Haryana Electricity Regulatory Commission, Panchkula, Haryana

Notification

The 27th December, 2005

Licensing of trading, Eligibility Criteria for Grant of Trading Licence, the Duties and the Terms and Conditions of Trading Licence, Regulation, 2005

Regulation No. HERC/13/2005: In exercise of powers conferred by Section 181 (2) (b) read with Section 15 (1), Section 181 (2) (c) read with Section 15 (2), Section 181 (2) (d) read with Section 16, Section 181(2) (e) read with Section 18 (2) (a) and Section 181 (2) (f) read with Section 18 (2) (c), Section 181 (2) (z) read with section 52 and Section 181 (2) (zp) of the Electricity Act, 2003 (36 of 2003), and all other powers enabling in this behalf, the Haryana Electricity Regulatory Commission, hereby makes the following regulations namely: -

1. Short Title, Commencement and interpretation

(i) These Regulations may be called the Haryana Electricity Regulatory Commission (Licensing of trading, Eligibility Criteria for Grant of Trading Licence, the Duties and the Terms and Conditions of Trading Licence) Regulation, 2005.

(ii) These Regulations shall apply to any person undertaking intra-state trading of electricity in the State of Haryana.

(iii) These Regulations shall come into force on the date of their publication in the Haryana Government Gazette.

(iv) The Punjab General Clauses Act 1898(1 of 1898), as applicable to the state of Haryana shall apply to the interpretation of these Regulations.

2. Definitions: -

In these Regulations, unless the context otherwise requires –

a) "Act" means the Electricity Act, 2003 (36 of 2003);

b) "Central Commission" means the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of the Act;

c) "Commission" means the Haryana Electricity Regulatory Commission;

d) "Intra-state trading" means purchase of electricity for resale thereof by an electricity trader within the State of Haryana.

e) "Licence" means a licence granted under Section 14 of the Act to undertake trading in electricity within the territory of the state of Haryana.

f) "Licensee" means a person who has been granted a licence under Section 14 of the Act to undertake intra-state trading in electricity within the state

of Haryana and includes a person deemed to be a licensee under Section 14 of the Act.

g) "Net worth" means sum total of paid up capital and free reserve (excluding revaluation reserves) less accumulated losses and deferred expenditure not written off;

h) "State" means the State of Haryana;

i) All other expressions used herein but not specifically defined herein but defined in the Act shall have the meaning assigned to them in the Act. The other expressions used herein but not specifically defined in these regulations or in the Act but defined under the Haryana Electricity Reform Act, 1997 shall have the meaning assigned to them under the said Act, provided that such definitions in the Haryana Electricity Reform Act, 1997 are not inconsistent with the provisions of the Electricity Act, 2003.

3. Provision for inter-state trading licensee

(1) A person who has been granted a licence by the Central Electricity Regulatory Commission for inter-state trading shall not be required to take a licence under these regulations in respect of sale or purchase of electricity within the State of Haryana. However, such a licensee shall inform in writing as per **Form –1** to the Commission about its intention to trade in the state of Haryana and also abide by the prevailing regulations / codes/ orders/ guidelines/ directions issued by the Commission from time to time.

(2) The inter-state trading licensee shall be liable to pay to the Commission an annual licence fee, same as applicable to the intra-state trading licensee, as specified in the Haryana Electricity Regulatory Commission (fee) Regulation, 2005 (Regulation No- HERC/10/2005) as amended from time to time.

(3) If inter-state trading licensee fails to either pay any fee under condition 3 (2) above or does not abide by the prevailing regulations / codes/ orders/ guidelines/ directions issued by the Commission from time to time, he shall not be allowed to continue trading in the State of Haryana.

Chapter-II: Procedure for grant of licence

4. Application form and fee for licence

(1) An application for the grant of Licence shall be made in **Form-2** and that for seeking amendments to an existing licence shall be made in **Form-3**. The application shall be supported by an affidavit of the authorised person as

prescribed under the HERC (Conduct of Business) Regulations 2004 (Regulation No- HERC/06/2004).

(2) An application under sub-regulation (1), signed by or on behalf of the applicant, shall be made in seven suitably bound copies (one original plus six photocopies) to the Secretary, Haryana Electricity Regulatory Commission.

(3) An application under sub-regulation (1) shall be accompanied by a non-refundable processing fee as specified in the Haryana Electricity Regulatory Commission (fee) Regulation, 2005 (Regulation No- HERC/10/2005) as amended from time to time. The amount of fee shall be remitted in the form of a demand draft drawn in favour of the Secretary, Haryana Electricity Regulatory Commission and payable at Panchkula. The State Government has prescribed such fee to be Rs. 1,00,000/-.

(4) The applicant shall also furnish his application along with its enclosures on a suitable digital media.

5. Documents to accompany application

(1) An application for grant of a licence shall be accompanied by:

(a) a copy of the business plan covering a minimum period of 5 years, with statement of the proposed capital outlay in connection with the utility, means of financing the proposed capital expenditure and such other particulars as the Commission may require;

(b) in case an applicant is a company, society, Co-operative society, local authority or partnership concern:

i) a copy of the Memorandum and Articles of Association of the company or constitution of society or byelaws of the co-operative society or partnership deed (authorising the applicant to undertake the proposed licensed business) along with incorporation or registration proof,

ii) a copy of audited Annual Accounts for the last five years or for the period incorporated or registered, if less than five years,

iii) a copy of resolution passed by the company or society or co-operative society or local authority for making such application,

Provided no application for a licence shall be made by any local authority except pursuant to a resolution passed at a meeting of such authority held after one month's prior notice of the same duly specifying the purpose thereof and given in the manner in which notices of meetings of such local authority are usually given, and

(c) documents mentioned in **Part II of Form 2**.

(2) Any other document or information that the Commission may ask for by a specific/ general order or direction.

6. Application for amendment to an existing licence

An application for amendment or alteration to terms and conditions of an existing licence shall:

(1) contain the existing provisions and proposed amendments to the licence and reasons thereof, and;

(2) be accompanied by documents mentioned in regulation 5 relevant to the amendments proposed , and;

(3) be accompanied by such fee as specified in the Haryana Electricity Regulatory Commission (fee) Regulation, 2005 (Regulation No.- HERC/10/2005) as amended from time to time.

7. Acknowledgment of application

1. On receipt of the application, the receiving Officer or any person authorised by the Commission shall note thereon the date of its receipt and shall send an acknowledgment to the applicant stating the date of receipt.
2. If on scrutiny, an application for grant of a licence is found to be incomplete or deficient in any manner, it shall be returned to the applicant for making a fresh application after completing it or removing the deficiencies. The applicant shall be advised in writing of any defects in their application and the time allowed to rectify them. The applicant shall follow the procedure laid down in regulation 4 in respect of his fresh application except that the application-processing fee will not be required to be paid again.

