

No.2680/MPERC/2004. In exercise of powers conferred under Section 52 read with section 181(1) and 181(2) (z) and section 16 read with section 181(2) (d) of the Electricity Act 2003 (No. 36 of 2003) and all powers enabling it in that regard, the Madhya Pradesh Electricity Regulatory Commission hereby frames the following Regulations providing for the eligibility criteria for grant of trading license, the duties and the terms and condition of the electricity trader, namely:

MPERC (Eligibility Criteria for Grant of Trading Licence, the Duties and the Terms and Conditions of Trading Licensee) Regulations, 2004

CHAPTER 1 PRELIMINARY

Short title, extent and commencement

- 1.1 These Regulations shall be called the Madhya Pradesh Electricity Regulatory Commission (Eligibility Criteria for Grant of Trading Licence, the Duties and the Terms and Conditions of Trading Licensee) Regulations 2004.
- 1.2 These Regulations shall apply to any person undertaking intra-state trading of electricity in the territory of the State of Madhya Pradesh.

A distribution licensee not meeting the eligibility criteria stated in these regulations can trade the surplus power with prior approval of the Commission.

- 1.3 These Regulations shall come into force from the date of their publication in the Official Gazette.

Definitions and interpretation

- 1.4 In these Regulations, unless the context or subject matter otherwise requires:
 - (a) “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 Central Act or MP Act;
 - (b) “Applicant” means a person who has made an application to the Commission for grant of licence for intra-state trading of electricity;

Provided that such person is a resident of India, or a partnership firm registered under the Indian Partnership Act, 1932 (9 of 1932), or a company incorporated under the Companies Act, 1956 (1 of 1956) or an association or body of individuals whether incorporated or not or an artificial juridical person subject to Indian laws.
 - (c) “Area of Activity” means the area of activity stated in the Trading Licence within which the Trading Licensee is authorised to trade;
 - (d) “Auditors” means the Licensee’s auditors holding office in accordance with the requirements of Sections 224 or Section 619 as appropriate, of the Companies Act 1956 (1 of 1956);

- (e) “Authorised”, in relation to any Person, business or activity, means authorised by licence granted under Section 14 of the Act or deemed to be granted under the first, third and fifth proviso to Section 14 of the Act or exemption granted under Section 13 of the Act;
- (f) “Central Act” means the Electricity Act, 2003 (36 of 2003);
- (g) “Commission” means the Madhya Pradesh Electricity Regulatory Commission;
- (h) “Conduct of Business Regulations” means the Madhya Pradesh Electricity Regulatory Commission (Conduct of Business) Regulations, 2004, as amended from time to time;
- (i) “Customer” means any person purchasing electricity from the trader and includes distribution licensee, any other trading licensee and any consumer that the trading licensee gets into a sale agreement with;
- (j) “Distribution” means the conveyance or wheeling of electricity by means of a Distribution System;
- (k) "Distribution Code" means the Code governing all material technical aspects relating to connections to and the operation and use of the Distribution System as approved by the Commission;
- (l) “Electricity Supply Code” means the Madhya Pradesh Electricity Supply Code, 2004, approved by the Commission;
- (m) "Financial Statement" means for each financial year, financial statements comprising a profit and loss account, a balance sheet and cash flow statement, together with notes thereto and such other particulars and details and in the manner as the Commission may specify from time to time and showing the amounts of any revenue, cost, asset, liability, reserve or provision, which has been either:
 - (i) charged from the Licensed Business to any Other Business or vice versa together with a description of the basis of that charge; or
 - (ii) determined by apportionment or allocation between the Licensed Business and any Other Business of the Licensee together with a description of the basis of the apportionment or allocation.

The Financial Statement shall show separately the requirements mentioned above for the Licensed Business and Other Business(es) in which the Licensee may be engaged with the approval of the Commission as provided in Clause 3.3 of the Terms and Conditions of License.

