



**JOINT ELECTRICITY REGULATORY COMMISSION  
FOR MANIPUR AND MIZORAM  
AIZAWL ::: MIZORAM**

**NOTIFICATION**

*No. H. 13011/3/09-JERC, Dated Aizawl, the 2<sup>nd</sup> July, 2010.* The Electricity Act, 2003, recognizes Trading in electricity as a distinct activity and requires any person intending to trade in electricity, to obtain a Licence from the Electricity Regulatory Commission under Section 14 of the Act. The Regulatory Commission is also required under Section 52 of the Act to specify the technical requirement, capital adequacy requirement, and creditworthiness for being an electricity trader. The electricity traders are also required to discharge such duties in relation to supply and trading in electricity as may be specified by the Regulatory Commission.

Now, therefore, in exercise of powers conferred under Section 181 read with Section 14, Section 15, Section 16, Section 18 and Section 52 of the Electricity Act 2003 (36 of 2003) and all powers enabling it in that regard, the Joint Electricity Regulatory Commission hereby makes the following Regulations providing for the procedures to grant, amend or revoke an Intra-State Trading Licence for the State of Manipur/Mizoram and laying down the general terms and conditions of Electricity Trading.

**CHAPTER-1  
GENERAL**

**1 Short Title, Extent and Commencement**

- (1) These Regulations may be called **Joint Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Intra-State Trading License and other Related Matters) Regulations, 2010**
- (2) These Regulations shall apply to any person applying for an Intra-State Trading Licence to undertake the trading of electricity in the State of Manipur/Mizoram.
- (3) These Regulations extend to the whole of the State of Manipur/Mizoram and shall apply in relation to all matters falling within the jurisdiction of the Commission.
- (4) These Regulations shall come into force with effect from 2<sup>nd</sup> July, 2010.

## 2 Definitions and Interpretation

- (1) In these Regulations, unless the context otherwise requires:-
- (i) “**Act**” means the Electricity Act 2003 (36 of 2003);
  - (ii) “**Accounting Statement**” means for each financial year, Accounting Statements for the Licensed Business comprising a profit and loss account, a balance sheet and a statement of sources and application of funds, together with notes thereto as detailed under the Companies Act, 1956 (1 of 1956) and such other particulars and details in the manner as the Commission may direct from time to time. If the Trading Licensee engages in any business or activity in addition to the Licensed Business, the Accounting Statements shall comply with the Regulations of the Commission dealing with the treatment of other Business of Trading Licensees and show separately the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either;
    - (a) charged from the Licensed Business to any other Business or vice versa together with a description of the basis of that charge; or
    - (b) determined by apportionment or allocation between the Licensed Business and any other Business of the Trading Licensee together with a description of the basis of the apportionment or allocation.
  - (iii) “**Applicant**” means a person who has made an application to the Commission for grant of Licence for the Trading of Electricity;
  - (iv) “**Annual Accounts**” means the accounts of the Trading Licensee prepared in accordance with the provisions of the Companies Act, 1956 and/or in such other manner as may be directed by the Commission from time to time in terms of the provisions of the Act;
  - (v) “**Auditor**” means the Trading Licensee’s auditors holding office in accordance with the requirements of Sections 224 to 234A or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956);
  - (vi) “**Authorised**”, in relation to any Person, Business or Activity, means authorized by the Licence granted under Section 14 of the Act or deemed to be granted under the first, second, third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act and the Regulations of the Commission;

- (vii) “**Commission**” means the Joint Electricity Regulatory Commission of Manipur & Mizoram constituted under Section 83 of the Electricity Act, 2003 (36 of 2003);
- (viii) “**Conduct of Business Regulations**” means the Joint Electricity Regulatory Commission for Manipur and Mizoram (Conduct of Business) Regulations, 2008;
- (ix) “**Deemed Licensee**” means a person authorized under the first, second, third and fifth proviso to Section 14 of the Act;
- (x) “**Holding Company**” shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);
- (xi) “**Intra-State Trading**” means Trading in Electricity within the territory of the State by an Electricity Trader;
- (xii) “**Intra-State Trading Regulations**” means these Regulations;
- (xiii) “**Licence**” means the Licence under Section 14 of the Act under which the Licensee is authorized to conduct the Licensed Business;
- (xiv) “**Licensed Business**” means the business of the Trading of Electricity as authorized under the Licence;
- (xv) “**Net Worth**” at any point of time, means the sum total of paid up capital, premium and free reserves, but shall not include intangible assets and reserves credited out of revaluation of assets, write back of depreciation provisions and amalgamation;
- (xvi) “**Open Access Consumer**” means a consumer who is eligible to receive supply of electricity from a person other than the distribution Licensee of his area of supply;
- (xvii) “**Open Access Customer**” means a person using or intending to use the transmission system or the distribution system or both of the Licensees in the State for Transmission or Wheeling of Electricity in the State;
- (xviii) “**Other Business**” means any business of the Licensee other than the Licenced Business but shall exclude other entities in which the Licensee may be a shareholder or partner or in joint venture;
- (xix) “**Petition**” shall include all petitions, complaints, appeals, replies, rejoinder, supplemental pleadings and other papers and documents filed before the Commission;
- (xx) “**Person**” shall include any company or body, corporate or association or body of individuals, whether incorporated or not, or artificial juridical

person;

- (xxi) “**Proceedings**” means proceedings of all nature that the Commission may decide to initiate or hold in the discharge of its functions under the Act but any preliminary meeting or any action done by the Commission before such initiation shall not be a proceeding for the purposes of these Regulations;
  - (xxii) “**Receiving Officer**” shall mean the officer designated by the Commission for receiving the Petition;
  - (xxiii) “**Specific Conditions**” means the conditions in addition to or in variation of the General Conditions which the Commission may lay down specifically for a Trading Licensee;
  - (xxiv) “**Secretary**” means the Secretary of the Commission;
  - (xxv) “**Assistant Secretary**” means the Assistant Secretary of the Commission;
  - (xxvi) “**Subsidiary**” shall have the same meaning as in Section 4 of the Companies Act, 1956 (1 of 1956);
    - (a) “**Trading Business**” means the authorized business of a Trading Licensee allowed under the Trading Licence granted;
    - (b) “**Trading Licence**” means a Licence granted under Section 14 of the Act to undertake trading in electricity as a trader in the State of Manipur/Mizoram;
    - (c) “**Trading Licensee**” means a person who has been granted by the Commission under Section 14 of the Act a Trading Licence to undertake electricity trading in the State of Manipur/Mizoram and shall include Deemed Licensee for the purpose;
    - (d) “**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 other encumbrance to subsist or parting with physical possession or any other disposition or dealing.
- (2) Words or expressions occurring in these Regulations and not defined herein above shall bear the same meaning as in the Act.

