

MAHARASHTRA ELECTRICITY REGULATORY COMMISSION
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TRANSMISSION LICENCE NO. 1 OF 2011

**LICENCE FOR TRANSMISSION OF ELECTRICITY IN THE STATE OF
MAHARASHTRA**

Dated: August 11, 2011

Licence granted by the Maharashtra Electricity Regulatory Commission under Section 14 of the Electricity Act, 2003 to Reliance Infrastructure Limited (RInfra), having its registered office at H-Block, First Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710 to transmit electricity within the area of transmission (as defined in this Licence, under Part II, section 3, “Area of Transmission”) and with the powers and upon the terms and conditions specified herein.

Part I: General

1. Short Title

This Licence may be called the **Transmission Licence for Reliance Infrastructure Limited (RInfra). (Licence No. 1 of 2011).**

2. Definitions

All the definitions specified under “Section 3. Definitions” of Maharashtra Electricity Regulatory Commission (Transmission Licence Conditions) Regulations, 2004 as amended in 2006 (“Transmission Licence Conditions Regulations”), shall be applicable for this Licence.

Words or expressions used herein and not defined shall have the meanings assigned to them in the Electricity Act, 2003.

Part II: General Terms and Conditions

3. Area of Transmission

The Licence authorizes the Transmission Licensee to establish and operate the following transmission lines inclusive of related infrastructure:

Existing System – Transmission Lines

1. 220 kV Dahanu-Ghodbunder-1 transmission line (85 km) from Dahanu to Ghodbunder EHV sub-station
2. 220 kV Dahanu-Ghodbunder-2 transmission line (84.99 km) from Dahanu to Ghodbunder EHV sub-station
3. 220 kV Dahanu-Boisar transmission line (31 km) from Dahanu to MSETCL Boisar sub-station
4. 220 kV Boisar-Versova transmission line (91 km) from MSETCL Boisar to Versova EHV sub-station
5. 220 kV Dahanu-Versova transmission line (106 km) from Dahanu to Versova EHV sub-station
6. 220 kV Ghodbunder-Gorai-1 transmission line (9.72 km) from Ghodbunder EHV sub-station to Versova EHV sub-station
7. 220 kV Gorai-Versova-1 transmission line (12.58 km) from Gorai EHV sub-station to Versova EHV sub-station
8. 220 kV Ghodbunder-Versova-2 transmission line (21 km) from Ghodbunder EHV sub-station to Versova EHV sub-station
9. 220 kV Versova-Goregaon-1 transmission line (4.20 km) from Versova EHV sub-station to Goregaon EHV sub-station
10. 220 kV Goregaon-Aarey-1 transmission line (4.97 km) from Goregaon EHV sub-station to Aarey EHV sub-station
11. 220 kV Versova-Aarey-2 transmission line (9 km) from Versova EHV sub-station to Aarey EHV sub-station
12. 220 kV Aarey-Saki-1 transmission line (3.9 km) from Aarey EHV sub-station to Saki EHV sub-station

13. 220 kV Aarey-Saki-2 transmission line (3.9 km) from Aarey EHV sub-station to Saki EHV sub-station
14. 220 kV Aarey-Borivili-1 transmission line (12 km) from TPC (Borivili) EHV sub-station to Aarey EHV sub-station
15. 220 kV Aarey-Borivili-2 transmission line (12 km) from TPC (Borivili) EHV sub-station to Aarey EHV sub-station

Existing System – List of EHV Substation Bays

1. 17 No. of 220 kV bays at 220 kV Aarey EHV Station
2. 12 No. of 220 kV bays at 220 kV Ghodbunder EHV Station
3. 15 No. of 220 kV bays at 220 kV Versova EHV Station
4. 9 No. of 220 kV bays at 220 kV Goregaon EHV Station
5. 9 No. of 220 kV bays at 220 kV Saki EHV Station