- (n) “Grid Code” means the Madhya Pradesh Electricity Grid Code;
- (o) “Intra-state Trading” means trading in electricity within the territory of the State of Madhya Pradesh;

- (p) “MP Act” means the Madhya Pradesh Vidyut Sudhar Adhiniyam, 2000 (No 4 of 2001);
- (q) “Net Worth” at any point of time is defined as:

Net worth = Paid-up capital (including Share Premium) + Free Reserves (exclusive of intangible assets and revaluation, if any) – Deferred Revenue Expenditure;
- (r) “Other Business” means any business of the trading licensee other than the licensed business of intra-state trading;
- (s) “Trading Licence” means a licence granted under Section 14 of the Act to undertake intra-state trading in electricity;
- (t) “Trading Licensee” means a person who has been granted a Trading Licence and does not include a person granted license by CERC for inter-State trading or a person granted licence for trading by other state Commission;
- (u) “Transfer” shall include the sale, exchange, gift, lease, licence, loan, securitisation, mortgage, charge, pledge or grant of any other encumbrance or otherwise permitting of any encumbrance to subsist or parting with physical possession or any other disposition or dealing;
- (v) “Year” means a period of twelve months from first April of a calendar year to thirty-first March of the following calendar year.
- (w) Words and expressions used and not defined in these regulations but defined in the Central Act shall have the meanings as assigned to them in the Central Act.

CHAPTER 2 ELIGIBILITY CRITERIA

Technical Requirements

2.1 Technical requirements to qualify as an Electricity Trader

- (a) The applicant shall have at least one full-time professional having, at least five years experience in each of the following disciplines, namely:
- (i) Power System Operations and commercial aspects of power transfer, and
 - (ii) Finance, commerce and accounts.
- (b) The applicant must have skilled staff, including those at the lower levels with adequate qualifications and experience and basic computer awareness, in order to discharge commercial transactions smoothly.

- (c) 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.
- (d) The applicant shall furnish to the Commission the details of the professional and the supporting staff engaged by him on full-time basis before undertaking intra-state trading.
- (e) The Commission may from time to time, by general or special order, decide on the technical capabilities to be maintained by the Electricity Trader.

2.2 The Electricity Trader shall maintain the technical capability and resources as directed by the Commission 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.

Capital Adequacy Requirement and Credit Worthiness

- 2.3 The applicant shall declare to the Commission the maximum trading volume the applicant proposes to handle in a year and its future plans for trading during the initial three years.
- 2.4 Considering the volume of inter-state trading proposed to be undertaken, the net worth of the electricity trader at the time of application shall not be less than the amounts specified hereunder:

S.No.	Category	Volume of electricity proposed to be traded per annum (in Kwh)	Net worth (in Rs. Crores)
1	A	Upto 50 million	1.00
2	B	50 - 100 million	2.00
3	C	100 – 200 million	4.00
4	D	200 – 500 million	10.00
5	E	Above 500 million	15.00

- 2.5 The net worth at any point of time during the operation of trading should not reduce below 75% of the minimum requirements specified for the respective category of trader and shall be replenished at the end of every quarter ending June, September, December and March every year to the above specified levels. An audited certificate of compliance would need to be submitted to the Commission for every quarter within a period of 30 days from the end of that quarter.

- 2.6 In case the cumulative energy traded during any time of the year exceeds the specified volume of trade, then the trader shall immediately inform the Commission and increase its net worth to the specified level by the end of that quarter (quarter is defined in clause 7.3).
- 2.7 If a licensee holds multiple intra-state / inter-state licenses and his trading volume exceeds the combines net worth required for such licenses, he shall increase his net worth within the end of the quarter (quarter is defined in clause 7.3).
- 2.8 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.
- 2.9 In addition to the net worth requirements, the following are some of the basic criteria to be satisfied by the persons to be eligible for the Trading License:
- (a) The Debt-Service Coverage Ratio should be at-least 1.25.
 - (b) None of the promoters of the company applying for license have been classified as "wilful defaulter" by RBI or other relevant authority.
 - (c) The debt instruments issued by the company applying for license, if rated, should have a rating above C or equivalent rating symbol by any of the independent credit rating agencies.
- 2.10 The existing license holder's bank account should be classified as 'Standard' by all his current bankers. (Banks classify each of their loan account as 'Standard' or 'Sub-Standard' as per the guidelines of RBI, which will have an impact on the resource raising capability of a party from the baking sector).
- 2.11 If a licensee defaults on any of the conditions under 'Technical Requirements' and 'Capital Adequacy Requirement and Credit Worthiness', then the Commission would have the right to revoke the license.