## **CHAPTER-2 ELIGIBILITY**

### **3 Technical Requirements of an Electricity Trader**

- (1) The applicant must have at least the following resources:
  - (a) Experts and skilled (a) Technical staff with relevant qualifications and experience and having knowledge of Power System Operations, and (b) Finance and Commerce and Accounts having degree in Chartered Accountant/ICWA/MBA with experience in commercial market settlement activities;
  - (b) Adequate office area with adequate communication facilities like telephone, fax, computer and internet facilities; and
  - (c) A website of his own to post all necessary information about his electricity trade.
- (2) The applicant shall submit along with the application, the following information to the Commission for assessment of his technical capability with regard to the personnel deployed as outlined in clause 1 above:
  - (a) number of experts, summary of their educational qualifications and experience in and knowledge of electricity industry/market as well as understanding of the operation of the system and commercial transactions, and number of years of experience of each personnel;
  - (b) details of key staff, their educational qualifications and business skills; and
  - (c) details of office and communication facilities and website.

The aforesaid information shall be filed along with the supporting documents.

- (3) The applicant shall justify to the satisfaction of the Commission that the technical capability resources exhibited by the applicant are adequate to manage the intended volume of Inter-State Trading.
- (4) The applicant shall comply with the technical requirements when applying for the Licence for Intra-State Trading:

Provided that the Commission may grant the Intra-State Trading Licence to the applicant subject to the trader furnishing the details and exhibiting compliance to the technical requirements, in accordance with clauses 1 and 2 above, before undertaking the Intra-State Trading.

#### 4 Financial Requirements of an Electricity Trader

- (1) At the time of application, the applicant shall submit to the Commission the applicant's earnings history, balance sheet, cash flow, funding arrangements and risk management strategy which will demonstrate that the applicant has met the net worth requirement as per clause 3 below of this Regulation.
- (2) The financial requirements shall be complied with before applying for the Licence for Intra-State Trading.
- (3) The Net Worth requirement of the electricity trader/applicant at any time shall not be less than the following amounts:

Sl. No.	Licence Category	Volume of Electricity Traded in MU per month	Net worth Rs. Crore
1	A	Upto 5 MU	0.1
2	B	Greater than 5 MU and upto 10 MU	0.2
3	C	Greater than 10 MU and upto 20 MU	0.4
4	D	Greater than 20 MU and upto 30 MU	0.6
5	E	Greater than 30 MU and upto 40 MU	0.8
6	F	Greater than 40 MU and upto 50 MU	1.0
7	G	Greater than 50 MU	1.0 plus 0.02 crore for an increase of 10 MU or part thereof above 50 MU

Provided that the Licensee shall increase his net worth if the volume of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded as on 31<sup>st</sup> March of each year, and of which the Licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth.

- (4) Capital Adequacy shall be a dynamic function based on quantum of trade, the Licensee is allowed by the Commission on the basis of its business plan and shall correspond to 'pool rate' of the power handled by the Licensee along with company expenses; trade risks on account of default in payment and change in price adjusted six monthly by the corresponding adjustments in the equity of the Licensee over and above the initial limit of capital adequacy fixed by the Commission or as deemed fit by the Commission.

- (5) Credit Worthiness of the Licensee shall correspond to percentage trade default in multiplied by the capital adequacy for three-settlement period. The credit worthiness shall be revised six monthly with the revision in capital adequacy or as deemed fit by the Commission.

## **5 Exemption**

- (1) Any person who has been granted an Inter-State Trading Licence by the Central Electricity Regulatory Commission may apply for Intra-State Trading Licence to trade electricity in the State of Manipur/Mizoram. Such persons are exempted from the requirements at Regulations 3&4 and need only provide a copy of their Inter-State Trading Licence to the Commission and the person will be issued the Licence given at Appendix-3 upon payment of the application fee. Such persons will also be required to pay annual Licence fees in accordance with the general terms and conditions of Licence.
- (2) Distribution Licensees are not required to obtain an Intra-State Trading Licence.

## **6 Deemed Licensee**

Notwithstanding anything contained otherwise in this Regulation, the Deemed Licensees under Section 14 of the Act entitled to undertake Intra-State Trading in electricity shall be required to have the technical and financial requirements as specified in the above clauses including the capital adequacy norm and the credit worthiness.

Provided that the Commission may, under the proviso to Section 16 of the Act, lay down general or special conditions, which such Licensee shall be required to comply with to continue the activities of an electricity trader.

## **7 Disqualification**

The application shall not be qualified for grant of licence if:

- (1) The applicant, or any of his associates, or partners, of promoters, or Directors is an undischarged insolvent; or
- (2) The applicant, or any of his associates, or partners, or promoters, or Directors has been convicted of an offence involving moral turpitude, fraud, or any economic offence during the year of making the application or three years immediately preceding that year and a period of six months has not elapsed since his release from imprisonment, if any, consequent to such conviction; or

- (3) An order canceling the licence of the applicant, or any of his associates, or partners, or promoters, or Directors, has been passed by the Commission; or
- (4) The applicant holds a licence for transmission of electricity; or
- (5) The applicant, or any of his associates, or partners, or promoters, or Directors, has in the past been-
  - (a) refused a licence on the grounds which continue to remain valid; or
  - (b) found guilty in any proceedings for non-compliance of any of the provisions of the Act or the Rules or the Regulations made there under or an order made by the Appropriate Commission, during the year of making the application or five years immediately preceding that year; or
- (6) The applicant is not considered a fit and proper person for the grant of licence for any other reason to be recorded in writing.

## **CHAPTER-3**

### **PROCEDURE FOR GRANT OF LICENCE**

The procedure for grant of Licence to an Intra-State Electricity Licensee by the Commission shall be governed by this Regulation read with the provisions of the Conduct of Business Regulations (CBR) in force. In case of any variations between the two, the provisions of this Regulation shall prevail insofar as the licensing for Intra-State Trading is concerned.

#### **8 Application for Licence**

- (1) All persons intending to engage in the business of trading of electricity in the State of Manipur/Mizoram, shall apply to the Commission for the grant of a Trading Licence in the form and manner directed by the Commission. The application shall be accompanied by such fees as laid down in Schedule-I relating to schedule of fees under Joint Electricity Regulatory Commission for Manipur and Mizoram (Fees, Fines and Charges) Regulations, 2009.
- (2) The General Conditions of Trading Licence are given in Chapter-IV of these Regulations and the Distribution Licensees and Trading Licensee shall be bound by such conditions, except to the extent specifically exempted by the Commission.
- (3) The General Conditions specified in Chapter-IV shall apply to all applicants for grant of Trading Licence including the Deemed Licensees under provisos third and fifth of Section 14 of the Act.
- (4) The Commission shall in addition to the General Conditions, decide on the specific conditions subject to which Licence shall be issued to the applicant.
- (5) The Applicant shall duly fulfill the conditions of technical requirement, capital adequacy requirement and creditworthiness and further shall agree to discharge such duties as specified in the Regulations.
- (6) The application for Licence shall be made in accordance with the provision of the Act and these Regulations and in the application form contained in Appendix-1 to these Regulations and shall be accompanied by such fees as may be prescribed for this purpose.
- (7) The application for Licence shall be accompanied by documents and particulars required to be provided as per the application form in Appendix-1.