   Provided that no application shall be refused for defect in its form or content, without giving an opportunity to the person filing it to rectify the same.

8. Calling for additional information

The Commission 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 processing the application.

9. Notifying completion of filing of the application

If the Commission finds the application to be complete and accompanied by the requisite fee, information, particulars and documents and the applicant has complied

with all the requirements for making the application and furnishing of information, particulars and documents, the Secretary or the Officer designated for the purpose shall certify that the application is ready for being admitted for grant of licence in accordance with applicable laws and communicate the same to the applicant within 15 days of receipt of complete information.

10. Notice of application

1. Within seven days from the date of receipt of communication of admission and numbering of the application under Regulation 9, the applicant shall publish a notice in **Form-4 (in case of a new licence)** or in **Form-5 (in case of amendment in an existing licence)** as applicable, in one issue each of a daily news paper in English language and one daily news paper in Hindi language having wide circulation in the state of Haryana.
2. In addition, such notice shall give the addresses of the offices at which copies of the draft licence may be inspected or purchased and shall state that every local authority, utility or person, desirous of making any representation / objection with reference to the application to the Commission, may do so as per the procedure prescribed in the HERC (conduct of Business) Regulation, 2004 within thirty days of the date of publication of the aforesaid notice.
3. The Commission may direct that notice of the application be served on the Central Government, the State Government, the local authority or any other authority or person or body.
4. Within one week of publication of the notice in newspapers under this regulation, the applicant shall intimate to the Commission the date of its publication and attach a copy of such notice as published in the newspaper.

11. Notice of amendment proposed by the Commission

1. If in the opinion of the Commission, it is in public interest to make certain amendment or alteration to an existing licence, it shall publish a notice in **Form-6** in one issue each of a daily newspaper in English and one daily newspaper in Hindi language having wide circulation in the state of Haryana.
2. A copy of the notice shall also be served on the licensee for obtaining his consent to the amendment or alteration proposed by the Commission.

12. Availability of application for inspection

The applicant shall make available sufficient number of copies of his application for grant of a licence or for amendment of his licence, along with documents specified

in Regulation 5 for inspection by any person in his own office(s) and in the office of the Commission, Electrical Inspector, Municipalities, Municipal corporations, Zila Parishad and such other authorities or local bodies, as the Commission may specify and furnish to persons applying for them the copies of such documents at a price not exceeding the normal photocopying charges or the price as specified in the notice. The licensee shall also place his application on his website, if any.

13. Consideration of objections

Any person intending to object to the grant of the licence or desiring any amendment in the proposed conditions of licence shall file objection within thirty days from the date of publication of the notice by the applicant. The objection shall be filed in the form of reply and as per the HERC (Conduct of Business) Regulations 2004 (Regulation No.- HERC/06/2004). The Commission shall consider all objections received within thirty days of the date of publication of notice under regulations 10 and/ or 11.

14. Local Inquiries and Hearings

(1) If the applicant has duly arranged for the publication of the notice of the intended application and the time for filing of the objection is over, the Commission may proceed to set the application for regular hearing.

(2) 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 to such other authority, person or body as the Commission considers appropriate.

(3) If any person objects to the grant of a licence applied for under the Act, the Commission may cause a local inquiry to be held unless the Commission is satisfied that the objection is of a frivolous or vexatious nature. Written notice of the enquiry shall be given to both the applicant and the objector.

(4) In case a local inquiry is held, a memorandum of the proceedings shall be prepared and signed by the applicant, the Officer or person appointed by the Commission to conduct the enquiry and such other person as the Commission may direct.

(5) The hearing on the application for grant or amendment of licence shall thereafter proceed in the same manner as provided in the HERC (Conduct of Business) Regulations 2004 (Regulation No.- HERC/06/2004).

(6) Where an objection is received from any local authority concerned, the Commission shall, if in its opinion the objection is insufficient, record in writing and communicate to such local authority its reasons for such opinion.

15. Grant of licence

(1) Where the Commission after considering objections under regulation 13 proposes to issue a licence to the applicant, it shall serve a copy of notice in **Form 7** along with a copy of the proposed licence to the applicant to convey his willingness to accept the licence, within one week of its service on him.

(2) On receipt of the willingness to accept the licence from the applicant, the Commission shall publish a notice in **Form-7** stating the name and address of the person to whom the licence is proposed to be issued in one issue each of a daily newspaper in English and one daily newspaper in Hindi language having wide circulation in the area of trading of the proposed licence.

(3) After receiving an intimation in writing from the applicant that he is willing to accept the licence in the form approved by the Commission and after ascetaining that the applicant satisfies the conditions specified for the grant of the licence, the Commission shall issue the licence and shall direct the publication of the licence or such part or gist thereof as the Commission considers appropriate.

(4) As far as practicable, the Commission shall issue licence within 90 (ninety) days of receipt of an application under regulation 3 or within 90 (ninety) days of the completion of filing under regulation 9 whichever is later.

16. Rejection of application for grant of licence

The Commission, as far as practicable, within ninety days of receipt of an application for grant of a licence may reject an application for reasons to be recorded in writing. However, no such application shall be rejected without giving an opportunity to the applicant of being heard by the Commission.

17. Term of licence

(1) The licence shall commence from such date as the Commission may specify in the licence.

(2) The licence shall continue to be in force for a period of twenty-five years unless revoked.

18. Supply and inspection of printed copies of licence etc.

Every person, who is granted a licence, shall within thirty days of the grant thereof:

(a) have adequate number of copies of the licence printed and;

(b) make available a copy of such licence for public inspection at all working days at his head office and at his registered office if any, office of Commission and Electrical Inspector, and ;

(c) shall place such licence on his website, if any and;

(d) shall make necessary arrangements for the sale of printed copies of the licence to all persons applying for the same, at a price not exceeding Rs. 200/-, and;

(e) supply free of charge one copy of the licence to the State Government, the Central Electricity Authority, State Transmission Utility, transmission and distribution licensees and the State Load Dispatch Centre, Electrical Inspector, each of such Municipalities, Municipal corporations, Zila Parishad and such other authorities and local bodies as the Commission may specify, within the area of trading.

19. Amendment of an existing licence

(1) Where, after considering objections under regulation 13 on the proposed amendment in the terms and conditions of the licence, the Commission is of the opinion that it is in public interest to do so, the Commission may make such alteration and amendment as it may think fit.

(2) Where alteration and amendment to the terms and conditions of an existing licence are proposed by the Commission, it may make such alteration and amendment as it may think fit after considering the objections under regulation 13.

(3) No alteration and amendment shall be made except with the consent of the licensee unless the Commission is of the opinion that such consent has been unreasonably withheld.

(4) Unless otherwise specified by the Commission in writing, the procedure specified in these regulations for grant of licence, in so far it can be applied, shall be followed while dealing with an application for amendment of the licence.

