OBLIGATIONS OF LICENSEE****8 Functions and Duties of the Licensee:**

- 8.1.** The Licensee shall undertake transmission of electricity through its intra-state transmission system;
- 8.2.** The Licensee shall discharge all functions of planning and co-ordination relating to intra-state transmission system with :
- a) State Transmission Utility;
  - b) State Government;
  - c) Generating Companies;
  - d) Regional Power Committees;
  - e) Authority;
  - f) Other Licensees;
  - g) State Load Dispatch Centre; and
  - h) Any other person notified by the State Government or the Commission on this behalf.
- 8.3.** The Licensee shall ensure development of an efficient, coordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centers
- 8.4.** The Licensee shall build, maintain and operate an efficient, coordinated and economical intra-State transmission system, as the case may be.
- 8.5.** The Licensee shall provide non-discriminatory open access to its transmission system for use by any Licensee or consumer or a person engaged in generation in accordance with the Regulations specified by the Commission.

- 8.6.** The Licensee shall undertake the above functions as per the specific guidelines mentioned in this Regulations and in future Codes, orders, Regulations and guidelines issued from time to time.
- 8.7.** The Licensee shall fully comply with the provisions of Regulations issued by CEA and in particular CEA (Measures Related to Safety and Electricity Supply) Regulations, 2023 and CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007 and CEA (Technical Standards for Construction of Electrical Plants and Electric Lines) Regulations, 2022 as amended from time to time.

**9 Limitations On the Transmission Licensee:**

- 9.1.** The 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;
  - c) transmit electricity to any Person in the state of Madhya Pradesh, other than pursuant to these Regulations except to the extent required to meet its obligations under the Act, in relation to the intra-state transmission of electricity.; and
  - d) shall enter into any contract or acquire any beneficial interest in any Generating Company or Generating Station or Distribution Company or Trading Company or otherwise engage in the business of trading.
- 9.2.** The 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. 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.

- 9.3.** The Licensee shall not at any time assign his licence or transfer the utility, or any part thereof, by sale, lease, exchange or otherwise without prior approval of the Commission.
- 9.4.** The Licensee shall not commence any new provision of services to any other Licensee or Person not authorized by the Commission for the transmission of electricity through the Licensee's Transmission System. except for the generator or by special approval of the Commission.
- 9.5.** In circumstances requiring immediate remedial action in the interest of continuity of supply to any Person, the Licensee may commence the activity referred to in Regulation 9.4, provided that the Licensee shall inform the Commission of such occurrence or circumstances within five (5) days thereafter.
- 9.6.** The Licensee shall not transfer the Transmission System or any assets utilized in the Transmission Business for the purposes of any Other Business activities, without the prior approval of the Commission.

**10 Other Business of Licensee:**

- 10.1.** The Licensee may engage in any business to optimize the utilization of assets, but only with prior approval of the Commission. Any such engagement shall be for the purpose of gainful employment of assets only.
- 10.2.** A proportion of the revenue derived from such business shall be utilized for reducing the charges for transmission. The proportion shall be as specified by the Commission in Regulation 10.3 and 10.4 of these Regulations:

Provided that the proportion of the revenue / profit allowed to be utilised for reduction of transmission charges through orders of the Commission prior to enforcement of these Regulations shall continue till 31.03.2026 and thereafter the same shall be governed by these Regulations.

- 10.3.** If there are no investments involved in the Other Business, a maximum of 25% of

the profit earned by the Transmission Licensee from such new business, after meeting all reasonable expenses including corporate tax towards this income, may be retained by the Transmission Licensee in that business, and the balance shall be used towards reducing its charges for transmission to its customers.

- 10.4.** If the Transmission Licensee makes an additional investment for the purpose of the Other Business, the Transmission Licensee may charge the new business a fee for making use of the transmission assets, which shall be not less than 75% of the fee which such new business would have paid for similar assets/services from an independent agency/company, and the fee so collected may be used towards reducing its charges for transmission to its customers.
- 10.5.** The Licensee shall ensure that the transmission business does not subsidize in any way such business undertaking nor creates encumbrance on its transmission assets in any way to support such business.
- 10.6.** Any engagement by the Licensee in any Other Business should not be in contravention of these Regulations and may be permitted by the Commission subject to the following conditions:
- a) the Licenced Transmission Business and the conduct thereof by Transmission Licensee (including deemed Licensee) is not prejudiced and/or adversely affected in any manner;
  - b) the Licensee shall prepare and keep, in respect of 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 Licenced Business;
  - c) the Licensee shall comply with such guidelines, conditions that the Commission may specify in regard to:

- i. the Licensee engaging in Other Business activities; and
- ii. payment of fair compensation to the Licenced Transmission Business for the assets of the Licensee utilized for such Other Business activities; and

d) the Licensee shall not enter into any contract or otherwise engage in the business of trading in electricity.