CHAPTER 3 DUTIES OF A TRADING LICENSEE

- 3.1 The Trading Licensee may engage in the business of trading in electricity in the state and shall not undertake any other activity not permitted by the Electricity Act 2003 (36 of 2003).
- 3.2 The Electricity Trader shall:
- (a) have in place all agreements or arrangements for the purchase and sale of electricity, and all necessary authorisations as required by the Trading Licence to be able to perform its obligations under such agreements or arrangements;
 - (b) have in place the requisite Agreements with the Transmission Licensees and Distribution Licensees for the transmission or wheeling of electricity, as the case may be;

- (c) have in place Billing and Settlement Agreements, i.e. between the trader and generator, between the trader and other licensees, and between the trader and other licensees, and between the trader and his customers;
- (d) have in place a well-structured payment security mechanism, i.e. through letters of credit or through any other superior instrument, to safeguard against default on payments for the electricity traded;
- (e) inform the customer as to when the expiry will occur if the contract of the trader with its customer is for a fixed term, prior to its expiry and the tariffs and terms & conditions applicable to the customer beyond the expiry of the term, if the arrangement is to be continued;
- (f) maintain an up to date register or record of all the business transactions;
- (g) coordinate with SLDC and STU with regard to all trading related activities and should comply with any direction by the State Load Dispatch Centre (SLDC);
- (h) not omit or neglect to undertake trading activity for four consecutive quarters;
- (i) 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 for the year ending as at the 31st of March of each year and the Electricity Trader shall keep the Commission informed of his moving from one category to the other and subsequent changes in the net worth;
- (j) be governed by the technical requirements, capital adequacy requirements and creditworthiness as may be specified by the Commission and shall upgrade these technical and capital adequacy requirements, including staff, when the volume of trading increases;
- (k) maintain an up-to-date register or record of his customers and all the business transactions;
- (l) comply with any other requirements as the Commission may direct from time to time; and
- (m) not enter into any agreement leading to abuse of its dominant position, if any, or enter into a combination which is likely to cause or causes an adverse effect on competition in the electricity industry.

3.3 The Trading Licensee shall not, without the prior approval of the Commission:

- (a) undertake any transaction to acquire by purchase or takeover or otherwise, the utility of any other Licensee;
- (b) merge his utility with the utility of any other licensee
- (c) acquire any beneficial interest in any Generating Company or Generating Station; or

- (d) create any encumbrance on the assets of the Licensed Business, except where such encumbrance is created for the purpose of the Licensed Business;

all within the State.

- 3.4 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.
- 3.5 The Trading Licensee shall not at any time transfer or assign his licence in any manner without the prior approval of the Commission.
- 3.6 The Trading 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 Trading Licensee in connection with the Licensed Business, subject to the following conditions:
 - (a) that the transaction shall be undertaken on an “arms-length basis” and at a value that is fair and reasonable in the circumstances, which for the purposes of this Regulation, shall mean with respect to any specific transaction, substantially on terms that would be obtained between the Trading Licensee and a third party unrelated to and unconnected with the Licensee;
 - (b) that the Trading 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 Trading Licensee shall submit to the Commission, for each financial year, a certificate from a Chartered Accountant as regards compliance with the requirement of clause 3.6(a) above.
- 3.7 The Trading Licensee shall also set up websites to inform the total amount of power made available by it, the amounts already contracted by various persons and power available for sale and such other information as required by the Commission. Such information should be updated at least every twelve (12) hours.