- (8) The application shall be supported by affidavit of the authorized person familiar with the details of the application.
- (9) The applicant shall declare to the Commission the maximum trading volume the applicant proposes to handle in a month and its future plans of trading during the initial three years.
- (10) The applicant shall demonstrate at all times its capability to maintain the capital adequacy and net worth sufficient to cover the maximum trading volume over an average settlement period of 30 days (one month).
- (11) The Application for Licence shall specifically state any special terms and conditions the applicant proposes as applicable for the Licence with reasons in support thereof.
- (12) The Application, along with all annexures and enclosures thereto, shall be submitted to the Commission in hard as well as soft copies.

## **9 Acknowledgement of Application**

On submission of the application, the receiving Officer shall note thereon the date of its receipt and shall send to the applicant an acknowledgement stating the date of receipt.

## **10 Calling for Additional Information**

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

## **11 Acceptance of Application**

If the Commission finds the application to be complete and accompanied by the requisite information, particulars and documents and that the applicant has complied with all the requirements for making the application and furnishing of information, particulars and documents, the Commission shall accept the application and inform all concerned that the application is ready for being considered for grant of Licence in accordance with applicable laws and formally communicate the same to the applicant. Upon receipt of such communication the applicant shall collect an authenticated copy of the application filed and related documents from the office of the Commission for making it available for inspection by all interested parties as directed by the Commission.

## **12 Publication of Notice of Application**

- (1) The applicant shall, within seven days from the date of admission of the application, publish a notice of the application in the form specified in Appendix-2 with such particulars and in such manner as the Commission may direct.
- (2) The notice shall be headed by a short title corresponding to that given in the application and shall give the addresses of the offices at which the application documents and copies of maps therein referred to may be inspected and copies of same may be purchased. It shall also state that any person, desirous of making a representation with reference to the application to the Commission, may do so by a letter addressed to the Commission in this regard, within thirty days from the date of publication.
- (3) The applicant shall keep and display at his own office and at such other place as may be designated by the Commission, copies of the documents referred to in Appendix-1 for public inspection. The copies of such documents may be made available to the interested persons at a price not exceeding the normal photocopying charges.
- (4) The applicant shall post complete application along with annexures and enclosures thereto on his website.

## **13 Circulation of Notice of the Application**

- (1) The Commission may direct that the notice of the application be circulated/served on the Central Government, the State Government, the Local Authority or any other Authority or person or body or body as the Commission may direct in such form, with such particulars and in such manner as the Commission may consider appropriate.
- (2) The applicant shall apply for and obtain the No Objection Certificate from the Central Government if required, as per clause (ii) of sub-section (2) of Section 15 of the Act before hearing by the Commission.

## **14 Objections**

- (1) Any person intending to object to the grant of the Licence shall file objection within thirty days from the date of publication of the notice by the applicant. The objection shall be filed as a reply petition and the provisions of Chapter II of the Conduct of Business Regulations dealing with reply, shall apply to the filing of such objections.

- (2) Any person who desires to have any amendment made in the proposed conditions of Licence shall furnish a statement of the amendments to the applicant and to the Commission in the form of reply petition, within the time allowed by the Commission for filing objection.

## **15 Hearing and Local Inquiry**

- (1) After the accepted application is duly published and the time for filing of objections is over and also the applicant has furnished to the Commission the No Objection Certificate, if any required from the Central Government and Local Authority, the Commission shall proceed with the hearing of the application.
- (2) The Commission shall give notice of 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 may consider appropriate.
- (3) If any person objects to the grant of the Licence applied for, the Commission may, only when at a later date either the applicant or the objector so desires, cause a local inquiry to be held for which the notice in writing shall be given to the applicant and the objector.
- (4) In case of a local inquiry under clause 3 above, a memorandum on the outcome of the inquiry made shall be prepared and signed jointly by the applicant, the Officer or person designated for the purpose and such other person as the Commission may direct.
- (5) The hearing on the application for grant of Licence shall thereafter proceed as far as possible in the same manner as provided in Chapter II of the Conduct of Business Regulations.

## **16 Grant of Licence**

- (1) After the hearing, under Regulation 15, the Commission may decide to grant or refuse the Licence and if it decides to grant the Licence it may do so on such terms and conditions and with such modifications to the general conditions and on such specific conditions as the Commission may decide.
- (2) When the Commission has approved the proposal for the grant of Licence, the Commission shall inform the applicant of such approval and also the conditions to be satisfied by the applicant including the initial and periodical Licence fees to be paid by the applicant for the grant of Licence.
- (3) On receiving an intimation in writing from the applicant that he is willing to accept a Licence on the terms approved by the Commission and after the applicant

satisfies the conditions imposed for the grant of the Licence, the Commission shall issue a Licence to the applicant in the form provided at Appendix-3.

- (4) The Commission may direct the applicant to publish the Licence or such part or gist thereof as the Commission considers appropriate.
- (5) The Commission shall, within fifteen days of passing the order to grant a Licence, forward a copy of the Licence to the State Government, Central Electricity Authority, local authority and to such other person as the Commission considers necessary.
- (6) The Licence shall commence from the date the Commission may direct as the date of commencement of Licence and the Licence shall be in force for the period of twenty five years unless such Licence is revoked.

Provided that any person who has his Inter-State Trading Licence revoked by the Central Electricity Regulatory Commission shall no longer be permitted to conduct trading of electricity in the States of Manipur and Mizoram.

- (7) When the order to grant a Licence has been passed, the Licensee shall produce three sets of documents containing the particulars specified in clause 8 below and these shall be signed on the date of the notification of the grant of the Licence by such Officer as the Commission may designate in this regard. The Licensee shall, whenever required by Commission, furnish the particulars in an electronic form.
- (8) The particulars of the documents to be furnished as per Clause 7 above shall be as under:
  - (a) A short title descriptive of the proposed trading business together with the address and description of the applicant, and if the applicant is a company, the names and addresses of all the directors of the company;
  - (b) The general conditions and also any special conditions, if any, which the Commission has laid down for inclusion in the Licences of the nature applied for with justification by the applicant under clause 11 of Regulation 8.