20. Supply and inspection of amended licence

The provisions of **regulation 18** shall apply mutatis-mutandis, to a licence amended under **regulation 19**.

21. Information about revocation

In case the Commission issues a notice to the licensee for revocation of his licence under Section 19 of the Act, the Commission may send a copy of such notice to the SLDC as well as STU.

Chapter III – Requirements for being an electricity trader

22. Technical requirements

(1) The applicant shall have at least one full-time professional in each of the following disciplines having not less than 5 years experience, namely:

(i) Power System Operations and commercial aspects of power transfer, and

(ii) Finance, commerce and accounts.

Provided that the minimum qualification for (i) above would be a graduate in Electrical Engineering and for (ii) it would be CA/ICWA.

(2) The technical requirement of staff shall be complied with before undertaking trading activities, notwithstanding the fact that the Commission has granted the licence for intra-state trading.

(3) The applicant shall furnish to the Commission the details, including their experience and knowledge of electricity industry, of the professional and the supporting staff engaged by him on full-time basis before undertaking intra-state trading.

(4) The applicant shall submit a synopsis of the senior management team including the Director(s) and relevance of their skills and experience in meeting the requirement of the licence, along with evidence of their ability to comply with the licence conditions.

23. Capital adequacy requirement and creditworthiness:

(1) Considering the volume of intra-state trading proposed to be undertaken in a year, the net worth of the electricity trader at the time of application shall not be less than the amounts specified here under:

S.No.	Category	Annual Trading Volume (MU)	Maximum capacity (MW)	Networth (Rs. in Cr)
1.	A	Upto 100	Upto 25	2.00
2.	B	>100 and upto 200	>25 and upto 50	3.00
3.	C	>200 and upto 500	>50 and upto 100	7.50
4.	D	>500 and upto 700	>100 and upto 150	12.50
5.	E	>700 and upto 1000	>150 and upto 200	17.50
6.	F	>1000	>200	25.00

The applicable amount of net worth shall be determined on the basis of volume of trading in energy or capacity which ever is higher.

(2) If a licensee holds multiple intra-state / inter-state licences, and his trading volume exceeds the combined volume corresponding to the net worth required for such licences, he shall increase his net worth within a period of three months.

(3) A licensee shall increase his net worth within a period of three months if the volume of trade or maximum capacity at any stage in a financial year moves from a lower category to higher category and the licensee shall inform the Commission of his moving from one category to another and subsequent change in the net worth.

(4) The Commission may upon considering all relevant factors vary the requirement of net worth from time to time.

Chapter IV–Terms and conditions of the licence

24. Terms and Conditions of licence

The terms and conditions of licence applicable to the Licensee with effect from the notified date shall be as set out in **Form-8**.

Chapter V–Miscellaneous

25. Power to remove difficulties

On an application submitted before it or suo motto, the Commission may:

(1) by general or special order issue such directions as may be necessary or expedient for the purpose of removing difficulties arising in giving effect to any of the provisions of these regulations.

(2) in appropriate cases and for reasons to be recorded in writing relax any of the provisions of these regulations.

26. Subject to the provisions of the Act, the Commission may from time to time issue orders or directions to be followed in regard to the implementation of these regulations.

27. The Commission may, at any time add, modify, delete or amend any provision of these Regulations.

28. The proceedings for activities as above shall be held in accordance with the relevant provisions of the Act, these regulations and as provided under the Conduct of Business Regulations.

By order of the Commission

Sd/-

Secretary
Haryana Electricity Regulatory Commission

Form –1

(Regulation 3]

Intimation by Inter-state Trading Licensee for trading in the State of Haryana.

To

The Secretary
Haryana Electricity Regulatory Commission
SCO No. 180, Sector-5,
Panchkula, Haryana
134109
No. Dated

Sub: Intimation by Inter-state Trading Licensee for trading in the State of Haryana.

Sir,

(Name and address of the inter-state licensee) is the holder of the Interstate Trading Licence issued by CERC (a copy enclosed) and would like to carry out the electricity trading business with the following customer(s) in the State of Haryana .

1)
2)

I on behalf of licensee undertake to

1) abide by the prevailing regulations / codes/ orders/ guidelines/ directions issued by the Commission from time to time.
2) pay to the Commission an annual license fee, same as applicable to the intra-state trading licensee, as specified in the Haryana Electricity Regulatory Commission (fee) Regulation, 2005 (Regulation No- HERC/10/2005) as amended from time to time.

The inter-state trading licensee as referred above is fully aware that the Commission shall not allow them to continue trading in the State of Haryana if they fail to either pay the prescribed fee as stated above or does not abide by the prevailing regulations / codes/ orders/ guidelines/ directions issued by the Commission from time to time.

Yours faithfully

(Signature of the authorised signatory (authorisation letter to be attached))
(Name and address of the inter-state licensee)

Form –2

Part-I

(Regulation 4)

APPLICATION FORM FOR GRANT OF INTRA-STATE TRADING LICENCE IN THE STATE OF HARYANA.

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION, PANCHKULA

Application No……....

Case No...……

(To be filled in by Commission's office)

IN THE MATTER OF:

Grant of Licence for Intra-state Trading under section 14 of Electricity Act, 2003 to:

1. Full Name of applicant in whose name the licence is to be issued

2. Full Address

The applicant hereby submits to the Commission the following particulars for the grant of Licence for Intra-state Trading under section 14 of the Electricity Act, 2003 in the area of trading as indicated in this application:

1. Name, Designation & address of the contact person
2. Contact Telephone Nos.
3. Fax No.
4. Email ID
5. How long has the applicant been in the business of trading of electricity?

   Details of Prior Experience (3 years details of related business)
6. Principal business activity undertaken/proposed to be undertaken.
7. Details of ownership
   a) Whether applicant is a Company, Firm, Cooperative Society, Individual, Local authority or Government department/establishment or of any other category.
   b) Whether it is a registered company, firm, society etc.
   c) If so, when and where registered with registration number and address of registered office.
   d) Names and addresses of directors with share holding / financial stake. (Enclose list)

8. Names of principal shareholders*/partners*/members*.

   (* having more than 5% share holding)

9. Resume of the Organisation giving details of.

   (a) Management Capability and experience.

   (b) Financial Strength.

   (c) Ability to perform functions of trading of electricity in a sustainable manner.

   (d) Financial details of other business ventures of the applicant.