CHAPTER 4 VALIDITY OF LICENSE AND COMPLIANCE WITH LAWS

- 4.1 The Trading Licence shall come into force on the date to be mentioned by the Commission in the order granting the licence and shall continue to be in force for a period of twenty-five years unless such licence is revoked.
- 4.2 The Trading license shall be applicable for the area for which license has been granted.
- 4.3 The Trading Licensee shall comply with the provisions of the Central Act, the MP Act Regulations, orders and directions issued by the Commission from time to time and the provisions of all other applicable laws.

- 4.4 The Trading Licensee shall act in accordance with these Regulations except where the Trading Licensee is exempted from any provision of these Regulations at the time of the grant of licence or a specific approval is obtained from the Commission for any deviation there from.
- 4.5 The Trading Licensee shall duly comply with and undertake the activities consistent with the Grid Code, Distribution Code, Electricity Supply Code, other Codes and Standards, orders and directions of the National Load Despatch Centre, Regional Load Despatch Centre and the State Load Despatch Centre and other statutory authorities issued in the discharge of their functions under the Act.

CHAPTER 5 ACCOUNTS

- 5.1 The financial year of the Licensee shall run from the first of April to the following thirty-first of March.
- 5.2 The Licensee shall, in respect of the Licensed Business (license granted under these regulations) and any Other Business:
- (a) keep such accounting records as would be required to be kept in respect of each such Business as if it were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, the Licensed Business are separately identifiable in the books of the Licensee, from those of any other business in which the Licensee is engaged; and
 - (b) prepare on a consistent basis from such accounting records and deliver to the Commission:
 - (i) the Financial Statements;
 - (ii) in respect of first six months of each financial year, an interim profit and loss account, cash flow statement and balance sheet together with such supporting documents and information as the Commission may prescribe from time to time, such statements and documents to be published in the manner prescribed by the Commission;
 - (iii) in respect of the Financial Statements prepared in accordance with this CHAPTER 5, an Auditor's report in respect of each financial year, stating whether in their opinion these Statements have been properly prepared in accordance with this CHAPTER 5 and give a true and fair view:
 - I) in case of Balance Sheet, of the state of Company Affairs;
 - II) in case of the profit and loss account, of the profit or loss for its financial year.
 - (iv) a copy of each interim profit and loss account not later than forty five days after the end of the period to which it relates, and copies of the

Financial Statements and Auditor's report not later than six months after the end of the financial year to which they relate.

- 5.3 The Licensee shall not normally change the basis of charge or apportionment or allocation in relation to the preparation of the Financial Statements in respect of a financial year from those applied in respect of the previous financial year, without prior intimation to the Commission. Any change, if proposed, in basis of charge or apportionment of revenues or expenses shall be consistent with the provisions of the Companies Act, 1956, the Accounting Standards issued by Institute of Chartered Accountants of India (ICAI) or any guidelines issued by the Commission in this regard.
- 5.4 Where, in relation to the Financial Statements in respect of a financial year, the Licensee has changed such bases of charge or apportionment or allocation from those adopted for the immediately preceding financial year, the Licensee shall, if requested by the Commission, in addition to preparing Financial Statements on those bases which it has adopted, prepare such Financial Statements on the bases which applied in respect of the immediately preceding financial year.
- 5.5 Financial Statements prepared under clause 6.2 shall, unless otherwise approved or directed by the Commission:
- (a) be prepared and published with the Annual Accounts of the Licensee, in the manner prescribed in the Regulations;
 - (b) state the accounting policies adopted.
 - (c) be prepared in accordance with Accounting Standards issued by ICAI.
- 5.6 References in this CHAPTER 5 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.
- 5.7 The Licensee shall ensure that the Financial Statements in respect of each financial year prepared under clause 5.2 and the Auditor's report in respect of each financial year are made available to any person requesting them at a price not exceeding the cost of duplicating them.