- 10.7.** The Licensee shall be entitled to give equipment / materials in its possession on hire. The Licensee shall also be entitled to lay communication channels through transmission lines. The Licensee shall also be entitled to permit affixing of advertisement kiosks on properties on possession of Licensee. The Licensee shall be entitled to sell or dispose of scrap / unserviceable / obsolete materials / equipment. The earnings from such activities shall be included in the Annual Revenue Requirement petition to be filed with the Commission on an annual basis.
- 10.8.** The Licensee shall seek the 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 Licenced Transmission Business. Loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.
- 10.9.** The Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company to provide any goods or services to itself, in connection with the Licenced Transmission Business subject to the following conditions:
- a) that the transaction will be on an arms-length basis and at a value that is fair and reasonable in the circumstances;
  - b) that the transaction will be consistent with any Regulations framed by the

Commission relating to the provision of goods and services with respect to the Licenced Transmission Business;

- c) That the Transmission Licensee shall submit to the Commission, for each financial year a certificate from a Chartered Accountant as regards compliance with the requirement of Regulation 10.9(a) above; and
- d) that the Licensee will give 15 days' notice to the Commission prior to commencement of the proposed arrangement and along with the notice provide all relevant details of the arrangement:

Provided that no approval of the Commission shall be required for constitution of a Government Company for operation of State Load Despatch Center under Section 31 of the Act.

**10.10.** In all other cases of engagement of such Subsidiary or Holding Company or a subsidiary of the Holding Company, prior permission of the Commission will be required. Where such prior permission is required, the Licensee will file a suitable petition with the Commission disclosing relevant facts. The Commission may, within thirty (30) days of the filing of the petition, seek further information in support of the petition. The Commission shall generally within thirty (30) days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission as above, generally within sixty (60) days of filing of the application, allow the arrangement subject to such conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

**10.11. Obligations of Licensee:**

**10.11.1.** The Licensee shall, during the validity of the licence, maintain sufficient insurance in accordance with prudent utility practices or as may be necessary under:

- a) any of the agreements; and

b) the laws in force in India:

Provided that the Licensee may opt for self-insurance.

**10.11.2.** The Licensee shall build the project in a time-bound, efficient, coordinated and economical manner.

**10.11.3.** The Licensee shall establish, operate and maintain the project in accordance with the prudent utility practices and the agreements.

**10.11.4.** The Licensee shall comply with such directions of the State Load Despatch Centre under Section 32 of the Act, as may be issued from time to time for maintaining the availability of the project:

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

**10.11.5.** The Licensee shall strictly comply with all laws in force in India and, in particular, the Act, the Rules and Regulations framed pursuant to the Act, the Grid Code, the relevant Regulations and Standards issued by the Central Electricity Authority, orders and directions issued by the Commission.

**10.11.6.** The Licensee shall provide non-discriminatory open access to its transmission system for use by a transmission Licensee, a distribution Licensee, an electricity trader, a generating company, or any other person in accordance with the MPERC (Terms and Conditions for Intra-State Open Access in Madhya Pradesh) Regulations, 2021, as amended from time to time.

**10.11.7.** The Licensee, who has been granted a licence in terms of these Regulations, shall pay

the licence fee in accordance with the MPERC (Fees, Fines and Charges (Revision-II) Regulations 2024, as amended from time to time.

**10.11.8.** Wherever prior approval of the Commission is required, the Licensee shall make an appropriate application before the Commission in accordance with MPERC (Conduct of Business) Regulations, 2016, as amended from time to time.

**11 Subsidy Mechanism:**

The Licensee shall not, without prior permission of the Commission, give any subsidy or subvention to any person or any other business, or receive any subsidy or subvention from any person except the State Government pursuant to Section 65 of the Act.

**12 Renewal of Licence:**

**12.1** The transmission licence for the transmission projects whose tariff is determined by the Commission under Section 62 of the Act, shall, on completion of twenty-five (25) years from the date of issue of licence, stand automatically renewed for another period of twenty-five (25) years at a time, unless revoked earlier:

Provided that the transmission Licensee for transmission projects whose tariff is determined by the Commission under Section 62 of the Act, on completion of twenty-five (25) years of licence may seek renewal of the licence for a period less than twenty-five (25) years by making an application in accordance with Regulation 6 of these Regulations two years before the expiry of the initial period of licence:

Provided further that the Commission may renew the licence for a period less than twenty-five (25) years after considering the merits of the case.

**12.2** Any person who has been issued transmission licence consequent to its selection under tariff based competitive bidding in terms of Section 63 of the Act shall, for renewal of licence beyond twenty-five (25) years, make an application in accordance with Regulation 6 of these Regulations two years before the expiry of the initial period of licence:

Provided that the Commission may renew the licence for a period less than 25 years after considering the merits of the case:

Provided further that where the Licensee is required to approach the Commission for renewal of licence, but Licensee does not make an application within the stipulated timeframe for renewal of licence beyond the initial period of twenty-five (25) years, the Commission may, to protect the interest of the consumers or in the public interest, issue such directions or formulate such schemes as it may deem necessary for the operation of the transmission assets for the remaining part of its useful life:

Provided also that the Licensee shall ensure transfer of all project assets along with substation land, right of way and clearances to STU or its successors or an agency as decided by the State Government after thirty-five (35) years from COD of project at zero cost and free from any encumbrance and liability. The transfer shall be completed within ninety (90) days after thirty-five (35) years from COD of project failing which STU shall be entitled to take over the project assets Suo moto.

### **13 Transmission Tariff:**

- 13.1** In case the Licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission tariff in terms of the Transmission Service Agreement may be adopted by the Commission under Section 63 of the Act after following the prescribed procedure as per MPERC (Conduct of Business) Regulations, 2016 as amended from time to time.
- 13.2** In all other cases, the transmission tariff shall be determined under Section 62 of the Act, in accordance with the applicable Transmission Tariff Regulations notified by the Commission as amended from time to time.
- 13.3** Where the tariff of the transmission projects has been determined by the Commission under Section 62 of the Act, the tariff of such projects beyond the initial period of licence

of twenty-five (25) years, shall continue to be determined in accordance with the applicable Transmission Tariff Regulations as amended from time to time for the extended period of licence, if any.