## **17 Refusal of Licence**

If the Commission is not inclined to grant the Licence, the Commission shall give an opportunity to the applicant for being heard in person before rejecting the application. The Commission shall however deduct a processing fee of Rs. 25,000 from the application fee/Licensing fee. The original application, its enclosures and a statement showing reasons for rejection shall be handed over to the applicant along with a draft/cheque for the balance amount.

## **CHAPTER-4**

### **GENERAL TERMS AND CONDITIONS OF LICENCE**

#### **18 Term**

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

Provided that any Intra-State Trading Licensee, who has its Inter-State Trading Licence revoked by the Central Electricity Regulatory Commission shall no longer be permitted to conduct trading of electricity in the State of Manipur/Mizoram. At the same time, the Intra-State Trading Licence shall also be deemed as revoked.

#### **19 Obligations Licensee**

The Trading Licensee shall have understanding of Generation availability, Plant Load Factor, Transmission availability, Extra Transmission Capacity and Scheduling of Generation and demand etc. including the technical capability and resources to coordinate with Regulatory Commissions, State Transmission Utility, Central Transmission Utility, Central Electricity Authority and State/Regional Load Despatch Centres, agencies for metering, billing, revenue realization and energy accounting and capabilities adequate to manage technical, market and commercial functioning with each of the interacting player in the grid along with updated awareness or rules, codes and regulations enforced in the industry by the Commission or the Government in order to handle the intended volume of Intra-State trade. For the said purpose the Licensee shall place employee profile capable of handling the said specific functions efficiently besides all the required infrastructure.

Therefore, the Licensee shall be subject to the following obligations:

- (a) The Licensee shall increase his net worth, subject to provisions of clause 4, if the volume of trade moves from a lower category to a higher category or exceeds the permitted trade volume within the same category and such change shall be decided based on the volume of electricity traded as on 31<sup>st</sup> March of each year. The Licensee shall keep the Commission informed of such changes;

Provided that the Licensee shall not be construed to have exceeded the permitted trade volume or moved to higher category until excess of traded electricity is within ten percent of the traded volume/month permitted by the Commission;

Provided further that such excess shall be attributed to unscheduled interchange and explainable exceptional circumstances.

- (b) The Trading margin for the Intra-State Trading fixed by the Commission, from time to time, shall be applicable to the Licensee.
- (c) The Licensee shall be governed by the technical requirements, capital adequacy requirement and creditworthiness specified by the Commission in these Regulations, for being an electricity Licensee and shall upgrade these technical and capital adequacy requirements including staff, when the volume of trading increases.
- (d) The Licensee shall establish adequate communication facilities like telephone, fax, computer, internet facilities, before undertaking the trading.
- (e) The Licensee shall render all assistance to any person authorized by the Commission for carrying out his duties relating to the licence.
- (f) The trading shall be carried out bilaterally between the parties by entering into appropriate contracts. Necessary safeguards with regard to supply of electricity through trading, or payment for the electricity through the letters of credit or with any other superior instrument.
- (g) The Licensee shall pay the licence fee specified under these Regulations in accordance with the time-schedule specified hereunder.
- (h) The Commission may issue such directions as it considers appropriate to a trading Licensee if such Licensee enters into any agreement leading to abuses of its dominant position or enters into a combination, which is likely to cause or causes an adverse effect on competition in electricity industry, and the Licensee shall comply with such directions.

## **20 Compliance with Laws, Rules and Regulations**

- (1) The Trading Licensee shall comply with the provisions of the Act, Rules, Regulations, Orders and Directions issued by the Commission from time to time and the provisions of all other applicable laws.
- (2) The Trading Licensee shall act in accordance with these General Terms and Conditions unless the Trading Licensee is exempted from any provisions of these

general conditions at the time of the grant of Licence or otherwise, it specifically obtains the approval of the Commission for any deviation there from.

- (3) Notwithstanding anything contained in clauses 5 and 10 of Regulation 8 and Regulation 20 of these Regulations, the Deemed Licensees under Section 14 of the Act entitled to undertake Intra-State Trading in electricity shall not be required to meet the technical or financial requirements as specified in the above clauses including the required capital adequacy norm and credit worthiness till the time allowed by the Commission.
- (4) The Trading Licensee shall duly comply with and undertake all activities consistent with the Commission's Electricity Grid Code, Electricity Supply Code and other codes and standards, orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and other statutory authorities issued for the discharge of their functions under the Act.

## **21 Payment of Annual Licence Fees**

- (1) The Licensee shall pay to the Commission non-refundable annual Licence fee as laid down in Schedule-I of JERC (M&M) (Fees, Fines and Charges) Regulations, 2010, by means of a Demand Draft drawn on SBI, Aizawl, in favour of the Secretary/Assistant Secretary, Joint Electricity Regulatory Commission for the States of Manipur and Mizoram within seven days of receiving information as per clause 16.2 about grant of Licence.
- (2) For the period between the date of commencement of commercial operation and end of the financial year, Licence fee shall be payable on pro rata basis for the number of days.
- (3) The Licence fee for the subsequent years starting from the first day of April shall be paid in full before the start of the year. In case the Licensee fails to pay to the Commission the Licence fee specified above or a part thereof, the Licensee shall be liable to pay late payment surcharge on the outstanding amount at a simple interest at the rate of 1% per month or a part thereof, calculated from the due date for the period the Licence fee or a part thereof remains unpaid.
- (4) Notwithstanding the liability of the Licensee to pay the late payment surcharge as aforesaid, the delay in payment of annual licence fee or a part thereof, shall be construed as breach of the terms and conditions of the licence rendering the licence liable to be revoked on this ground alone.

- (5) The Trading Licensee shall be entitled to take in to account any fee paid by it under this Regulation 21 as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any late payment charges paid pursuant to this clause.