CHAPTER 6 PROVISION OF INFORMATION TO THE COMMISSION

- 6.1 Within fifteen days of the end of every three months, i.e. June, September, December and March, the trader shall provide information to the Commission in such form and manner as may be prescribed by the Commission from time to time to demonstrate that the trader has complied with the net worth criteria.
- 6.2 The licensee shall provide all information as applicable to the licensee in the annexure III enclosed, within sixty days from the date of grant of License. Subsequently, the format shall be filled up and submitted by the licensees, annually, within a month after the completion of every financial year.

- 6.3 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 for its own purposes or for the purposes of the Government of India, State Government, the State Transmission Utility, The State Load Dispatch Centre, the Central Commission and/or the Central Electricity Authority. The information to be submitted to the Commission every quarter is provided in the annexures I and II.
- 6.4 The Trading Licensee shall duly maintain the information as the Commission may specify under Section 128 (8) of the Central Act.
- 6.5 The Trading Licensee shall duly inform the Commission about any incident restricting 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. The Trading Licensee shall notify the Commission as soon as possible the occurrence of any other incident which materially affect any part of its Trading activities and in any event, by not later than two months from the date of such occurrence:
- (a) 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;
 - (b) give copies of the report to all parties concerned with the incident and to such other persons as the Commission may direct.
- 6.6 The Trading Licensee shall provide data and business plan to the Commission, the State Transmission Utility and the SLDC, annually, as well as on request.
- 6.7 The Trading Licensee shall furnish all such information to the State Load Despatch Centre as may be required, with a copy to the Commission.
- 6.8 The Trading Licensee shall submit information to the Central Electricity Authority as required under Sections 73 (i) and 74 of the Act.
- 6.9 The Trading Licensee shall comply with the requirements of Section 66 of the Act as may be specified by the Commission to promote the development of market.
- 6.10 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.
- 6.11 The trading licensee shall as soon as practicable report to the Commission any change in management control or major change in the shareholding pattern of its business.

CHAPTER 7 PAYMENT OF ANNUAL FEES

- 7.1 Any person desirous of engaging in the State of Madhya Pradesh in the business of trading of electricity shall apply to the Commission for the grant of appropriate licence by the Commission in such form as specified in MPERC (Procedure of Application for License) Regulations, 2004 and accompanied by documentary evidence of having paid such fees as may be prescribed for the purpose under section 180 (2) (a) of Electricity Act 2003.
- 7.2 The licensee shall pay to the Commission the annual fee of the amount specified hereunder, in four instalments payable at the beginning of every quarter by means of a demand draft or pay order drawn in favour of MPERC:

Level	Volume of Electricity proposed to be traded per annum (in Kilo-Watt Hours)	Annual Fee (Rs in lakh)
1	Upto 100 million	1.00
2	100 to 200 million	2.00
3	200 to 500 million	5.00
4	500 to 700 million	7.00
5	700 to 1000 million	10.00
6	Above 1000 million	15.00

- 7.3 For the purpose of these Regulations, a quarter would mean as follows:

- (a) Quarter 1: April to June
- (b) Quarter 2: July to September
- (c) Quarter 3: October to December
- (d) Quarter 4: January to March

The last date of payment of instalment of annual fee shall be seven days from the start of the quarter.

- 7.4 The first instalment of the annual fee shall be paid within a period of one month from the date of issue of licence.
- 7.5 For a part of the year, the annual fee shall be payable pro rata on number of day's basis. Provided that the annual fee calculated on pro rata basis for a part of the year shall be rounded off to nearest hundred rupees.
- 7.6 In case the licensee has moved from a lower level to a higher level during any time of a financial year (refer clause 7.2), the balance of licence fee and late payment surcharge shall be paid within one month of the end of the quarter (refer to clause 7.3) in which the licensee crosses the limit.

- 7.7 In case the licensee fails to pay the annual fee or a part thereof, the licensee shall be liable to pay late payment surcharge on the outstanding amount at the rate of 1% of the annual fee payable per month or a part of the month, for the period the licence fee or any part thereof remains unpaid.
- 7.8 Notwithstanding the liability of the licensee to pay the late payment surcharge as aforesaid, the delay in payment of annual fee or a part thereof, shall be construed as breach of the terms and conditions of the licence and the licence shall be liable to be revoked.
- 7.9 The Trading Licensee shall be entitled to take into account any fee paid by it under this regulation as an expense in the determination of aggregate revenues to be charged to the tariffs, but shall not take into account any late payment surcharge, paid pursuant to these regulations.