**13.4** Tariff for transmission projects, which have been developed under competitive bidding guidelines issued by the Ministry of Power, Government of India vide letter dated 13.04.2006. as amended from time to time. for the period beyond the initial period of licence of 25 years, shall be governed as under:

- a) where the tariff has been quoted up to the 25<sup>th</sup> year from the date of commercial operation and the licence is extended in terms of Regulation 12, the tariff for the extended period shall be payable as decided by the Commission on an application made by the Licensee in this regard;
- b) where the tariff has been quoted up to the 35<sup>th</sup> year from the date of commercial operation and the licence is extended further in terms of Regulation 12, the tariff for the extended period from the 26<sup>th</sup> year to the 35<sup>th</sup> year shall be payable on the basis of the rate quoted at the bidding and adopted by the Commission for the respective years of operation; and
- c) the tariff for the period beyond the 35<sup>th</sup> year in respect of projects covered under Regulations 13.4 (a) and 13.4 (b) shall be payable as decided by the Commission on an application made by the Licensee in this regard.

#### **14 Prohibition of Undue Preference:**

The Licensee shall not show undue preference to any Person:

provided that the Licensee shall not be deemed to be in breach of its obligations under these Regulations, if any, undue preference results from compliance with any directions of the State Government under Section 37 of the Electricity Act or in the implementation of any order passed by the Commission.

#### **15 Investments:**

- 15.1.** The Licensee shall not make any investment except in an economical and efficient manner and in keeping with these Regulations and in accordance with the other relevant Regulations, guidelines, directions and orders the Commission may issue from time to time.

- 15.2.** Commission may require the Licensee to submit a 5-year Investment Plan consistent with the National Electricity Plan issued by the Central Electricity Authority with details of investment schemes to be undertaken during the period for the approval of the Commission. This Investment Plan shall be correlated with the Capex Plan mentioned in Regulation 19.9 of these Regulations. In such case, the Licensee shall intimate, during the first month 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-à-vis the plan as approved by the Commission for a block of 5 years.
- 15.3.** The Licensee shall make an application to the Commission for obtaining prior approval of the Commission for schemes involving investments as per the procedure which the Commission may specify from time to time and demonstrate to the satisfaction of the Commission that:
- a) There is a need for the investment in the transmission system, which the Licensee proposes to undertake; and
  - b) The Licensee has examined the economic, technical, system and environmental aspects of all viable alternatives to the proposal for investing in or acquiring new transmission system assets to meet such needs.
- 15.4.** The Licensee shall invite and finalize tenders for procurement of equipment, material and/or services relating to such investment, in accordance with a transparent tendering procedure.

**15.5.** In case of any unforeseen contingencies, required re-allocation of funds within the schemes listed in the annual investment plan, transmission Licensee (including deemed Licensee) may do so, with the approval of the Commission. If on account of unforeseen circumstances Transmission Licensee (including deemed Licensee) is required to make investment in a scheme, which does not find a place in the annual investment plan, it may do so after prior approval of the Commission.

**16 Transfer of Assets:**

**16.1.** Transmission Licensee (including deemed Licensee) shall not, in a single transaction, transfer or relinquish operational control over any land, building, or asset whose estimated book value at the time of the proposed disposal exceeds Rs.1.00 Crores, without complying with Regulation 16. The Licensee shall not divide, partition or split the assets or the cost thereof in order that the provision of Regulation 16 is circumvented.

**16.2.** Transmission Licensee (including deemed Licensee) shall give to the Commission prior written notice of its intention to transfer or relinquish operational control over any asset whose value exceeds Rs 1.00 Crores and disclose all relevant facts. The Commission may, within thirty (30) days of the receipt of the notice, seek further information in support of the transaction and shall, generally within thirty (30) days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission as above, within sixty (60) days of the filing of the application, approve the Transfer Arrangement subject to such conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.

**16.3.** The Licensee may transfer or relinquish operational control over any asset as specified in any notice given under Regulation 16.2, if:

- 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 Licensee in writing of any objection to such transfer or relinquishment of operational control within the notice period referred to in Regulation 16.2 only through transparent and competitive bidding procedures.

**16.4.** The Licensee may transfer or relinquish operational control over any asset where:

- a) The Commission has issued directions containing a general consent (whether or not subject to conditions) to:
- i. 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 of or relinquishment of operational control is in accordance with any conditions to which the consent is subject,
- b) the transfer or relinquishment of operational control in question is required by or under the mandate of any other Act;
- c) the asset in question was acquired and used by the Licensee exclusively or primarily in connection with any other business that it has been authorized to carry on pursuant to Regulation 10 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.

**16.5.** Notwithstanding what is stated above, the Licensee will be entitled to utilize the assets as a means of financing its investment requirements, including collateral for debt financing, sale and lease back, securitization of receivables, subject to the conditions:

- a) the Licensee will inform the Commission about such arrangement/s at least fifteen (15) days prior to the effective date of the relevant agreement/s;
- b) the Licensee acts in a prudent and reasonable manner in such utilization of

assets; and

- c) the Licensee retains the operational control over assets in the transmission system.

**16.6.** The Licensee shall be entitled to sell or dispose of the scrap / unserviceable material / unserviceable equipment.

#### **17 Provisions applicable to Deemed Licensees:**

The general conditions of Transmission Licence specified in these Regulations shall also be applicable to a deemed Licensee under the first, second, and fifth proviso to Section 14 of the Act.