## **22 Duties of a Trading Licensee**

- (1) The Trading Licensee shall:
- (a) have in place all agreements or arrangements for the purchase and sale of electricity, and all necessary authorizations as required by the Trading Licence to be able to perform its obligations under such agreements;
  - (b) have in place the requisite open access agreements with the Transmission Licensees and Distribution Licensees for the Transmission or Wheeling of Electricity, as the case may be, unless the trader's respective customers or power supplier has entered into such access agreements;
  - (c) have in place Billing and Settlement Agreements, i.e. between him and the supplier of energy including the generating companies or, between him and other Licensees, who are purchasers of electricity and also between him and the customers, who are traders or consumers, as approved by the Commission;
  - (d) maintain an up-to-date register or record of all the Intra-State Business transactions;
  - (e) comply with any other requirements as the Commission may direct from time to time; and
  - (f) if the contract of the Licensee with its customer is for a fixed term, then prior to the expiry of the fixed term, he shall inform the customer as to when the expiry will occur and the tariffs and terms & conditions applicable to the customer beyond the expiry of the contract, if the arrangement is continued;
- (2) The Trading Licensee shall pay to the Distribution Licensee concerned as provided in sub-section (2) of the Section 42 of the Act the amount of surcharge if any, permitted to be recovered by the Trading Licensee in the case of trading of electricity to the Open Access Consumer as directed by the Commission.
- (3) The Trading Licensee shall not engage itself in the business of transmission of electricity.
- (4) The Trading Licensee shall not without the prior approval of the Commission
- (a) acquire by purchase or take over or otherwise the utility of any other Licensee operating in the State of Manipur/Mizoram, or

- (b) merge his trading business with any other Licensee operating in the State of Manipur/Mizoram, or
  - (c) assign or transfer his Licence to any person, by sale, lease, exchange or otherwise.
- (5) Wherever prior approval of the Commission is required, the Electricity Trader shall file an appropriate application before the Commission, in accordance with the Conduct of Business Regulations.
- (6) The Trading Licensee shall seek approval of the Commission before making any loans to, or issuing any guarantee for any obligation of any Person, except when made or issued for the purposes of the Licensed Business. 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.

### **23 Annual Accounts**

- (1) Unless otherwise permitted by the Commission, the financial year of the Trading Licensee for the purposes of these General Conditions and matters relating to the Licensed Business shall run from first of April in an year to the thirty-first March in the succeeding year notwithstanding that Licensee follows any other period for the purpose of closing its Books of Accounts under Company's Act.
- (2) The Trading Licensee shall, in respect of the Licensed Business and any Other Business:
- (a) keep such accounting records as would be required to be kept in respect of each of such businesses so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Trading Licensee, from those of Other Business in which the Trading Licensee may be engaged;
  - (b) prepare on a consistent basis from such accounting records and deliver to the Commission the Accounting Statements; namely;
    - (i) in respect of the first six months of each financial year, a Half Yearly profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as per formats of Companies' Act 1956 and in respect of matters falling outside these formats as the Commission may prescribe from time to time and such statements and documents are to be published in the manner prescribed by the Commission;

- (ii) in respect of the Accounting Statements prepared, an Auditor's report for each financial year, stating whether in their opinion these statements have been properly prepared in accordance with this clause and give a true and fair view of the revenues, costs, assets liabilities, reserves and provisions of, or reasonably attributable to such businesses to which the statements relate; and
  - (iii) a copy of each Half Yearly profit and loss account not later than three months after the end of the period to which it relates, and copies of the Accounting Statements and Auditor's report not later than six months after the end of the financial year to which they relate.
- (3) The Trading Licensee shall not normally change the basis of charge or apportionment or allocation or revenues or expenses in relation to the preparation of the Accounting Statements in respect of a financial year from those applied in respect of the previous financial year, without prior approval of the Commission. Any change, if proposed, on the basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, prevailing Accounting Standards or Rules and any guidelines issued by the Commission in this regard.
- (4) Where, in relation to the Accounting Statements in respect of a financial year, the Trading Licensee has changed the basis of charge or apportionment or allocation of revenues or expenses from those adopted for the immediately preceding financial year, the Trading Licensee shall, if directed by the Commission, (in addition to preparing Accounting Statements on the basis which it has adopted), prepare and deliver to the Commission such Accounting Statements on the basis which it applied in respect of the immediately preceding financial year.
- (5) Accounting Statements under clause 2 above shall, unless otherwise approved or directed by the Commission:
  - (a) be prepared and published with the Annual Accounts of the Trading Licensee and shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards or Rules and any guidelines issued by the Commission in this regard,
  - (b) be prepared in the form as the Commission may stipulate from time to time in the Terms and Conditions of Tariff Regulations of the Commission.

- (6) The references to costs or liabilities of, or reasonably attributable to Licensed Business or Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.
- (7) The Trading Licensee shall ensure that the Accounting Statements in respect of each financial year prepared under clause 2 above and the Auditor's report in respect of each financial year are published in such manner as is provided in the Companies' Act and are made available to any person requesting them at a price no exceeding the reasonable cost of duplicating them.
- (8) Any person authorized by the Commission shall be entitled to inspect and verify the accounts of the Trading Licensee and the Licensee shall render all necessary assistance to such authorized person.

## **24 Furnishing Information to the Commission**

- (1) The Trading Licensee shall duly maintain such information as the Commission may direct under Section 128 of the Act. The Trading Licensee shall furnish to the Commission without undue delay such information, documents and details related to the Licensed Business or any Other Business of the Trading Licensee, as the Commission may require from time to time for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and/or the Central Electricity Authority, the State Trading Utility and the Regional and State Load Despatch Centres.
- (2) The Trading Licensee shall furnish the information as may be required from time to time to monitor the Licensee's performance and compliance of the terms and conditions of the Licence and any other legislative or regulatory requirement in proforma provided in Appendix-4 of these Regulations for submission of information.

Provided that the information in the prescribed Form shall be furnished to the Commission and State Load Despatch Centre as the case may be, on a weekly basis.

Provided further that the State or Regional Load Despatch Centres, as the case may be, shall verify the quantum of energy traded, as indicated in the reports submitted by the Trading Licensee and submit a report to the Commission.

- (3) The Trading Licensee shall not be required to publish the tariff in an agreement in order to ensure the confidentiality of commercial arrangements between the Trading Licensee and its customers.

- (4) The Trading Licensee shall bring to the notice of the Commission as soon as possible of the occurrence of any other incident which materially affects any part of its trading activities and in any event, by not later than seven days from the date of such occurrence. The Trading Licensee shall submit a report to the Commission giving full details of the facts within the knowledge of the Trading Licensee regarding the incident and its cause.
- (5) The Trading Licensee shall immediately inform the Commission about any incident restriction it from meeting its obligation under the Licence granted including any act of omission or commission by others and steps taken by the Trading Licensee to mitigate the effect of such incident.
- (6) The Commission may by order, after providing an opportunity of hearing, direct the Trading Licensee to provide such amount of compensation as the Commission may direct to persons who are affected or prejudiced by any act of commission, omission or negligence on the part of any of the employees or agents of the Trading Licensee.
- (7) The Trading Licensee shall furnish the performance details on a monthly basis submitted each quarter to the Commission in the format prescribed in Appendix-5, appended to these Regulations by 15<sup>th</sup> Day of the month or as may be decided by the Commission from time to time.