Proposed System – Transmission Lines

1. 220 kV Versova-Goregaon-2 transmission line (4.2 km) from Versova EHV sub-station to Goregaon EHV sub-station
2. 220 kV Goregaon-Aarey-2 transmission line (5 km) from Goregaon EHV sub-station to Aarey EHV sub-station
3. 220 kV Ghodbunder-Gorai-2 transmission line (10 km) from Ghodbunder EHV sub-station to Gorai EHV sub-station
4. 220 kV Gorai-Versova-2 transmission line (12.6 km) from Gorai EHV sub-station to Versova EHV sub-station
5. 220 kV MSETCL Borivili-Gorai-1 transmission line (10.5 km) from MSETCL Borivili EHV sub-station to Gorai EHV sub-station
6. 220 kV MSETCL Borivili-Gorai-2 transmission line (10.5 km) from MSETCL Borivili EHV sub-station to Gorai EHV sub-station
7. 220 kV TPC Borivili-RInfra Borivili-1 transmission line (0.5 km) from TPC Borivili EHV sub-station to RInfra Borivili EHV sub-station
8. 220 kV RInfra Borivili-Aarey-1 transmission line (12 km) from RInfra Borivili EHV sub-station to Aarey EHV sub-station

9. 220 kV MSETCL Borivili-R Borivili-1 transmission line (3.5 km) from MSETCL Borivili EHV sub-station to RInfra Borivili EHV sub-station
10. 220 kV MSETCL Borivili-R Borivili-2 transmission line (3.5 km) from MSETCL Borivili EHV sub-station to RInfra Borivili EHV sub-station
11. 220 kV Chembur-Trombay-1 transmission line (8.5 km) from Chembur EHV sub-station to MSETCL Trombay EHV sub-station
12. 220 kV Chembur-Trombay-2 transmission line (8.5 km) from Chembur EHV sub-station to MSETCL Trombay EHV sub-station
13. 220 kV MSETCL Boisar-Ghodbunder-1 transmission line (4 km) from MSETCL Boisar EHV sub-station to Ghodbunder EHV sub-station
14. 220 kV Ghodbunder-MSETCL Borivili-1 transmission line (4 km) from Ghodbunder EHV sub-station to MSETCL Borivili EHV sub-station
15. 220 kV Ghodbunder-Dahisar-1 transmission line (6.5 km) from Ghodbunder EHV sub-station to Dahisar EHV sub-station
16. 220 kV Ghodbunder-Dahisar-2 transmission line (6.5 km) from Ghodbunder EHV sub-station to Dahisar EHV sub-station
17. 220 kV Aarey-Nagari-Niwara-1 transmission line (7.5 km) from Aarey EHV sub-station to Nagari Niwara EHV sub-station
18. 220 kV Aarey-Nagari-Niwara-2 transmission line (7.5 km) from Aarey EHV sub-station to Nagari Niwara EHV sub-station
19. 220 kV Nagari Niwara-MSETCL Borivali-1 transmission line (7.5 km) from Nagari Niwara EHV sub-station to MSETCL Borivali EHV sub-station
20. 220 kV Nagari Niwara-MSETCL Borivali-2 transmission line (7.5 km) from Nagari Niwara EHV sub-station to MSETCL Borivili EHV sub-station
21. 220 kV Aarey-Airport-1 transmission line (5 km) from Aarey EHV sub-station to Airport EHV sub-station
22. 220 kV Aarey-Airport-2 transmission line (5 km) from Aarey EHV sub-station to Airport EHV sub-station
23. 220 kV Airport-Golibar-1 transmission line (6 km) from Airport EHV sub-station to Golibar EHV sub-station
24. 220 kV Airport-Golibar-2 transmission line (6 km) from Airport EHV sub-station to Golibar EHV sub-station