### **CHAPTER 5: ACCOUNTS**

**18.1.** The Licensee shall, in respect of the Licenced Business and any Other Business:

- a) keep such accounting records as would be required to be kept in respect of each such business as if it were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Licenced Business are separately identifiable in the books of the Licensee, from those of any other business in which the Licensee is engaged; and
- b) prepare on a consistent basis from such accounting records and deliver to the Commission:
  - i. the Financial Statements;
  - ii. in respect of first six months of each financial year, an interim profit and loss account, cash flow statement and balance sheet with all supporting documents and other information, if any, as the Commission may require from time to time.
  - iii. in respect of the Financial Statements prepared in accordance with Regulation 18.2 (b) (i) & (ii), an Auditor's report in respect of each financial year, stating whether in their opinion these statements have been properly prepared

and give a true and fair view of:

- a) in case of Balance Sheet, of the state of Company Affairs; and
  - b) in case of the profit and loss account, of the profit or loss for financial year.
- iv. a copy of each interim profit and loss account not later than forty-five (45) days after the end of the period to which it relates, and copies of the Financial Statements and Auditor's report not later than six (6) months after the end of the financial year to which they relate.

**18.2.** The Licensee shall not normally change the basis of charge or apportionment or allocation in relation to the preparation of the Financial Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 2013, the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) or any guidelines issued by the Commission in this regard.

**18.3.** Where, in relation to the Financial Statements in respect of a financial year, the Licensee has changed such basis of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission, in addition to preparing Financial Statements on those basis which it has adopted, prepare such Financial Statements on the basis which applied in respect of the immediately preceding financial year.

**18.4.** Financial Statements prepared under Regulation 18.1 shall, unless otherwise approved or directed by the Commission:

- a) be prepared and published with the Annual Accounts of the Licensee, in the manner prescribed in the Regulations;
- b) state the accounting policies adopted; and
- c) be prepared in accordance with Accounting Standards issued by ICAI.

- 18.5.** References in this chapter to costs or liabilities of, or reasonably attributable to, Licenced Business or Other Business shall be construed as excluding taxation, and capital liabilities, which do not relate principally to such Business, and interest thereon.
- 18.6.** The Licensee shall ensure that the Financial Statements in respect of each financial year prepared under Regulation 18.1 and the Auditor's report in respect of each financial year referred to in Regulation 18.1 (b) (iii) are made available to any person requesting them at a price not exceeding the cost of photocopying them.

#### **CHAPTER 6 : PROVISION OF INFORMATION TO COMMISSION**

- 19.1** The Licensee shall provide all information as applicable to the Licensee as per the formats specified in MPERC (Transmission Performance Standards) Regulations 2022, as amended from time to time, to monitor its operational performance on regular basis.
- 19.2** The Licensee shall furnish to the Commission without undue delay such information, documents and details related to the licenced transmission business or any Other Business and within the timelines as the Commission may require.
- 19.3** In the event of any major incident affecting any part of the Transmission System, the Licensee shall inform the Commission and the users of the transmission system (if the major incident affects them) as soon as possible. The Licensee shall at the earliest possible date within fifteen (15) days and in any event, not later than two months from the date of such major Incident:
- a) Submit a detailed report to the Commission giving full details of the facts within the knowledge of the Licensee regarding the incident and its cause;
  - b) In the event the report under Regulation 19.3 (a) is likely to take more than fifteen (15) days from the date of the major Incident, the Licensee shall within fifteen (15) days from such date of the incident submit a preliminary report with such details which the Licensee can reasonably furnish and state reasons as to why the Licensee

requires more than fifteen (15) days for giving full report of such incident; and

c) Give copies of the report to such other Persons as the Commission may direct.

**19.4** The decision of the Commission as to what is a major Incident shall be final. The Commission may, after providing an opportunity of hearing the Licensee by order, direct the Licensee to provide such amount of compensation as the Commission may specify to Persons' who suffer substantial injury or to the heirs of those who lose their lives as a consequence of a major Incident that has been caused by any act of commission, omission or negligence on the part of any of the employees or agents of the Licensee while performing any function on behalf of the Licensee.

**19.5** The Commission at its own discretion may require the submission of a report on any incident or incidents to be prepared by an independent Person at the expense of the Licensee. Such expenses shall be included in the determination of aggregate revenues made in accordance with these Regulations.

**19.6** The Commission may at any time require the Licensee to comply with the provisions of Regulations 19.3 to 19.5 as to incidents which the Commission may specifically direct and the Licensee shall be obliged to comply with the same, notwithstanding that such incidents are not major Incidents; provided that the time limits specified in Regulation 19.3 shall commence from the date that the Commission notifies the Licensee of such requirement.

**19.7** The Licensee shall also undertake such studies as the Commission may direct it to undertake from time to time for the improvement of the licenced transmission business and/or any other matter concerning the licenced transmission business and/or any technical matter for ensuring Grid Security/Renewable integration/load flow etc. that the Commission considers necessary in public interest or in the interest of the electricity industry.

**19.8** The Licensee shall inform the Commission about any incident of a user not meeting its obligation under an approved contract, or a force majeure situation restricting it from meeting its obligation under these Regulations.

**19.9** The Licensee shall submit a 5-year Capex Plan consistent with National Electricity Plan issued by Central Electricity Authority by 1<sup>st</sup> October of each year, and update it annually, which shall contain year-wise load growth and year-wise proposed loss reduction along with specific action plan, investment plan, treatment of previous losses reduction of liabilities, cost reduction plan, and other information as Commission may require. Transmission Licensee (including deemed Licensee) must also adhere to requirements laid out by the Commission in other Regulations, orders or guidelines in this regard.