## **25 Responsibilities of Trading Licensee**

- (1) The Licensee shall be responsible to the Commission, the consumers and others concerned in the matter of supply of electricity to his consumers notwithstanding the default of Distribution Licensee, if any.
- (2) The Licensee shall always keep in his office adequate number of copies of the updated Electricity Supply Code and the Terms and Conditions of Supply and shall, on demand, sell such copies to any applicant at a price not exceeding the normal photocopying charges.
- (3) The Trading Licensee shall not without the prior approval of the Commission:
  - (a) Acquire any beneficial interest in any Generating Company of Generating Station; or
  - (b) Engage in the business of electricity distribution.

## **26 Capital Adequacy, Credit worthiness and Other Norms**

- (1) The Trading Licensee shall maintain at all times the capital adequacy and net worth sufficient to cover the maximum trading volume over an average settlement

period of 30 days (one month) subject to the minimum requirements set out in clause 10 of Regulation 8 of these Regulations.

- (2) The Trading Licensee shall increase his net worth if the volume of trade moves from a lower category to a higher category and the change of category shall be decided based on the volume of electricity traded as on the last day of each month during the year, and of which the Licensee shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth.
- (3) The Trading Licensee shall make reasonable endeavour to maintain investment grade credit rating from an independent Credit Rating Agency throughout the period of the Licence and shall provide the Commission with the details of any changes thereon.
- (4) The Trading Licensee shall maintain the technical capability and resources as set by the Commission in Regulation 3&4 and provide the Commission with the details of any changes thereon and justify that the capability is adequately maintained to cater to the volume of trade undertaken by him.
- (5) The non-maintenance of the technical and financial parameters as per this Regulation shall amount to a material breach of the obligations of the Trading Licensee.
- (6) The Trading Licensee shall also undertake such studies as the Commission may direct it to undertake from time to time in regard to the trading activities and any other matter concerning the Trading Business that the Commission considers necessary in the public interest. The Commission at its own discretion may require the submission of a report to be prepared by an independent person on the activities of the Trading Licensee at the cost and expense of the Trading Licensee.
- (7) The Trading Licensee shall submit a Business Plan within three months of Trading Licence coming in force for such period as the Commission may direct and shall update such plan annually. The Business Plan shall contain year wise turnover projected profit and loss account, projected balance sheets, projected cash flow statements and projected important financial parameters.
- (8) The Commission may at any time require the Trading Licensee to comply with the provisions under these Regulations in a manner, the Commission may direct and the Trading Licensee shall be obliged to comply with the same.

## **CHAPTER-5**

### **SPECIAL TERMS AND CONDITIONS OF LICENCE**

#### **27 Amendment of Licence**

- (1) The General Conditions of Licence in Chapter IV may be altered or amended by the Commission at any time, if it considers necessary and proper to do so in the public interest, in exercise of powers under Section 18 of the Act.

Provided that no such alterations or amendments shall be made except with the consent of the Licensee unless such consent has, in the opinion of the Commission, been unreasonably withheld.

- (2) In case, the Licensee wishes to amend the Licence conditions, the Licensee shall submit application for it in such form as may be directed for the purpose by the Commission.
- (3) The application shall be accompanied by a statement of the proposed amendment and shall be supported by affidavit as provided in Chapter 3 of these Regulations and applicable fee as prescribed by the Commission.
- (4) The applicant shall, within seven days from the date of admission of the application for amendment, publish a public notice of the application filed giving a brief statement of the amendments proposed, the reason for the proposed amendments, the effect of the amendments proposed on the discharge of the functions of the Licensee under the Licence granted and the consumers, the alternate arrangement, if any, proposed for such discharge of the functions and such other particulars as the Commission may direct, for hearing.
- (5) The public notice under clause 4 above shall give the addresses of the officers at which the application for amendment may be inspected and copies of the application and the documents can be purchased and shall also state that every local authority, utility or a person, desirous of making any representation with reference to the application to the Commission, may do so by a letter addressed to the Commission, within thirty days from the date of publication.
- (6) In the event the Commission proposes to amend the terms and conditions of the Licence granted to a Licensee, the Commission shall publish a public notice of the proposed amendments giving a brief statement of the amendments proposed, the reasons for the proposed amendments, the effect of the amendments proposed on the discharge of the functions of the Licensee under the Licence granted and the

consumers, the alternative arrangement, if any, proposed for discharge of the such functions and such other particulars as the Commission may consider appropriate.

- (7) The Commission shall not make any alterations or amendment to Licence conditions whether initiated by the Licensee or by the Commission unless all suggestions or objections received within thirty days from the date of the first publication of the notice in clauses 5 and 6 above have been considered by the Commission, and subjected to hearing.
- (8) Unless otherwise specified in writing by the Commission, the procedure specified in these Regulations for grant of Licence, in so far it can be applied, shall be followed while dealing with an application for amendment of the Licence.

## **28 Revocation of Licence**

- (1) Subject to the provisions of Section 19 of the Act and the Regulations framed there under, the Commission may, at any time initiate proceedings suo-moto, or on receiving any complaint or information from any person against the Trading Licensee for revocation of the Trading Licence and if satisfied in such proceedings on the following grounds for revocation duly considering the public interest, revoke the Trading Licence:
  - (a) where the Trading Licensee in the opinion of the Commission, makes willful and prolonged default in doing anything required of him by or under this Act or the rules or Regulations made thereafter;
  - (b) where the Trading Licensee violates any of the terms or conditions of his Licence the breach of which is expressly declared by such Licence to render it liable to revocation;
  - (c) where the Trading Licensee fails, within the period fixed in this behalf by his Licence, or any longer period which the Commission may have granted therefore:
    - (i) to show, to the satisfaction of the Commission, that he is in a position to fully and efficiently discharge the duties and obligations imposed on him by his Licence; or
    - (ii) to make deposits or furnish the security, or pay the fees or other charges required by his Licence.

- (d) where in the opinion of the Commission, the financial position of the Trading Licensee is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him; and
  - (e) where the Trading Licensee has failed to comply with all the Regulations, codes, and standards and also orders and directions of the Commission or otherwise has committed an act which renders the Trading Licence revocable on any other ground specified in the Act or the Rules or Regulations framed there under.
- (2) The Commission shall give notice of the proceedings for the revocation of the Licence to the Licensee and to such other person, authority or body as the Commission may consider necessary.
  - (3) Subject to the provisions of Act, and the procedure contained therein, the inquiry by the Commission for revocation of the Licence, in so far it is applicable, shall be in the same manner as provided in the Conduct of Business Regulations.
  - (4) Provided that the Licensee shall be given not less than three months notice in writing to show cause against the proposed revocation and the notice to show-cause issued to the Licensee shall clearly state the grounds on which the Commission proposes to revoke the Licence.
  - (5) If the Commission decides to revoke the Licence, the Commission shall communicate the order of revocation to the Licensee stating the effective date from which such revocation shall take effect.
  - (6) The Commission may instead of revoking the Licence pass any other order imposing temporary ban under such terms or conditions as it may consider appropriate subject to which the Licensee shall be permitted to operate thereafter.
  - (7) Where the Commission has given notice for revocation of Licence, the Licensee may, after prior approval of the Commission, sell the undertakings of the Licensee to a person who is found eligible by the Commission for grant of Licence, without prejudice to any proceeding which may be initiated or any penalty which may be imposed against the person whose Licence is revoked.