CHAPTER 8 REVOCATION OF LICENSE

- 8.1 Subject to the provisions of Section 19 of the Central Act and the Regulations, the Commission may at any time initiate proceedings against the Licensee for revocation of permission to operate the Trading Business and if satisfied in such proceedings, revoke the license if the Licensee:
- (a) has, in the opinion of the Commission, committed a wilful or prolonged default in doing anything required of him by or under the Central Act or the MP Act or Rules or Regulations made thereunder; or
 - (b) has, in the opinion of the Commission, committed a material breach of the Terms and Conditions contained in the license, the breach of which is expressly declared by such Licence to render it liable to revocation; or
 - (c) has in the opinion of the Commission, failed to comply with any order or direction issued by the Commission; or
 - (d) fails to pay any fee or fine or charges within the time allowed by the Commission; or
 - (e) fails to show to the satisfaction of the Commission within 3 months of being directed by the Commission that the Licensee is in a position to fully and effectively discharge the duties and obligations imposed on him by these Terms and Conditions of License or to make the deposit or furnish the security as may be required by the Commission from the Licensee; or
 - (f) has committed an act which renders these Terms and Conditions of License revocable on any other grounds specified in section 19 of the Act or the Regulations; or
 - (g) in the opinion of the Commission the licensee has the financial position that is such that he is unable to fully and efficiently discharge the duties and obligations imposed on him.

- 8.2 Pursuant to section 19(3) of the Central Act, in the event of a move to revocation, the Commission shall give to the Licensee 3 months notice in writing stating the grounds on which it is proposed to revoke the licence and shall consider any cause shown by the licensee within the notice period against the proposed revocation.
- 8.3 Pursuant to section 19 (4) of the Central Act, the Commission may also rule that the Licence may not be entirely revoked, but operations under Licence may be allowed to continue with additional terms and conditions that the Commission deems fit. Any such further terms and conditions shall be binding on the Licensee and shall be observed by the Licensee and shall be of like force and effect as if it were contained in these Terms and Conditions of License.
- 8.4 When the Commission decides to revoke the licence, it shall serve a notice of revocation upon the Licensee and fix a date on which the revocation shall take effect.
- 8.5 Where the Commission has given notice for revocation of licence, without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under the Central Act, the Licensee may, after prior approval of the Commission, sell his utility to any Person who is found eligible by the Commission for grant of Licence.

CHAPTER 9 AMENDMENT OF LICENCE CONDITIONS

- 9.1 In line with section 18 of the Central Act these General Conditions of License may be altered or amended by the Commission at any time it deems fit if it is in public interest. For any such alteration or amendment, before any alterations or amendments in the Trading License are made, the following provisions shall have effect:
- (a) where the Trading Licensee has made an application under Section 18, subsection (1) of the Act proposing any alteration or amendment in the General Conditions of License, the Trading Licensee shall publish a notice of such application with such particulars and in such manner as may be directed by the Commission;
 - (b) in the case of an application proposing alterations or modifications in the area of activity comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or of any building or place in the occupation of the Government for defence purposes, the alterations or modifications shall be made only with the consent of the Central Government;
 - (c) where any alterations or amendments in a license are proposed to be made otherwise than on the application of the Trading Licensee, the Commission shall publish the proposed alterations or amendments with such particulars and in such manner as the Commission consider to be appropriate;
 - (d) the Commission shall not make any alterations or amendments unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered by the Commission.

CHAPTER 10 MISCELLANEOUS

Procedure for Grant of License for Intra-State Trading

- 10.1 Procedure for grant of License for Intra-state trading has been prescribed under Madhya Pradesh Electricity Regulatory Commission (Procedure for application of license) Regulations, 2004.