**19.10** The Commission may require the Licensee to intimate during the first quarter of each financial year the progress made in implementing the Capex Plan of the previous financial year with the comparison of actual implementation vis-à-vis the Plan as approved by the Commission. Based on this, the subsequent plan may be modified subject to approval by the Commission.

#### **CHAPTER 7 : PAYMENT OF ANNUAL FEES**

**20.1.** The Licensee shall pay an initial licence fees on prorata basis on number of days as may be specified in "MPERC (Fees, Fines and Charges) Regulations, 2024" as amended from time to time within a period of one week from the date of grant of Licence:

Provided that the annual fee calculated on pro rata basis for a part of the year shall be rounded off to nearest hundred rupees.

**20.2.** For each subsequent year that the Licence remains in force, the Licensee shall, pay to the Commission Annual Licence Fee as may be specified in Schedule of Fees and Fine of MPERC (Fees, Fines and Charges) Regulations, 2024 as amended from time to time in advance by 31<sup>st</sup> March of each year.

**20.3.** Where the transmission Licensee fails to pay any of the fees due under Regulation 20.1 and/or 20.2 above by the dates specified:

(i) The Licensee shall be liable to pay interest on the outstanding amount

at the prevailing bank rate, the interest being payable for the period beginning on the day after which the amount becomes due, and ending on the day on which the payment is made;

(ii) The Licensee shall be subject to proceedings for the recovery of the fees; and

(iii) The Commission may revoke the Licence pursuant to the provisions of the Acts.

#### **CHAPTER 8 : REVOCATION OF LICENCE**

**21.1.** Subject to the provisions of Section 19 of the Act and these Regulations, the Commission may, at any time initiate proceedings against the Licensee for revocation of his licence and if satisfied in such proceedings on the grounds for revocation duly considering the public interest, may revoke his licence in any one of the following cases, namely: -

(a) where the Licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under the Act or the MP Act, or the Regulations made thereunder or failed to comply with any order or direction issued by the Commission;

(b) where the 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 Licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Commission may have granted thereof:

(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 fee or other

charges required by his Licence;

(d) where in the opinion of the Commission the financial position of the Licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him; and

(e) has committed an act, which renders this licence revocable on any other grounds specified in the Acts or the Regulations.

**21.2.** Where in its opinion the public interest so requires, the Commission may, on application, or with the consent of the Licensee, revoke his licence as to the whole or any part of his area of transmission upon such conditions as it thinks fit.

**21.3.** The Licensee shall comply with all the Regulations, codes, standards and also orders and directions of the Commission. When the Commission expressly states that an order subjects the Licensee to its compliance, failure to comply with that order will render his licence liable to revocation in accordance with Section 19 of the Act (without prejudice to the Commission's right to revoke his licence on any other applicable grounds).

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

**21.5.** Pursuant to section 19 (4) of the Electricity Act, the Commission may also direct that the Licence may not be entirely revoked, but operations under Licence may be allowed to continue with additional terms and conditions that the Commission deems fit. Any such further terms and conditions shall be binding on the Licensee and shall be observed by the Licensee and shall be of like force and effect as if it were contained in the terms and conditions of Licence.

**21.6.** When the Licensee makes an application for revocation of the licence and the Commission is satisfied that public interest requires it, the Commission may revoke the

licence, on such terms and conditions as it thinks fit.

**21.7.** The Commission, shall serve a notice of revocation upon the Licensee and fix a date on which the revocation shall take effect and shall simultaneously specify how and by whom the obligations under the licence are to be discharged after such revocation.

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

## **CHAPTER 9 : AMENDMENT OF LICENCE CONDITIONS**

### **22 Amendment of Licence Conditions**

**22.1.** The Commission may on its own motion or on an application made by the Licensee (other than deemed Licensee) or otherwise make such alterations and amendments in the terms and conditions of licence, if the Commission is of the opinion that the public interest so requires inter-alia under the following categories.

- a) Where the Commission orders any alterations and amendments otherwise than on the application of the Licensee, the Commission shall publish a notice in two such daily newspapers as it considers necessary with the following particulars, namely:
  - i. name and address of the Licensee;
  - ii. alterations and modifications proposed to be made in the licence;
  - iii. grounds for such alterations and modifications; and
  - iv. statement inviting suggestions and objections, if any, on the proposal for consideration of the Commission within the time specified in the notice.
- b) Where an existing Licensee which has been granted a transmission licence pursuant to

selection under the competitive bidding guidelines, and is subsequently selected through the process under the competitive bidding guidelines to implement additional transmission element(s) under project mode, it shall be eligible to add such transmission element(s) to its existing licence, after making an application before the Commission in terms of this Regulation.

- c) Where an existing Licensee which has been granted a transmission licence pursuant to being nominated by the State Government or its authorized agency to implement transmission element(s) under regulated tariff mechanism, is further nominated to implement additional transmission element(s) under Regulated Tariff Mechanism, it shall be eligible to add such transmission element(s) to its existing licence, by making an application before the Commission in terms of this Regulation.