10. Proposed date of commencement of licence.

11. Quantum of electricity proposed to be traded annually:

    a) In terms of MU
    b) In terms of MW

12. Details of financial data of applicant

    (1) Net worth (in equivalent Indian Rupees-conversion to be done at the annual average rate of exchange) for immediate past five financial years certified by a chartered accountant. (Specify financial year as applicable)

(dd/mm/yy) to (dd/mm/yy)	In Home Currency	Exchange rate used	In equivalent Indian Rs.
(a) Year 1( ) to ( )	----------	----------	----------
(b) Year 2( ) to ( )	----------	----------	----------
(c) Year 3( ) to ( )	----------	----------	----------
(d) Year 4( ) to ( )	----------	----------	----------
(e) Year 5( ) to ( )	----------	----------	----------

    (2) Annual turn over (in equivalent Indian Rupees-conversion to be done at the annual average rate of exchange) for immediate past five financial years certified by a chartered accountant. (Specify financial year as applicable)

(dd/mm/yy) to (dd/mm/yy)	In Home Currency	Exchange rate used	In equivalent Indian Rs.
(a) Year 1( ) to ( )	----------	----------	----------
(b) Year 2( ) to ( )	----------	----------	----------
(c) Year 3( ) to ( )	----------	----------	----------
(d) Year 4( ) to ( )	----------	----------	----------
(e) Year 5( ) to ( )	----------	----------	----------

    (3) Copies of Annual Reports or certified audited results to be enclosed in support of (1) & (2) above.

13. (a) Details of existing licences, if any, issued under the Electricity Act, 2003 or enactments mentioned in the Schedule to the Act in the following format:

Nature of licence	Transmission/Distribution/Trading/ Others (Please specify)
Area(s) of licence	
Date of Issue	
Issued by	
Valid upto (date)	

Above details to be given for each licence. A copy of each licence be enclosed with the application.

(b) Details regarding applications made for obtaining licence under the Electricity Act, 2003 in the following format (other than this application):

Nature of licence	Transmission/Distribution/Trading/ Others (Please specify)
Applied before	*(Name of the appropriate Commission*)
Area(s) of licence	
Status of the application	

(c) Details in respect of any application for grant of licence under the Electricity Act, 2003 that has been rejected

Nature of licence	Transmission/Distribution/Trading/ Others (Please specify)
Applied before	*(Name of the appropriate Commission*)
Area(s) of licence	
Date of the application	
Date of rejection	
Reasons for rejection	

14. (a) Whether applicant himself shall be financing the trading operations fully on its own balance sheet Yes/No

(b) If, yes, proposed equity from the applicant

(i) Amount :

(ii) Percentage of total paid up capital :

15. Details of debt proposed to be raised for the trading 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. :

(d) Proposed Debt: Equity Ratio :

16. Approach & Methodology
(The applicant is required to describe approach & methodology for establishment of the trading arrangements as proposed by him and should furnish the information in general but not limited to the following:)

(a) Is the applicant intending to do short-term or long-term trading?

(b) Expected volume of electricity trading in the next three (3) years:

Year	Volume of Trading (Million Units)
(1)	( )
(2)	( )
(3)	( )

(c) etc.

17. Particulars of fee paid for licence application: DD No……. dated……. drawn in favour of Secretary, Haryana Electricity Regulatory Commission payable at Panchkula, drawn on……..bank; for Rs……

18. a) Details of all settled and pending litigations against the Applicant Company, Directors and Employees.

b) Details of indictment and involvement in any fraud or economic offences by the applicant or any of its associates during last three years.

19. Any other information applicant may like to furnish.

20. Declaration

I _____ (Name in full and block letters) Son / daughter of _____ solemnly declare that the information supplied in the application form and the enclosures is complete and correct.

(Signature of the applicant)

Place: With name and address and Office Seal

Dated :

Form-2
PART-II

List of documents to accompany licence application

1. Affidavit of the authorised person on non-judicial stamp paper of appropriate value.
2. Information relating to existing licences.
   Copy of existing licence/exemption if any,
3. Documents relating to status of the applicant;

   a) Copies of company's Memorandum/Articles Of Association/ Partnership Deed/ Constitution of Society etc;
   b) Copies of certificate of registration of company/society and certificate of commencement of business;
   c) Relevant resolution of Company/Society/local authority;
   d) Letter of authority of the Board of Directors in favour of person applying and signing the application;
   e) Names and addresses of directors with share holding / financial stake;
   f) Names of principal shareholders/partners/members.
   g) Income tax clearance certificate.

4. Data relating to management, financial and technical capability
   A licensee must have sufficient managerial, financial and technical capability to function as a trading licensee on a sustainable basis. Documents demonstrating these capabilities shall include:
   (a) Managerial capability
      (i) Senior management's curriculum vitae.
      (ii) Cadre strength for different categories, technical and non-technical.
   (b) Financial capability
      (i) balance sheet for last five years, if applicable.
      (ii) Audited accounts of the applicant and its holding company, subsidiary or affiliated company for each of the last five financial years.
      (iii) Any accompanying notes and certifications on the above statements from a reputed chartered accountant.
   (c) Technical capability
      Experience in Power System Operation and commercial aspects of power transfer.
5. Credit worthiness
   Documents relating to credit rating by a credit rating agency i.e ICRA/ CARE/ CRISIL/Fitch Ratings India limited or any other registered agency under the SEBI (credit rating agencies) Regulations, 1998 (Regulation 3) or a report from the applicant's bankers.
6. Data relating to the applicant's future business
   Five year Business Plan, if any for trading in electricity and funding arrangements for meeting its obligations under proposed licence.
7. Letter of authority of the Board of Directors or the Company Secretary in favour of person applying and signing the application.
8. Copies of agreements for purchase and sale of power, if executed.

Form-3
Part-I
[Regulation 6]

Form of Application for amendment to a licence for trading in electricity

BEFORE THE HARYANA ELECTRICITY REGULATORY COMMISSION,
SCO 180, SECTOR 5,PANCHKULA

Application No.…..……

Case No.……..

(To be filled in by Commission's office)

IN THE MATTER OF:
Grant of amendments to a Licence for trading in electricity under section 18 of the Electricity Act, 2003 to: -

1. Name of the Licensee
2. Address

The applicant hereby submits to the Commission the following particulars for making alterations or amendments to the terms and conditions of his existing Licence for trading in electricity under section 18 of the Electricity Act, 2003:

1. Particulars of existing licence.

   Licence No. _____ Dated _____

2. Changes, if any, proposed in area of trading.

   Existing area Proposed area

3. Specific amendment/ alteration proposed in other clauses.

   Existing provision Proposed amendment / alteration

4. Reasons for the alternation/amendment sought.
5. If the proposed amendment/ alteration will lead to additional investment, arrangements for funding it.
6. Any other particulars considered relevant/necessary.
7. Details of Fee for alteration or amendment. DD No……. dated……. in favour of Secretary, Haryana Electricity Regulatory Commission payable at Panchkula, drawn on……..bank; for Rs……

Place: Signatures of the Applicant

Date: With name and address and Office Seal

Form-3
PART-II

List of documents to accompany an application for amendment/ alteration to an existing licence.

1. Affidavit of the authorised person on non-judicial stamp paper of appropriate value.
2. Copy of existing licence.
3. Relevant resolution of Company/Society/Local authority.
4. Letter of authority of the Board of Directors in favour of the persons signing the application.
5. Documents mentioned in regulation 5 and **Form 2 (part II)** as relevant to the amendment proposed.
6. Proof of payment of application fee.