Dispute Resolution and Decision on Interpretation of License

- 10.2 The Commission may act as arbitrator or nominate person(s) as arbitrator(s) to adjudicate and settle disputes between the Trading Licensee, any other licensee or generating companies in pursuance of clause (f) of sub-section (1) of section 86 read with section 158 of the Central Act and Regulations of the Commission.
- 10.3 The Commission shall be entitled to act as arbitrator or nominate arbitrator(s) to adjudicate and settle disputes between the Trading Licensee and any other Licensee in pursuance of section 39(1)(b) of the MP Act.
- 10.4 All issues arising in relation to interpretation of these Terms and Conditions of License 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 110 of the Central Act.
- 10.5 The arbitration proceedings for disputes under clauses 10.2 and 10.3 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.
- 10.6 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.

Trading Margins and Expected Revenue Calculations

- 10.7 The Trading Licensee shall calculate the expected revenue from trading operations in the form and manner provided in MPERC (Details to be furnished by the Generating Companies and Licensees for determination of tariff) Regulations, 2004.
- 10.8 The licensee shall be subject to the trading margins for the intra-state trading as may be fixed by the Commission, from time to time.

Standards of performance

- 10.9 The Commission may after consultation with the Trading Licensee specify standards of performance of a licensee or a class of licensees and shall also state the reporting requirements and frequency of reporting against the performance standards.

Settlement and Imbalances

- 10.10 Imbalances shall be settled by the State Load Despatch Centre in accordance with the Open Access Regulations/ Balance and Settlement mechanism as the Commission may notify.

Issue of orders and practice directions

- 10.11 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 this Regulation 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.

Power to remove difficulties

- 10.12 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.

Power to Amend

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

Savings

- 10.14 Nothing in these Regulations shall be deemed to limit or otherwise affect the inherent power of the Commission to make such orders as may be necessary for ends of justice to meet or to prevent abuses of the process of the Commission.
- 10.15 Nothing in these Regulations shall bar the Commission from adopting, in conformity with the provisions of the Act, a procedure, which is at variance with any of the provisions of this Code, if the Commission, in view of the special circumstances of a matter or class of matters and for reasons to be recorded in writing, deems it necessary or expedient for dealing with such a matter or class of matters.
- 10.16 Nothing in these Regulations shall, expressly or impliedly, bar the Commission dealing with any matter or exercising any power under the Act for which no Codes have been framed, and the Commission may deal with such matters, powers and functions in a manner it thinks fit.

By Order of the Commission

ASHOK SHARMA, Dy. Secy.,

Proforma for submission of information for the Quarter (say January to March, 2004)

Name of the Trader:

License details (No & date):

S. No.

Volume of Trading in million Kwh :

Purchased from:

Sold to:

Point of purchase:

Purchase price;

Point of sale:

Sale price:

Transmission /wheeling charges borne by Seller/ Trader/Buyer*

Transmission losses borne by Seller/ Trader/ Buyer*

UI charges borne by Seller/ Trader/ Buyer*

Trading Margin

Remarks

- Strike out whichever is not applicable.

Proforma for submission of Standards of Performance of Electricity Trader

For the quarter.....

(to be submitted through SLDC)

Name of the Trader:

License details (No. & date):

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

SHORT TITLE DESCRIPTION OF THE PROPOSED LICENSEE/ LICENSEE / DEEMED LICENSEE

Name of the Company _____

Registered Address _____

Date of Incorporation _____

Date of Registration _____

Date of Commencement of Business _____

Share Capital _____ Rs Lakh

Number of Subscribers _____

Name of the Chairman or CMD _____

Name of the Managing Director _____

Name of all Directors

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10

Name of the Secretary

Proposed Functions	(Please Tick)
Distribution	
Transmission	
Trading	
Any Other (Please describe)	

License Applied For	(Please Tick)
Distribution Licence	
Trading Licence	
Transmission Licence	
Any Other (Please describe)	

Proposed Organization Structure (Attach as)