- 22.2.** The procedure specified in Regulation 6 of these Regulations shall mutatis mutandis be applicable in case the Licensee makes an application for any amendment to the licence.
- 22.3.** The Commission shall also upload petition submitted by the applicant for amendment of Licensee condition on the website of the Commission, inviting suggestions and objections on the proposal for amendment of the licence.
- 22.4.** The Commission shall carry out such amendment to the licence as may be considered necessary after consideration of the suggestions and objections received from stakeholders

## **CHAPTER 10 : TECHNICAL CONDITIONS**

### **23 Compliance with Grid Code by the Transmission Licensee**

- 23.1. The Transmission Licensee shall ensure due compliance with the Indian Electricity Grid Code and the Madhya Pradesh Electricity Grid Code, 2024 (State Grid Code) as amended from time to time.
- 23.2. The Commission may, on reasonable grounds and after consultation with the affected Generation Company, Transmission Licensee, the State Transmission Utility, the State Load Despatch Centre and electricity traders, issue direction relieving the 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.

#### **24 Transmission Planning, Security Standards and Transmission Operating Standards:**

**24.1.** The Licensee shall plan and operate the transmission system, so as to ensure that the transmission system is capable of providing an efficient, co-coordinated and economical system of Transmission and shall comply with Codes or Regulations specified by the Commission in this regard as per provisions of Section 86 (1) (i) of the Act and by the Authority under Section 73 of the Act. In particular, the Licensee shall:

- a) plan and develop its transmission system in accordance with the Transmission System Planning and Security Standards together with the State Grid Code as approved by the Commission; and
- b) operate the transmission system in accordance with the transmission system operating standards together with the State Grid Code as approved by the Commission.

**24.2.** The Licensee shall, within sixty (60) days from the date of issue of licence or such longer time as the Commission may allow after the issue of licence, prepare, in consultation with the suppliers, generating companies, State Transmission Utility, and such other Person as the Commission may specify, and submit to the Commission for approval the Licensee's proposal for Transmission Planning and Security Standards, Transmission Operating Standards, in accordance with Regulation 24.

**24.3.** The Transmission Planning and Security Standards, Transmission Operating Standards submitted by Transmission Licensee (including deemed Licensee) pursuant to these Regulations, with such modifications as the Commission may require, shall take effect from such dates as the Commission shall specify.

**24.4.** The Transmission Licensee shall not be in breach of its obligations under these Regulations if it has failed to meet the Transmission Planning and Security Standards or the

Transmission Operating Standards directly due to force majeure;

Provided that, the Licensee has used its reasonable efforts, to the extent possible, to comply with the Transmission Planning and Security Standards or the Transmission Operating Standards, as the case may be.

- 24.5.** The Licensee shall make reasonable arrangements to provide for transmission of electricity to suppliers and open access consumers.

Provided that the Licensee shall not be considered in breach of the requirements of these Regulation in circumstances where, for reasons accepted by the Commission, the Licensee has been unable to transmit electricity to suppliers and open access consumers.

- 24.6.** The Licensee shall, in consultation with Users, the Central Transmission Utility and such other Persons as the Commission may deem fit, review the Standards and their implementation in accordance with amendment in the Grid Code and rules, notification issued by Ministry of Power, GoI from time to time and submit comments / suggestion promptly to the Commission for approval.

- 24.7.** Having regard to any written comments / suggestions referred to in Regulation 24.6 above and following such further consultation (if any) as the Commission may consider appropriate, the Commission shall proceed to issue directions requiring the Licensee to revise the Standards in such manner as may be specified in the directions.

- 24.8.** The Commission may issue directions requiring the Licensee to revise any of the Standards in such manner as may be specified by the Commission.

- 24.9.** The Licensee shall, on an annual basis forecast the quantum of power to be transmitted through its transmission system based on the forecast made available by Users within the Area of Transmission in each of the next succeeding five years.

- 24.10.** The Licensee shall within three (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 Licensee shall, if required by the Commission, publish a

summary of the report in a manner to be determined by the Commission. Copies of this report shall be furnished to all persons applying for the same at the cost of photocopying.

## CHAPTER 11 : CONNECTION AND USE OF SYSTEM CHARGES

### 25 Requirement to Offer Terms of Use of System and Connection to Systems:

25.1 The Licensee shall make arrangements for the use of the Transmission System by Users or Persons or Suppliers. On application made by such Users or Persons or Suppliers, the Licensee shall offer to enter into an agreement with such Users or Persons or Suppliers for the use of the Transmission System conforming to the Connection Conditions specified in the Grid Code and on payment of Use of System Charges as may be specified by the Commission.

Explanation: -The Users and Persons and or Suppliers referred to in Regulation 25.1 are: -

- a) Persons authorized to use the network of the Licensee for the purpose of transmission of electrical energy; and
- b) Such other Persons as the Commission may authorize to use the Transmission System.

25.2 The Licensee shall not be obliged pursuant to Regulation 25.1 to 'offer to enter' or 'to enter' into any agreement if:

- (a) it is likely to result in breach of its duties under Section 40 of the Act; or
- (b) it is likely to result in breach of any rules or Regulations relating to safety or Standards applicable to the Transmission Business; or
- (c) being in breach of the Grid Code; or
- (d) being in breach of any of these Regulations; or
- (e) the Users/Persons/Suppliers making the application do not undertake to comply with the Grid Code from time to time in force to the extent that it is applicable to those Users/Persons/Suppliers; or

(f) in case of Users/ Persons/Suppliers making application for Use of System under Regulation 25.1 ceases to be authorized as specified therein.