## **29 Dispute Resolution**

- (1) The Commission shall adjudicate on the dispute or nominate person(s) as arbitrator(s) to settle disputes between the Trading Licensee and any other Licensees or between the Trading Licensee and a generating company or between a Trading Licensee and an open access consumer in pursuance of Clause (f) of

Sub-section (1) of the Section 86 read with Section 158 of the Act and the Regulations of the Commission.

- (2) The proceedings for adjudication and settlement of disputes under clause 1 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 Conduct of Business Regulations specified by the Commission.

### **30 Contravention by Licensee**

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

### **31 Expected Revenues, Tariffs and Trading Margin**

- (1) The Trading Licensee shall calculate the expected revenue from charges which it is permitted to recover as a trading margin if considered necessary, in accordance with the provisions of the Act, the Regulations of the Commission, the tariff terms and conditions and other guidelines, orders and directions issued by the Commission from time to time.
- (2) The Commission may intervene to regulate the tariff or trading margin of a proposed agreement for the purchase or sale of electricity, if petitioned to do so by an Open Access Consumer or Distribution Licensee under the Conduct of Business Regulations.
- (3) If the Commission chooses to intervene on a proposed agreement, the Trading Licensee is under no obligation to execute the agreement and may not be ordered to do so by the Commission.
- (4) The Commission may issue such directions as it considers appropriate to a Trading Licensee if such Licensee enters into any agreement leading to abuses of its dominant position or enters into a combination which is likely to cause or causes an adverse effect on competition in electricity industry, and the Licensee shall comply with such directions.

## **CHAPTER-6**

### **MISCELLANEOUS CONDITIONS**

#### **32 Miscellaneous Conditions**

- (1) All issues arising in relation to interpretation of these General Conditions and as to the terms and conditions thereof, 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.
- (2) The Commission may at the time of grant of Trading Licence, waive or modify the application of any of the provisions of these General Conditions, if it is in the public interest to do so in the opinion of the Commission, to be recorded in writing, either in the order granting the Licence or by Special Conditions made applicable to a specific Trading Licensee.
- (3) The General Conditions contained herein shall apply to all applicants for grant of Trading Licence after the coming into force of the Act and also to all deemed Trading Licensees under Section 14 proviso first, second, third and fifth of the Act.

#### **33 Issue or Orders and Practice Directions**

Subject to the provisions of the Electricity Act, 2003 and these Regulations, the Commission may, from time to time, issue orders and practice directions in regard to the implementation of these Regulations and procedure to be followed and various matters, which the Commission has been empowered by this Regulation to direct, and matters incidental or ancillary thereto.

#### **34 Power to Remove Difficulties**

If any difficulty arises in giving effect to any of the provisions of these Regulations, the Commission may, by general or special order, do or undertake or direct the Licensees to do or undertake things, which in the opinion of the Commission is necessary or expedient for the purpose of removing the difficulties.

#### **35 Power to Amend**

The Commission may, at any time, add, vary, alter, modify or amend any provisions of these Regulations.

### **36 Repeal and Saving**

- (1) Save as otherwise provided in these Regulations, the Joint Electricity Regulatory Commission for the States of Manipur & Mizoram (Procedure, Terms and Conditions for Grant of Intra-State Trading Licence and other Related Matters) Regulations 2009 is hereby repealed.
- (2) Notwithstanding such repeal, all proceedings and actions taken and orders passed by the Commission or by any authority or Committee under the Regulations or the Orders so repealed, exercising or purporting to exercise jurisdiction under such Regulations or Orders shall be deemed to be as good and valid in law as if it has been so taken and made under the relevant provisions of this Regulations or the Order, as the case may be.

**By order of the Commission**



(RICHARD ZOTHANKIMA)  
Assistant Secretary

## **APPENDIX-1**

### **JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATES OF MANIPUR AND MIZORAM**

#### **FORM - 1: Application Form for Intra-State Trading Licence in the State of Manipur/Mizoram**

The applicant must submit the completed application in six copies to the Secretary/Assistant Secretary, Joint Electricity Regulatory Commission for Manipur and Mizoram, D-31, M.G. Road, Upper Khatla, Aizawl, Mizoram-796001, along with application fee in form of a DD drawn in favour of Secretary/Assistant Secretary, Joint Electricity Regulatory Commission for Manipur and Mizoram, payable at Aizawl.

#### **PART - A: GENERAL INFORMATION OF APPLICANT**

- 1 Details of Applicant
  - (1) Full Name of the Applicant :
  - (2) Full Address of the Applicant :
  - (3) Name, Designation & Address :  
of the Authorised Contact Person
  - (4) Contact Telephone Numbers :  
Fax Number(s) :  
Email ID :
- 2 Nature and Details of Ownership
  - (1) Company/Firm/Co-op Society :  
Individual/Others (If not an individual, the name of Chief Executive/MD)
  - (2) Details of Incorporation/Registration :  
Place of Incorporation/Registration :  
Year of Incorporation :  
Registration Number :
  - (3) Names and Addresses of Directors :
- 3 Principal Shareholders/Partners/Members :
- 4 Details of Trading Operations
  - (1) Maximum trading volume proposed to be undertaken by the applicant on a monthly basis for the first three years; (In Million Units and Capacity)
  - (2) Funding arrangements (source and application) to meet the obligations
  - (3) Area of Operation

(4) Arrangement for purchase of Energy

5 Description of the Organisation giving details of:

- (1) Management Capability
- (2) Financial Strength (As in Para 8)
- (3) Ability to attend to the activities in a sustainable manner
- (4) Description of trading systems
- (5) Nature of other Electricity Licences/Authorisation if any, of the applicant for electricity transmission, distribution or trading already granted.

6 Prior Experience (Past 2 years details for Related Business)

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

General Information		
Name & Address of the related activities		
Brief description of related activities		
Investment Made in the Activities		
Reference	Persons/Clients	(Names, Designations and Addresses)

7 Appropriate Expertise in Trading (Personel)

Name of Personnel	Qualification	Specialisation	Years of Experience	Status in the Firm
a.				
b.				
c.				
d.				
e.				