Form-4

[see Regulation 10 (1)]

Notice of application for licence for trading in Electricity (new cases)

Notice is hereby given by, ……..(Name of applicant) that he has applied to the Haryana Electricity Regulatory Commission, SCO 180, Sector-5, Panchkula, Haryana, 134109 under the provisions of Section 15 of the Electricity Act, 2003 for grant of a licence for trading in Electricity in the area mentioned below:

1. Description of area - ……

   (Names of Districts/Tehsils/ Panchayat Samities, Towns, Villages)

2. The application along with its enclosures will be available for inspection at:

   (a) office(s) of the applicant given below (to be filled by the applicant)
      (i) ……..
      (ii) ……..
   (b) the office of the Commission at the address mentioned above

3. The application along with its enclosures can also be down loaded from the website of the Commission www.herc.nic.in and also from the website of the applicant www…….(if a website exists)
4. Copies of the application along with its enclosures can also be obtained on payment of Rs.200/- in cash or by Demand draft either from the office of the Commission or the office of the applicant either in person or by post.
5. Any person objecting to the application may send his objection in seven copies, so as to reach the office of the Commission within thirty days of publication of this notice and also send a copy of his objection to the applicant. The objector should clearly state his name and address and grounds of his objection. The objection should be filed as per the procedure prescribed in HERC (Conduct of Business) Regulation, 2004.
6. The objector should also clearly mention whether he would like to be heard in person, in case the Commission decides to hear the objectors.

(…….)

Date Applicant

Form-5

[see Regulation 10 (1)]

Notice of amendment to an existing licence for trading in Electricity

Notice is hereby given under section 18 of the Electricity Act, 2003 by, ……..(Name of licensee), holder of trading licence No. …….dated…….. for the following area:-

Description of area (as per licence)

that the licensee has applied to the Haryana Electricity Regulatory Commission, Panchkula, for making following alterations and amendments in the terms and conditions of his licence mentioned above :

1. (Give existing provisions of the term and condition and the amendment/alteration sought)

   Existing provision Proposed amendment and the reasons thereof

   (i)

   (ii)

2. The application for proposed amendments/alterations along with its enclosures will be available for inspection at the office of the Commission at the address mentioned above and at the office(s) of the applicant given below:

   (a) ……..……

   (b) ……

   (Address of the office(s) of the applicant)

3. The application along with proposed amendment/alteration can also be down loaded from the website of the Commission www.herc.nic.in and also from the website of the applicant www…….(if a website exists).
4. Copies of the application along with proposed amendment/alteration can also be obtained on payment of Rs.100/- in cash or by Demand draft either from the office of the Commission or the office of the applicant either in person or by post.
5. Any person objecting to the proposed amendment/alteration may send his objection in seven copies, so as to reach the office of the Commission within thirty days of publication of this notice and send a copy of his objection to the applicant. The objector should clearly state his name and address and grounds of his objection. The objection should be filed as per the procedure prescribed in HERC (Conduct of Business) Regulation, 2004.
6. The objector should also clearly mention whether he would like to be heard in person, in case the Commission decides to hear the objectors.

(…….)

Applicant

Form-6
(Regulation-11)

Haryana Electricity Regulatory Commission,
SCO 180, Sector 5 Panchkula

Notice of amendment to an existing licence proposed by the Commission

Whereas in the opinion of the Haryana Electricity Regulatory Commission, it is in public interest to make alteration and amendment in the terms and conditions of the licence for trading in electricity No……dated…….granted to……(Name and address of the licensee) ……. for the following area:

……..

(Description of area as per the licence)

Now, therefore, in terms of Section 18 of the Electricity Act 2003, the Commission hereby gives notice of the following amendments/alterations, it proposes to make in the terms and conditions of the above licence

	Existing provision	Proposed amendment and the reasons thereof
(i)		
(ii)		

1. The details of proposed amendments/alterations will be available for inspection at the office of the Commission at the address mentioned above and can also be down loaded from the website of the Commission www.herc.nic.in
2. Copies of the proposed amendments/alterations can also be obtained on payment of Rs.100/- in cash or by Demand draft from the office of the Commission either in person or by post.
3. Any person objecting to the proposed amendment/alteration may send his objection in seven copies, so as to reach the office of the Commission within thirty days of publication of this notice and send a copy of his objection to the licensee. The objector should clearly state his name and address and grounds of his objection. The objection should be filed as per the procedure prescribed in HERC (Conduct of Business) Regulation, 2004.
4. The objector should also clearly mention whether he would like to be heard in person, in case the Commission decides to hear the objectors.

( )
Secretary

Form-7
(Regulation 15)

HARYANA ELECTRICITY REGULATORY COMMISSION,
SCO 180, SECTOR 5 PANCHKULA

Notice of grant of licence for trading in electricity

Notice is hereby given by the Haryana Electricity Regulatory Commission under section 15 of the Electricity Act 2003 that it proposes to issue a licence for trading in electricity to:

1. (Name)
2. (Address)

for trading in electricity in the following area:

(Description of area)

( )
Secretary

FORM - 8

Licence for Trading in Electricity under the Electricity Act, 2003

Licence granted by the Haryana Electricity Regulatory Commission under Section 14 of the Electricity Act – 2003 (Act 36 of 2003) to ----------(Name and Address of the Licensee) for carrying on the business of trading in electricity within the Area of trading (as defined in the Schedule – I of the Licence) and upon the terms & conditions specified below:

PART I

TERMS OF THE LICENCE

1 Short Title

This licence may be called "The ----------(name of the Licence) Trading in Electricity Licence [Licence No. HERC/TRD /___ of 20 _ _]."

2 Definitions

In this licence unless the context otherwise requires:

(a) **"Act"** means the Electricity Act 2003 (36 of 2003);

(b) **"Annual Accounts"** means the accounts of the Licensee prepared in accordance with the provisions of the Companies Act, 1956 and / or in such other manner as may be directed by the Commission in terms of the provisions of the Act;

(c) "**Auditors**" means the Licensee's statutory Auditors for the time being holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate of the Companies Act 1956 (1of 1956);

(d) "**Authorised**", in relation to any person, business or activity, means authorised by licence granted under Section 14 of the Act or exemption granted under Section 13 of the Act and the regulations framed by the Commission;

(e) **"Commission"** means the Haryana Electricity Regulatory Commission;

(f) "**Controlling Interest**" means the ownership of ten percent or more of the paid up share capital of a company (including holding company) or the ability to control ten percent or more of the voting rights at a general meeting

of the company or the ability otherwise to influence materially the management of the company by contract or otherwise;

(g) **"Expected Revenue Requirement Calculation"** means the ensuing year's calculation of costs and revenue by the Licensee, as described under the Condition 24 of the Licence for trading;

(h) **"Licence"** means a licence granted under section 14 of the Act;

(i) **"Licensee"** means ---- (Name of the Licensee) who has been granted a Licence in its capacity as operator of the licensed Business in the specified area of trading;

(j) **"Licensed Business"** means the business of trading in electricity in the Area of trading as authorised under this Licence;

(k) **"State Grid Code"** means the state grid code specified under clause (h) of subsection (1) of section 86 of the Act;

(l) **"State Government"** means the Government of Haryana;

(m) All other expressions used herein but not specifically defined herein but defined in the Act shall have the meaning assigned to them in the Act. The other expressions used herein but not specifically defined in these regulations or in the Act but defined under the Haryana Electricity Reform Act, 1997 shall have the meaning assigned to them under the said Act, provided that such definitions in the Haryana Electricity Reform Act, 1997 are not inconsistent with the provisions of the Electricity Act, 2003.