- 25.3 If, after a period, which appears to the Commission to be reasonable for the purpose, the Licensee has failed to enter into an agreement with any Users or Person or Suppliers referred to in Regulation 25.1 and Regulation 25.2 pursuant to a request under Regulation 25.1, the Commission may at the request of any such Users or Persons or Suppliers settle such terms in dispute between the Licensee and that Users or Persons or Suppliers and the Licensee shall comply with direction of the Commission.
- 25.4 The 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 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.
- 25.5 At the request of a User or a Person or a Supplier who wishes to use the Transmission System under Regulation 25.1, the Licensee shall prepare an update to the above statement, incorporating the 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.
- 25.6 The Licensee may charge for any statement given or sent to Users or Persons or Suppliers seeking Use of System, of an amount reflecting the Licensee's reasonable costs of providing such statement.
- 25.7 By virtue of these Regulations, the Licensee is entitled to undertake all activities necessary, related or incidental to the conduct of the Licence Transmission Business, this would include laying and operating appropriate communication network to implement information technology-based solutions like remote metering etc. for the Licensed Transmission Business.

**CHAPTER 12: OPEN ACCESS IN TRANSMISSION****26 Introduction of Open Access:**

**26.1.** It shall be the duty of the Transmission Licensee to provide non-discriminatory open access to its transmission system for use by:

- (i) any Licensee or generating company on payment of the transmission charges; or
- (ii) any consumer as and when such open access is provided by the State Commission under Section 40, on payment of the transmission charges and a surcharge thereon, as may be specified by the State Commission.

**26.2.** The surcharge shall be utilized for the purpose of meeting the requirement of current level cross-subsidy:

Provided that such surcharge and cross subsidies shall be progressively reduced in the manner as may be specified by the Commission.

**26.3.** The manner of payment and utilization of the surcharge shall be specified by the Commission. Such surcharge shall not be leviable in case open access is provided to a person who has established a captive generating plant for carrying the electricity to the destination of his own use.

**CHAPTER 13 : PENALTY****27 Penalty for Contravention of Conditions of the Licence:**

Violation or persistent non-compliance of directions under these Regulations by the Licensee shall attract action under Section 142 of the Electricity Act and Sections 31, 45, and 46 of MP Act and other applicable provisions of the Act and the Regulations. The Penalty shall not be allowed to be claimed in the Annual Revenue Requirement of the Licensee.

**CHAPTER 14 : MISCELLANEOUS****28 Procedure for Securing Compliance of Terms and Conditions of Licence:**

- 28.1.** Where the Commission, on the basis of material in its possession is satisfied that the Licensee is contravening or is likely to contravene the terms and conditions of the licence, it shall serve a notice to the Licensee narrating the terms and conditions of licence contravened or likely to be contravened by him to seek its explanation.
- 28.2.** The notice may be served on him by delivering the same electronically, including through the e-portal of the Commission and at the registered office or at its usual or last known place of residence or business, either through registered post or speed post or by hand delivery through a messenger. Where the Commission is satisfied that it is not reasonably practicable to serve the notice on the Licensee in the manner as mentioned, the Commission may direct for service of notice by publication in the newspaper in such manner as considered appropriate by the Commission.
- 28.3.** The Commission, if it considers that it is necessary to bring the matters to the attention of persons affected or likely to be affected by such contravention, shall publish a notice in one or more newspapers specifying the terms and conditions contravened or likely to be contravened by the Licensee to invite suggestions from such persons.
- 28.4.** The Licensee or the persons affected or likely to be affected by the contravention of the terms and conditions of the licence by the Licensee may file their objections or suggestions within thirty (30) days from the date of receipt under Regulation 28.2 or publication of notice in the newspapers under Regulation 28.3, as the case may be.
- 28.5.** The Commission shall, on consideration of the objections and suggestions received as aforesaid, pass such order or give such directions as may be necessary to secure compliance with the terms and conditions of the licence.

**29 Dispute Resolution:**

- 29.1.** All disputes or differences arising out of or connected with the interpretation of the licence

or the terms and conditions thereof, shall, as far as possible, be resolved by mutual consultation and reconciliation in accordance with the agreements.

- 29.2** The Commission shall be entitled to act as arbitrator or to appoint arbitrator(s) to adjudicate and settle disputes between the Transmission Licensee and any other Licensee in pursuance of section 39(1)(b) of the MP Act.
- 29.3** All issues arising in relation to interpretation of these Terms and Conditions of Licence 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.
- 29.4** The arbitration proceedings for disputes under Regulations 29.2 above may be commenced and conducted by the Commission or the disputes may be referred to the arbitration of others, as the case may be, in accordance with the MPERC (Conduct of Business) Regulations, 2016 as revised and amended from time to time, specified by the Commission.
- 29.5** The 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 are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Transmission Licensee.

### **30 Communication:**

- 30.1.** All communications under these Regulations shall be in writing and shall be delivered either in person to the addressee or its authorised agent or sent by registered post or speed post at the registered office or at the usual or last known place of residence or business of the addressee.
- 30.2.** All communications shall be deemed to have been given by the sender and received by the addressee –
- a) When delivered in person to the addressee or to its authorized agent; OR
  - b) On expiry of fifteen (15) days from the date of sending the communication by registered or speed post at the address of the addressee.

**31 Power to Relax:**

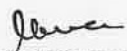
- 31.1.** The Commission, may by general or special order for reasons to be recorded in writing and after giving an opportunity for hearing to the parties likely to be affected by grant of relaxation, may relax any of the provisions of these Regulations on its own motion or on an application made before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

**32 Power to Remove Difficulty:**

If any difficulty arises in giving effect to the provisions of these Regulations, the Commission may, on its own motion or on an application made before it by an affected person, by order, make such provisions not inconsistent with the provisions of the Act, the Rules or provisions of other Regulations specified by the Commission, as may appear to be necessary for removing the difficulty in giving effect to the objectives of these Regulations.