8 Financial Details of other business ventures of the applicant

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

General Information						
Names of Subsidiary Business Units		Products Manufactured/Services				
Financial Indicators		Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr.5
Fixed Assets						
Gross Fixed Assets						

Accumulated Depreciation Net Fixed Assets					
Equity Promoter's Government/Financial Institutions Public Others					
Financial Indicators					
Liabilities Long Term Short Term					
Income Sale of Power Others					
Expenses Admin. & General Expense Repairs & Maintenance Employee Cost Interest & Financial Charges Long Term Short Term Others					
Overall Turnover (Rs. Lakhs)	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr.5
Profits & Returns (Rs. Lakhs) Net Profits Dividends Paid					
Operating Ratios Return on Equity Return on Capital Employed Return on Net fixed Assets					
Liquidity Ratio Debt Service Coverage Ratio Current Ratio Quick Ratio					

Capital Adequacy & Credit worthiness					
Debt/Networth					
Debt/Equity					
Turnover Ratio					
Total Asset Turnover					
Fixed Asset Turnover					

9 Baseline Information (Business for which Licence is sought):

10 Any other Information/Condition:

**PART - B: LIST OF DOCUMENTS TO ACCOMPANY LICENCE APPLICATION**

1. Information relating to per-existing licence (if any), of the applicant with copy of licence/sanction.
2. Copies of Company’s Articles of Association, Memorandum of Association, Partnership deeds and similar constitutional documents.
3. Certification of incorporation/Registration.
4. Certification for commencement of Business.
5. Original Power of Attorney of the Signatory confirming the authorization from the Applicant or its Promoter.
6. Details of Income Tax registration.
7. Data relating to Management and Financial capability
  - (1) Managerial
    - (a) Senior management’s curriculum vitae
    - (b) Cadre strength for different categories (technical and non-technical)
  - (2) Financial
    - (a) Bank references affirming that the Applicant is financially solvent
    - (b) Most recent Annual Financial Statements (Balance Sheet)
    - (c) Annual Audited Accounts for the past 3 years for the Applicant and any Holding Company, Subsidiary or affiliated company
    - (d) Any accompanying notes and certifications on the above statements from reputable chartered accountant
  - (3) Any other document evidence to substantiate the financial capabilities, technical competence and others.

8. Data relating to the Applicant's Business proposals

- (1) Three year Business Plan (with projections) for the proposed business for which the application relates
- (2) Three year annual forecasts of costs, revenues, project financing and funding arrangements (clearly specifying the assumptions involved)
- (3) An affidavit that the Applicant is not engaged in the business of Transmission of Electricity.

Date

Signature of the Applicant

## **APPENDIX-2**

### **JOINT ELECTRICITY REGULATORY COMMISSION FOR THE STATES OF MANIPUR AND MIZORAM**

#### **PROFORMA OF PUBLICATION OF LICENCE (UNDER REGULATION 12)**

##### **NOTICE**

Notice is hereby given to all the interested persons that Mr/Mrs. .... (name and address of the applicant) has applied to the Joint Electricity Regulatory Commission Manipur and Mizoram (the Commission) for grant of licence for ..... (nature of the licence) in the State of Manipur/Mizoram. The application and other documents filed by the applicant can be inspected at the office of the applicant, at ..... at the copies of the same will be available from the applicant for a price not exceeding the normal photocopy charges.

Any person interested in objecting to or otherwise making representation in regard to the grant of licence may forward the objections/representation with the Commission in two ..... copies by hand delivery or by registered post and should serve a copy of the objection/representation of Mr/Mrs ..... at the address mentioned above.

The person filing the objection/representation should give the following particulars.

1. Name and full address
2. Grounds/reasons in support of the objection/representation together with documents or evidence, if available
3. Whether he wish to be heard in person or through authorized representative at the time of hearing.

**APPENDIX - 3**  
**JOINT ELECTRICITY REGULATORY COMMISSION FOR**  
**THE STATES OF MANIPUR AND MIZORAM**

**INTRA-STATE TRADING LICENCE**

1. The Joint Electricity Regulatory Commission Manipur & Mizoram (hereafter referred to as “Commission”), in exercise of the powers conferred under Section 14 of the Electricity Act, 2003 (hereafter referred to as “Act”), hereby grants the licence to M/s ..... (hereafter referred to as the Licensee) to conduct trading in electricity in the State of Manipur/Mizoram, more specifically described **in the schedule attached** to this licence, which shall be read as a part and parcel of this licence, subject to the Act, the rules and **the terms & conditions specified under the Joint Electricity Regulatory Commission for Manipur & Mizoram (Procedure, Terms and Conditions for grant of an Intra-State Trading Licence and Other Related Matters) Regulations, 2010**, which shall be read as part and parcel of this licence.
2. Wherever there is a contradiction between the terms and conditions contained in this licence and the Agreements, the provisions of this Licence, as amended from time to time, shall apply.
3. This licence is not transferable.
4. The grant of licence to the Licensee shall not in any way, hinder or restrict the right of the Commission to grant a trading licence to any other person. The Licensee shall not claim any exclusivity.
5. The licence shall, unless revoked earlier, continue to be in force for a period of 25 (twenty five) years from the date of issue.

**PPENDIX-4**

**PROFORMA FOR SUBMISSION OF INFORMATION FOR THE WEEK OF:**

Name of the Licensee:

Licence Details (No & Date);

Sl No.	Volume of Trade in MU	Purchased from *	Sold to *	Point of Purchase	Purchase Price	Point of Sale	Sale Price	Transmission Charges borne by Seller/ Licensee/Buyer **	Transmission Losses borne by Seller/ Licensee/ Buyer **	UI Charges borne by Seller/Licencee/Buyer **	Wheeling Charges borne by Seller/ Licensee/Buyer **

**NOTE:** All data should be aggregated for the week. There is no requirement to report on individual transactions on a real time basis. There is also no requirement to report on sales price, purchase price, or trading margin as this information is confidential to the parties who have entered into a voluntary agreement in a competitive market. If the Commission should require such information, it will be requested separately and will remain confidential and will not be released to the general public.

\* 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.

\*\* Strikeout which ever is not applicable.

## APPENDIX-5

### PROFORMA FOR SUBMISSION OF STANDARDS OF PERFORMANCE OF ELECTRICITY LICENSEE (Month wise position to be submitted through SLDC each quarter)

Name of the Licensee:

Licence Details (No. & Date):

Sl. No.	Volume of Trading during the quarter	Cumulative Trading upto the present quarter	Whether there is any change in the category of Licensee (Yes/No)	Whether networth is increased, due to change of category (Yes/No)	Whether additional licence fee, due to change in category deposited with the Commission (Yes/No)	Whether any violation to the licence conditions pointed out by any agency or observed by the Licensee himself	Payment track record for energy purchased for trading	Remarks