3 Terms of the Licence

3.1 The Commission, in exercise of powers conferred on it by Section 14 of the Act, hereby grants to the Licensee a licence for trading in electricity in the Area of trading set out in Schedule -I of the licence during the period specified in Condition 3.3, subject to the conditions set out in Parts II, III, IV and V of this licence.

3.2 The Conditions are subject to modification or amendment in accordance with their terms, the provisions of Condition 27 or with the provisions of the Act.

3.3 The licence shall come into force on the date on which the Commission communicates its decision granting this licence and unless revoked earlier shall remain in force for a period of 25 years from that date.

Part II

General Conditions

4 Compliance with Regulations, Codes, Orders, guidelines and Directions

4.1 The Licensee shall comply with the regulations/ codes/ orders/ guidelines/ directions issued by the Commission from time to time and shall act in accordance with the terms of this licence, except where the licensee obtains the approval of the Commission for any deviation of such regulations/ codes/ orders/ guidelines/ directions and terms.

4.2 The Licensee shall refer all disputes arising under the purview of the licence for settlement by the Commission.

5 Acts Requiring Prior Consent

5.1 The Licensee shall not do the following activities without the prior approval of the Commission: -

a) purchase or import or otherwise acquire electricity under this Licence from any Person other than from a trader or generator under the terms of the Licence/ consent issued by the Commission to the trader or in terms of the power purchase agreement with the generator approved by the Commission and at the tariff approved by the appropriate Commission for such trader or generator.

b) sell or otherwise dispose of electricity to any Person, other than pursuant to this Licence; or

c) Undertake any transaction to acquire by way of purchase or takeover or otherwise, the utility of any other licensee, or

d) Merge his utility with the utility of any other licensee,

Provided that nothing contained in condition (c) & (d) above shall apply if the utility referred to in condition (c) or condition (d) is situated in a State other than the State of Haryana.

5.2 The Licensee shall, before obtaining the approval under condition 5.1(c) & (d), give not less than one month’s notice to every other licensee who transmits or distributes or trades electricity in the area of the licensee as per Schedule-I.

5.3 The Licensee shall not, at any time, assign his licence or transfer his utility, or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Commission.

5.4 The Licensee shall seek prior approval of the Commission before making any loans to, or issue any guarantee for any obligation of any person, where the same is beyond the permissible limits imposed by the Companies Act, 1956. Loans to employees pursuant to their terms of service and advances to suppliers in the ordinary course of business are excluded from the requirement to seek such approval.

5.5 Any agreement relating to any transaction specified in condition(s) above, unless made with the prior approval of the Commission, shall be void.

5.6 For cases, which require prior permission of the Commission, the Licensee will file a suitable application with the Commission disclosing relevant facts. The commission may within 90 days of the application being filed complete in all respects, allow the arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing in support of the order passed.

6 Notice for Acquisition of Controlling Interest

Upon acquiring information that any person intends to acquire a Controlling Interest in the Licensee's business, the Licensee shall inform the Commission forthwith of the proposed acquisition and shall furnish the Commission with all relevant details in its possession including the likely change in the share holding pattern.

7 Duties of the Licensee

7.1 The licensee shall discharge such duties as may be laid down by the Commission.

7.2 Subject to applicable regulations, directions and Force Majeure conditions, the licensee shall always endeavour to trade adequate power of appropriate quality to its customer / licensee.

8 Other Activities of the Licensee

8.1 The Licensee, with prior intimation to the Commission, may engage in any other Business for the optimum utilisation of the assets, subject to the following conditions:

(a) that the Licensed Business and the conduct thereof by the Licensee is not prejudiced and / or adversely affected in any manner;

(b) that a proportion of the revenues derived from such business shall, as may be specified by the Commission, be utilised for reducing the trading margin of the Licensee;

(c) that the Licensee shall maintain separate accounts for each such Business undertaking and ensure that licensed business neither subsidies in any way such business undertaking nor encumbers its assets in any way to support such business.

(d) that the Licensee shall always comply with the guidelines that the Commission may specify in this regard.

9 <u>Accounts</u>

9.1 The financial year of the licensee shall run from the first of April to the following thirty-first of March.

9.2 The Licensee shall in respect of each separate business for each Financial Year:

(a) keep such accounting records as would be required to be kept in respect of each such Separate 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, each Separate Business are separately identifiable in the books of the Licensee from those of any other business in which the Licensee is engaged, whether or not authorised by the Commission; and

(b) prepare on a consistent basis from such accounting records:

(i) for each financial year, accounting statements comprising a profit and loss account, a balance sheet and a statement of source and application of funds, together with notes thereto, and showing separately in respect of each Separate Business the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:

1) charged from or to any other business (whether or not a Separate Business) together with a description of the basis of that charge; or

2) determined by apportionment or allocation between any Separate Business and any other business of the Licensee or its affiliate (whether or not a Separate Business) together with a description of the basis of the apportionment or allocation; and

(ii) in respect of the first six months of the first financial year and of each subsequent financial year, an interim profit and loss account and a Balance Sheet; a statement of source and application of funds and a cash flow statement together with such supporting documents and information and in such form as the Commission may prescribe from time to time; and

(c) provide, in respect of the accounting statements prepared in accordance with the Condition 9, an Auditor's report in respect of each financial year, stating whether in their opinion these statements have been properly prepared in accordance with Condition 9 and give a true and fair view of the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Separate Business to which the statements relate; and

(d) deliver to the Commission a copy of statements referred to in condition 9.2(b)(ii) not later than three months after the end of the period to which it relates, and copies of the statements referred to in condition 9.2(b)(i) and Auditor's report not later than six months after the end of the financial year to which they relate.

9.3 The licensee shall not change the basis of charge or apportionment or allocation in relation to the preparation of accounting statements in respect of a financial year from those applied in respect of the previous financial year, without prior approval of the Commission.