Proposed System – List of EHV Substation Bays

1. 2 No. of 220 kV bays at 220 kV Aarey EHV sub-station
2. 9 No. of 220 kV bays at 220 kV Gorai EHV sub-station
3. 11 No. of 220 kV bays at 220 kV RInfra Borivili EHV sub-station
4. 9 No. of 220 kV bays at 220 kV Chembur EHV sub-station
5. 6 No. of 220 kV bays at RInfra Ghodbunder EHV sub-station
6. 11 No. of 220 kV bays at 220 kV Dahisar EHV sub-station
7. 9 No. of 220 kV bays at 220 kV Nagari Niwara EHV sub-station
8. 10 No. of 220 kV bays at 220 kV Airport EHV sub-station
9. 8 No. of 220 kV bays at 220 kV Golibar EHV sub-station
10. In addition to the aforesaid sub-stations, there would be sub-stations of MSETCL at Borivili and MSETCL Trombay where Bays owned by RInfra are proposed. There would be 12 Nos. of such Bays.

NOTE:

1. The Transmission Licensee shall execute Connection Agreements with the other Licensees regarding the interconnection points of the above lines / sub-station bays, defining and documenting therein the exact details of the boundaries and interface points.

4. Commencement and term of licence

The Licence shall come into force from 16th August 2011 and, unless revoked earlier by the Commission in accordance with the provisions of Section 19 of the Electricity Act, 2003 shall remain in force for the period specified under sub-section (8) of Section 15 of the Electricity Act, 2003

5. Duties

- 5.1. The Transmission Licensee shall comply with all the applicable provisions of the Electricity Act, 2003, the rules prescribed thereunder and all regulations, orders and directions issued by the Commission from time to time.
- 5.2. The Transmission Licensee shall as soon as practicable, report to the Commission:-
 - a) any significant change in its circumstances which may affect the Transmission Licensee's ability to meet its obligations under the Electricity Act, 2003 , the rules

and regulations thereunder, directions and orders issued by the Commission, agreements or the Licence;

- b) any material breach, or likelihood thereof, of the provisions of the Electricity Act, 2003 , the rules and the regulations thereunder, directions and orders issued by the Commission, agreement or the Licence, which was reasonably within his knowledge, along with the reasons there for, as soon as practicable; and
- c) any change in management control or major change in the shareholding pattern of the Transmission Licensee.

Explanation I – for the purpose of this clause, “management control” shall include the right to appoint majority of the directors or to control the management or policy decisions of the Transmission Licensee, including by virtue of shareholding or management rights or shareholders’ agreement or partnership deed or trust deed or voting agreement or in any other manner;

Explanation II – for the purpose of this clause, “major change in shareholding pattern” shall mean the acquisition, by such person as specified in Regulation 7 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as in force from time to time, of such per cent of shares or voting rights in the Transmission Licensee as would entail a disclosure under sub-regulation (1) of that Regulation.

- 5.3. The Transmission Licensee shall seek the approval of the Commission before creating any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business.
- 5.4. The Transmission Licensee may engage any of its subsidiaries or holding company or a subsidiary of such holding company to provide any goods or services to the Transmission Licensee in connection with the Licensed Business, subject to the following conditions and in compliance with the stipulations under “Part III: Specific Conditions of Licence”:
 - a) that the transaction shall be undertaken on an “arm’s-length basis” and at a value that is fair and reasonable in the circumstances, which for the purposes of this clause, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Transmission Licensee and a third party unrelated to and unconnected with the Transmission Licensee;
 - b) that the Transmission Licensee shall report to the Commission, for each financial year, the details of all transactions of the nature referred to in this Regulation entered into during the financial year;

- c) that the Transmission Licensee shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of clause (a) above.

Explanation – for the purpose of this clause, the terms “subsidiary” and “holding company” shall have the same meaning as under Section 4 of the Companies Act, 1956.

6. Street Works

The Transmission Licensee may, undertake works upon any streets or parts of streets, railways, canals or waterways or parts thereof, either in the domain of Central Government, State Government, Semi Government and Municipal bodies or in private domain, only after obtaining all statutory permissions required to be obtained for undertaking such work.