**33 Repeal and Savings:**

- 34.1.** The Regulations namely MPERC, (Conditions of Transmission Licence for Transmission Licensee (including deemed Licensee)) Regulations, 2004, and MPERC (Procedure of Application for License) Regulations, 2004 as applicable to the subject matter of this Regulation as amended from time to time, are hereby repealed.
- 34.2.** Notwithstanding such repeal, anything done or any action taken or notice made or issued or any Licence, permission, authorization or exemption granted under the repealed Regulations in so far as it is not inconsistent with the provisions of these Regulations, shall be deemed to have been done under the corresponding provisions of these Regulations.
- 34.3.** 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 ends of justice to meet or to prevent abuses of the process of the Commission.
- 34.4.** Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of this Regulation, 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 for dealing with such a matter or class of matters.
- 34.5.** Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Regulations have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.
- 34.6.** The Transmission Licences issued by the Commission prior to commencement of these Regulations shall be deemed to have been issued under these Regulations and shall continue to be valid for the balance period of such Licences and these Regulations shall apply to such Licences from the date of commencement of these Regulations.

  
By order of the Commission

(Dr. Umakanta Panda)  
Secretary

**Annexure -1 (Refer Regulation 6.2)****APPLICATION FORM FOR THE GRANT OF TRANSMISSION LICENCE****PARTICULARS OF THE APPLICANT**

1. Name of the Applicant:
2. Address:
3. Name, Designation & Address of the contact person:
4. Contact Tel. Nos.:
5. Fax No.:
6. E-mail ID:
7. Place of Incorporation/Registration:
8. Year of Incorporation/Registration:
9. Geographical Area within which Applicant proposes to undertake transmission:
10. Following documents are to be enclosed
  - a) Certificate of registration/incorporation:
  - b) Certificate for commencement of business:
  - c) Memorandum of Association and Articles of Association:
  - d) Copy of power of attorney of the signatory to commit the Applicant or its promote
  - e) Details of Income Tax Registration:
  - f) Certificate of Credit Rating
  - g) Certificate of "Standard" borrowal account
  - h) Certificate stating that RBI has not classified the Applicant as a "wilful defaulter".
  - i) Maps/ Description of Proposed Area of Transmission
11. Net worth (in equivalent Indian Rupees-conversion to be done at the rate of exchange prevailing at the end of each Year) for immediate past 5 (five) financial years. (Specify financial year as applicable)

(DD/MM/YY) (DD/MM/YY)	to	In Home Currency	Exchange rate used	In Equivalent Indian Rupees

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

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

<b>(DD/MM/YY) (DD/MM/YY)</b>	<b>to</b>	<b>In Home Currency</b>	<b>Exchange rate used</b>	<b>In Equivalent Indian Rupees</b>

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

13. (a) Whether Applicant himself shall be financing the proposed transmission of electricity fully on its own balance sheet  
 (b) If, yes, proposed equity from the Applicant  
 (i) Amount:  
 (ii) Percentage:
14. In case the Applicant proposes to tie up with some other Agency for equity, then name & address of such agency:  
 (a) Name, designation & Address of reference person of the other Agency:  
 (b) Contact Tel. No.:  
 (c) Fax No.:  
 (d) E-mail ID:  
 (e) Proposed equity from the other Agency  
 (i) Amount:  
 (ii) Percentage of total equity:  
 (iii) Currency in which the equity is proposed  
 (f) Consent letter of the other agency to associate with the Applicant for equity participation to be

enclosed.

(g) Nature of proposed tie-up between the Applicant and the other agency.

15. Details of debt proposed for the transmission activity:

(a) Details of lenders:

(b) Amount to be sourced from various lenders:

(c) Letters from the lenders in support of the above to be enclosed.

16. Organizational & Managerial Capability of the Applicant: (The Applicant is required to enclose proof of their Organizational & Managerial Capability, in form of proposed organizational structure & curricula vitae of various executives, proposed office and communication facilities, etc.)

17. Details of the Project for which licence is being sought

**A. Transmission Lines**

S N	Name (end point locations of Transmission Element)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)	Line Capacity (MVA)	Remarks

**B. Sub-stations**

S N	Name/ Location	Voltage Level (kV)	Transformer (Nos & MVA capacity)	Reactive/capa citive compensation (device with MVAR capacity)	No of Bays	Remarks

**C. Commissioning schedule (Please insert/delete rows as per requirement)**

Transmission Line 1	
Transmission Line 2	
Sub-station 1	

Sub-station 2	
Common Schedule of Project	

- D.** Identified long term transmission customers of the project:  
(Agreement of status of discussion on Agreements to be submitted along with application).
- E.** Government Notification for Approval of the Project.
- F.** Government notification for Appointment of BPC.
- G.** Any other relevant information
18. Quoted transmission charges in case of project selected through the guidelines of competitive bidding and estimated completion cost of the project in other cases:  
(The quoted transmission charges or the estimated cost, as the case may be, should be indicated in INR, along with the base month and year in case of the estimated cost.)
19. In case applicant has been selected in accordance with the competitive bidding guidelines, enclose:
- Approval of the empowered committee
  - Evaluation Report (if made public) by the Bid Process Coordinator
  - Copy of Transmission Service Agreement
  - Government Notification for Approval of the Project.
  - Government notification for Appointment of BPC.

**(Signature of the Applicant)**

Date:

Place :