9.4 Where, in relation to the accounting 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 in addition to preparing accounting statements on the basis which it has adopted, prepare such accounting statements on the basis which were applied in respect of the immediate preceding financial year.

9.5 The licensee shall maintain such cost accounting records as prescribed under the Cost Accounting Records (Electricity Industry) Rules, 2001 and prepare from such cost accounting records such statements as prescribed. The cost audit report along with audited cost records (statements) shall be submitted to the Commission not later than six months from the close of the financial year to which they relate.

9.6 Accounting statements prepared under Condition 9.2 shall, unless otherwise approved or directed by the Commission;

(a) be prepared in the manner and form prescribed under the Companies Act, 1956 (Act 1 of 1956)

(b) be published with the annual accounts of the Licensee;

(c) be prepared in accordance with generally accepted accounting practise; and

(d) state the accounting policies adopted.

9.7 References in Condition 9 to costs or liabilities of, or reasonably attributable to, any Separate Business shall be construed as excluding taxation and capital

liabilities which do not relate principally to that Separate Business and interest thereon.

9.8 The Licensee shall ensure that the accounting statements in respect of each financial year prepared under Condition 9.2 (b) (i) and the Auditor's report in respect of each financial year referred to in Condition 9 are made available to any person requesting them at a price not exceeding the reasonable cost of duplicating them.

9.9 Any person authorised by the Commission shall be entitled to inspect and verify the accounts of the licensee and the licensee shall render all necessary assistance to such person.

10 Volume of trading

10.1 The licensee is authorized to trade in electricity not exceeding _____MU of energy in a year or _____ MW maximum capacity at any time.

10.2 The licensee shall be deemed to be authorized to trade in electricity in excess of the volume specified under condition 10.1 above provided that the licensee increases its net worth to the amount specified in the regulation 23 for such increased amount of trading, within three months of exceeding the authorization under condition 10.1 above.

10.3 The licensee shall, within three month of exceeding the volume of trading authorized under condition 10.1 above, inform the Commission and submit to the Commission evidence in support of its increase in the net worth as required under regulation 23.

11 Provision of Information to the Commission

11.1 The Licensee shall furnish to the Commission such information, documents and details related to the business of the Licensee in the manner in which the Commission may require for its purpose.

11.2 The licensee shall undertake such studies as the Commission may direct it to undertake from time to time for the improvement of the Licensed business.

12 Payment of Fees

12.1 During the tenure of the licence, the Licensee shall be liable to pay to the Commission an annual licence fee as specified under the Haryana Electricity Regulatory Commission (Fee) Regulation, 2005 (Regulation No- HERC/10/2005) as amended from time to time.

12.2 Where the Licensee fails to pay any fee under condition 12.1, the Commission may revoke this licence pursuant to Section 19 of the Act.

12.3 The Licensee shall be entitled to take into account any fee paid by it under this Condition 12 in the determination of aggregate revenue requirement made in accordance with Condition 24, but shall not take into account any interest paid on account of delay in payment as provided in the Haryana Electricity Regulatory Commission (Fee) Regulation, 2005 (Regulation No- HERC/10/2005).

13 Dispute Resolution

The Commission shall adjudicate upon the disputes between the Licensees and Generating companies and may refer any dispute for arbitration as per the HERC (Conduct of Business) regulation 2004 (Regulation No. HERC/06/2004).

14 Standards and procedures

The Licensee will participate and assist the Commission in the development, issue and review of any standards, codes, procedures proposed or notified by the Commission.

15 Penalty for Contravention of Conditions of the Licence

The Licensee shall be liable for action under Sections 142 and 146 of the Act in appropriate cases for contravening any one or more of the provisions of these conditions of licence.

16 Terms of Revocation

The Commission may, at any time, after complying with the requirements of Section 19 of the Act, revoke the licence by giving not less than 3 months notice in writing to the Licensee. For the purpose of clause (b) of Subsection (1) of Section 19 of the Act, the breach of any of the Conditions 4 to 8, 10 to 12, 17 to 21, 23.1, 24, 25 and 27.2 of this licence are hereby declared to render the licence liable to revocation.

PART - III

Technical Conditions

17 Demand Forecast

The Licensee shall on an annual basis:

(a) forecast the demand for electricity within the Area of trading in each of the next succeeding 10 years;

(b) prepare and submit such forecasts to the Commission in accordance with the guidelines issued by the Commission from time to time; and

(c) co-operate with the State Transmission Utility in the preparation of electricity demand forecasts for the state of Haryana in such manner as the State Transmission Utility reasonably considers appropriate.

18 Power Procurement Procedure

18.1 The Licensee shall in all circumstances purchase electrical capacity and/or energy in an efficient and economical manner under a transparent procurement process as approved by the Commission and following the guidelines issued by the Commission from time to time relating to preparation of demand forecasts, power procurement plan and power procurement procedure.

18.2 The Licensee shall not purchase electrical capacity and/or energy without approval of the Commission under the terms of condition 18.1.

18.3 An approval required under condition 18.2 shall be granted when the Licensee has demonstrated to the Commission's satisfaction that:

(a) electrical capacity and/or energy is necessary to meet the Licensee's service obligation in accordance with the Act and is consistent with the approved demand forecast and power purchase plan.

(b) the Licensee has examined the economic, technical, system and environmental aspects of commercially viable alternatives to the proposals for purchasing electrical capacity and/or energy (including arrangements for reducing the level of demand) and such examination has been carried out- in a manner approved by the Commission.

18.4 The Commission shall dispose of the application within 90 days from the date of receipt of such application.

18.5 In all circumstances the Licensee shall purchase electrical capacity and/or energy in a manner

(a) which is in compliance with the State Grid Code

(b) the details of contracts entered into for capacity/energy purchases are furnished to the Commission within one month from the conclusion of such contracts.

19 Compliance with the State Grid Code

19.1 The Licensee shall comply with the provisions of the State Grid Code, in so far as applicable to it.

19.2 The Commission may, on reasonable grounds and after consultation with any affected Generating Companies, traders and Licensees, issue orders relieving the Licensee of its obligation under condition 19.1 in respect of such parts of the Grid Code and to such extent as may be laid down in those directions.

20 Compliance with the Distribution Code

The Licensee shall implement and comply with the Distribution Code specified by the Commission; provided that the Commission may issue an order either on an application or *suo-motu* relieving the Licensee of its obligations under the Distribution Code in respect of such parts of the Licensee's Distribution System and to such extent as the Commission may lay down.

21 Compliance with Standards

21.1 The Licensee shall conduct its trading Business in the manner which it reasonably considers to be the best to achieve the Standards of Performance specified by the Commission pursuant to Section 57 of the Act.

21.2 If the Licensee does not comply with all or any of the standards of performance, the Licensee shall pay compensation as may be specified by the Commission.