7. Accounts

7.1. The financial year of the Transmission Licensee shall run from the first of April to the following thirty-first of March.

7.2. The Transmission Licensee shall, in respect of the Licensed Business and the Other Business:-

- a) keep such Allocation Statement as would be required, so that the revenues, costs, assets, liabilities, reserves and provisions for, or reasonably attributable to the Licensed Business are separately identifiable in the books of the Transmission Licensee;
- b) adopt a fair and transparent cost allocation mechanism for the reasonable allocation of joint and common costs between the Licensed Business and the Other Business;
- c) prepare on a consistent basis the Accounting Statements in accordance with the provisions of the Companies Act, 1956 and/or the standards or guidelines of the Institute of Chartered Accountants of India.

Explanation – References in this Licence Condition 7.2 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..

7.3. The Transmission Licensee shall upon request by any person make available a copy of its Accounting Statements to any person who may require it at a reasonable price not to exceed the photocopying charges.

8. Provision of Information to the Commission

The Transmission Licensee shall furnish to the Commission such information, documents and details related to the Licensed Business and/or the Other Business of the Transmission Licensee as the Commission may require.

9. Licence Fees

During the period the licence is in force the Transmission Licensee shall, by the 10th of April of every year, or such further period as the Commission may allow, pay to the Commission such licence fees as may be specified in MERC (Fees and Charges) Regulations, 2004 under Clause 3 of Schedule 1, which is reproduced below, or any subsequent amendments thereof:

<i>S. No.</i>	<i>Description</i>	<i>Fees in Rupees</i>
(1)	(2)	(3)
3.	<p><i>Annual Licence Fees for :</i></p> <p><i>(i) Transmission Licence.....</i></p> <p><i>Provided that the annual licence fee shall be payable in advance, at the commencement of the financial year, by all Licensees, including licensees referred to in the first, second, third, fourth and fifth provisos to Section 14 of the Act:</i></p> <p><i>Provided further that in the case of a Transmission Licence, the annual licence fee shall be calculated based on the approved/ estimated aggregate quantum of transmission capacity contracts for the ensuing financial year:</i></p> <p>.....</p> <p>.....</p>	<p><i>Rs 1,000 per MW of Transmission capacity contracts in force during the year or part thereof, subject to a minimum of Rs 1,00,000 and maximum of Rs 20,00,000</i></p>

10. Decision on Interpretation of Licence

The interpretation of the Licence and the terms and conditions thereof shall be as determined by the Commission.

11. Construction of Transmission System through Competitive Procurement Basis

11.1. The Transmission Licensee shall comply with the procedure for obtaining authorization under Section 164 of the Electricity Act, 2003. Accordingly, the licensee shall cause the transmission scheme to be published in the Official Gazette of GOM and in at least two local daily newspapers along with a notice of the date, not being less than two months after the date of such publication, before which any interested person may make a representation on such scheme. The licensee shall take into consideration the objections/

representations, before finalizing the optimal route alignment. Thereafter the licensee shall submit a certificate along with an application under Section 164 to the GOM.

11.2. The licensee shall obtain all the necessary permits, Statutory Clearances such as the clearance of Ministry of Environment and Forests, Right of way clearance etc and shall organise the construction management, cash flow and Investment plan in such a way so as to optimise on all the costs and interest thereon.

11.3. The construction and commissioning of the transmission system shall be executed through suitable packages, and contracts for these packages shall be awarded through Competitive Bidding basis. The licensee shall ensure that the contractors hired for the purpose possess the necessary specialised skills for satisfactory execution of jobs awarded.

12. Capital Expenditure

The licensee shall carry out the capital expenditure plan as approved by the Commission in the Business Plan as per MERC (Multi Year Tariff) Regulations, 2011. The licensee shall also execute the approved capital expenditure as far as possible within the stipulated time-frame as approved by the Commission.



(K.N. Khawarey)
Secretary, MERC

Maharashtra Electricity Regulatory Commission, Mumbai

Dated: August 11, 2011