21.3 The Licensee shall not include any compensation /penalty/fine paid due to deficient service in the ARR.

21.4 The Licensee shall, within three months of the end of each financial year, furnish to the Commission information on the level of performance achieved against the performance standards specified by the Commission and the number of cases in which compensation was made and the aggregate amount of compensation paid. The Licensee shall, if required by the Commission, publish a summary of the report in a manner approved by the Commission.

22 Co-operation with STU, SLDC and other Licensees

22.1 The Licensee shall provide to SLDC, STU and/or to other Licensees such information that may reasonably be required to perform its functions and exercise its powers under the Act.

22.2 The Licensee shall comply with the directions of SLDC and STU issued under the Act.

22.3 The Licensee shall co-operate with the generating companies, other Licensees and with the SLDC for the efficient and co-ordinated operation of the power system

23 Customer Service

23.1 Customer’s Right to Information

A licensee on request of his customer, to the extent that is reasonably available to the Licensee provide:

(a) information on all services provided by the Licensee including information on the charges or alternative tariff schemes which may be available to the customer

(b) information on the status of the customer's account with the Licensee;

23.2 The Licensee shall make available the latest/updated version of the Conditions of Supply and other rules, circulars and regulations related to trading in electricity and charges recoverable from the customer on its website, if any, at all times.

PART IV

Trading Margin and Expected Revenue Requirement Calculation

24 Trading Margin and Expected Revenue Requirement Calculation

24.1 Trading Margin

(1) If the Commission considers it necessary to fix a trading margin, the licensee shall furnish such additional information as the Commission may require for this purpose.

(2) The Commission may after considering all relevant factors determining a trading margin for a trader or a class of traders.

(3) The licensee shall abide by the directions given by the Commission with regard to trading margin determined by it.

24.2 Expected Revenue Requirement Calculation

(a) Each year not later than 10th November the Licensee shall prepare and submit to the Commission a report of its expected aggregate revenues and expected revenue requirement for its trading Business for the succeeding financial year in the manner and form prescribed by the Commission from time to time.

(b) If the report referred to in Paragraph 24.2(a) indicates a significant difference between its expected aggregate revenues and its expected revenue requirement, the Licensee shall submit with its report an explanation of the measures it proposes to take, including any proposed tariff amendments, to eliminate the difference.

(c) If the licensee fails to submit the ARR within the period specified above or any extension thereof granted by the Commission, the Commission may impose fine up to an extent of 0.05% of the aggregate Revenue Requirement which would be disallowed from the ensuing year aggregate revenue requirement.

25 Redressal mechanism

25.1 All disputes and complaints relating to trading in electricity shall be referred to the State Load Dispatch Centre, which may investigate and endeavour to resolve the grievance within a period of 30 days.

25.2 If the disputes and complaints are not resolved as above, the grievance shall be placed before the Commission.

26 Submission of Information to monitor licensee's performance

26.1 The licensee shall

(a) furnish the information as may be required from time to time, to monitor the licensee's performance and compliance with the terms and conditions of the licence and any other legislative or regulatory requirement in Schedule II and Schedule III.

Provided that the information in the prescribed form shall be furnished to the State Load Dispatch Centre or other entity as may be specified by the Commission from time to time with a copy to the Commission, on a monthly basis on 10th day of the succeeding month in the financial year,

Provided further that distribution licensee buying electricity for resale to consumers shall not be required to furnish information in Schedule II and Schedule III.

Provided also that the report in Schedule II and Schedule- III shall be sent directly to the Commission and Schedule- III to the State Load Dispatch Centre and the report in Schedule- III shall also be posted on the website of the electricity trader or any other authorized website.

(b) bring to the notice of the Commission, any modification in the shareholding pattern, resulting in a change in shareholding and voting rights by more than 5%, or change in the constitution of partnership and ownership, within a month of such occurrence.

26.2 The State Load Dispatch Centre shall verify the quantum of energy or MW traded, as indicated in the Schedule III and submit a report to the Commission.

PART - V

Other Conditions

27 Introduction of competition

27.1 The Commission may grant licence to any person (s) as an electricity trader to trade in electricity in the same area as that of the Licensee or any other area in the state of Haryana. The licensee shall not claim any exclusivity.

27.2 The Licensee shall not enter into any agreement or abuse its dominant position or enter into a combination that is likely to cause or causes an adverse effect on competition in the electricity industry. The Commission shall have power to decide whether any agreement or act of the licensee is likely to cause or causes an adverse effect on competition in the electric industry in the state. The decision of the Commission shall be final in this regard.

28 Miscellaneous

28.1 The licensee shall before undertaking trading, establish communication facilities adequate for trading in electricity.

28.2 Trading shall be carried out between the parties by entering into appropriate agreement between them as well as with the transmission or distribution licensees whose transmission or distribution system is to be used. Necessary safeguards with regard to supply of electricity through trading and payment for the electricity traded shall be included in such agreements between the parties.

28.3 The licensee shall not omit or neglect to undertake trading activity for four consecutive quarters.

28.4 The licensee shall maintain up-to-date record of customers and the transactions undertaken with other parties and produce such documents if called for to do so by the Commission.

28.5 The Licensee shall submit a copy of each of the licences obtained anywhere in the Union of India under the provisions of the Electricity Act, 2003 subsequent to the grant of this licence, within 15 days of obtaining such licence.

Schedule I

(Description of the area of trading in electricity for the Licence under consideration) ……..

Schedule- II

Proforma for submission of information for last three months on a monthly basis

(Information to be submitted to the Commission only)

Name of the Trader:
Licence Details (No. & date):

S. N.	Purchased from*	Sold to*	Volume of Trading in		Point of purchase		Point of sale	Sale Price/ unit	Transmission/wheeling charges borne by seller/Trader/buyer*	Transmission losses borne by Seller/Trader /Buyer*	UI charges borne by Seller/Trader /Buyer*	Open Access charges/ Any other charges (please specify)	Remarks payment track record for energy purchased for trading.
			MU	Contracted MW		Price /unit							
1	2	3	4	5	6	7	8	9	10		11	12	13

Note: All transactions shall be reported transaction-wise and should not be aggregated.
* Moreover, besides the name of the seller/buyer, indicate the category of the seller/buyer namely generator, captive power plant, distribution licensee, Government, consumer (when applicable) etc.
Strike out whichever is not applicable.

Schedule- III

Proforma for submission of Standards of Performance of Electricity Trader

(to be submitted to the Commission and SLDC)

Name of the Trader:
Licence Details (No. & date):

S.No.	Volume of Trading during the month in		Total trading upto the present month in		Whether there is any change in the category of trader?	Whether net worth has increased, due to change of category?	Whether proper licence fee, deposited with the Commission?	Whether any violation to the licence conditions notified by any agency or observed by the licensee himself	Whether scheduling and service charges have been paid to SLDC	Remarks
	MU	MW	MU	Contracted MW	(Yes / No)	(Yes / No)	(Yes / No)			