

THE BSES YAMUNA POWER LIMITED DISTRIBUTION AND RETAIL SUPPLY OF ELECTRICITY LICENCE

Licence granted by the Delhi Electricity Regulatory Commission under Section 20 of the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) to the BSES YAMUNA POWER LIMITED (hereinafter referred to as “**BSES YAMUNA**”), a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110 070, for carrying on the business of Distribution and Retail Supply of electrical energy within the Area of Supply (as defined in this Licence) and with the powers and upon the terms and conditions specified herein.

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PART I
TERMS OF THE LICENCE

1. Short Title

- 1.1 This Licence may be called “The **BSES YAMUNA** Distribution and Retail Supply of Electricity Licence (Licence No. 3 / DIST of 2004)”.

2. Definitions

- 2.1 Words, terms and expressions used in this Licence that are not defined in this Licence shall have the meaning assigned to them in the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001) and / or the Rules made thereunder.
- 2.2 Words, terms and expressions used in this Licence which are not defined in this Licence or in the Delhi Electricity Reform Act, 2000 shall have the meaning assigned to them in The Electricity Act, 2003 (36 of 2003) and / or the Rules and / or Regulations made thereunder.
- 2.3 In this Licence, unless the context otherwise requires :
- i. **“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 and such other particulars and details in the manner as the Commission may prescribe from time to time. Such accounting statements, from such time as the Commission may direct, shall be prepared in the manner mentioned above, separately for the Distribution Business and the Retail Supply Business forming part of the Licensed Business. If the Licensee is permitted under Clause 5.5 of this licence to engage in any Other Business, the

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accounting statements shall show 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 Licensee together with a description of the basis of the apportionment or allocation.
- ii. **“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 DERA or the relevant provisions of the Electricity Laws;
- iii. **“Area of Supply”** means the geographic area referred to in Schedule I of this Licence within which any activity Authorised by this Licence is allowed;
- iv. **“Auditors”** means the Licensee’s auditors holding office in accordance with the provisions of the Companies Act 1956 (1 of 1956) and Rules and Regulations framed thereunder;
- v. **“Authorised”** in relation to any Person, business or activity, means authorised by Licence granted under Section 20 of the DERA or exemption granted under Section 21 of the DERA or authorised or exempted under The Electricity Act, 2003;
- vi. **“Bulk Supplier”** means any Person who is Authorised to carry out Bulk Supply of electricity;
- vii. **“Bulk Supply”** means the supply of electricity for resale thereof by any person licensed or authorised for trading in electricity;

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- viii. **“Bulk Supply Business”** means the Authorised business of Bulk Supply;
- ix. **“Bulk Supply Licensee”** means a Person Authorised to engage in the Bulk Supply Business;
- x. **“Central Commission”** means the Central Electricity Regulatory Commission referred to in sub-section (1) of Section 76 of The Electricity Act, 2003;
- xi. **“Commission”** means the Delhi Electricity Regulatory Commission;
- xii. **“Consumer”** means any person who is supplied with electricity for his own use by a licensee or the Government or by any other person engaged in the business of supplying electricity to the public under this Act or any other law for the time being in force and includes any person whose premises are for the time being connected for the purpose of receiving electricity with the works of a licensee, the Government or such other person, as the case may be;
- xiii. **“DERA”** means the Delhi Electricity Reform Act, 2000 (Act No. 2 of 2001);
- xiv. **“Delhi Power Company Limited”** means the company, wholly owned (directly or indirectly) by the Government of the National Capital Territory of Delhi, incorporated under the Companies Act, 1956 having its registered office at Shakti Sadan, Kotla Marg, New Delhi – 110 002, which is designated as the holding company in terms of the Transfer Scheme;

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- xv. **“Distribution”** means the supply and conveyance of electricity by means of a Distribution System;
- xvi. **“Distribution Business”** means the Authorised business of the Licensee for distribution of electricity in the Area of Supply or to any consumer or any class of consumers in an area other than the Area of Supply, if so authorised by the Commission by special or general permission;
- xvii. **“Distribution Code”** means the code prepared by the Licensee in accordance with Clause 18 hereof and approved by the Commission, and as may be amended, supplemented or replaced from time to time in accordance with Clause 18 hereof;
- xviii. **“Distribution System”** means the system of wires and associated facilities between the delivery points on the transmission lines or the generating station connection and the point of connection to the installation of the consumers, and includes the Distribution Assets described in Schedule D of the Transfer Scheme;
- xix. **“Distribution System Operating Standards”** means the standards related to the Licensee’s operation of its Distribution System, as approved by the Commission pursuant to Clause 19;
- xx. **“Distribution System Planning and Security Standards”** means the standards related to the adequacy of the Licensee’s system planning and security of its Distribution System, as approved by the Commission pursuant to Clause 19;
- xxi. **“Electricity Laws”** means The Electricity Act, 2003 and the Rules framed and saved thereunder, as amended from time to time and includes any statutory re-enactments thereof.
- xxii. **“Electric Lines”** means any line or cable which is used for carrying electricity for any purpose and includes :

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- a. any support for any such line or cable, that is to say, any structure, tower, pole or other thing in, on, by or from which any such line or cable is, or may be, supported, carried or suspended; and
- b. any apparatus connected to any such line for the purpose of carrying electricity.

xxiii. **“Electrical Plant”** means any plant, equipment, apparatus or appliance or any part thereof used for, or connected with, the generation, transmission, distribution or supply of electricity but does not include :

- a. an electric line; or
- b. a meter used for ascertaining the quantity of electricity supplied to any premises; or
- c. an electrical equipment, apparatus or appliance under the control of a consumer;

xxiv. **“Expected Revenue Calculation”** means the ensuing year’s calculation of costs and revenue, as described under the Clause 24.2 of this Licence, by the Licensee;

xxv. **“Franchisee”** means a person authorised by a distribution licensee to distribute electricity on its behalf in a particular area within his Area of Supply;

xxvi. **“Generating Set”** means any plant or apparatus for the production of electricity and shall, where appropriate, include a generating station comprising of one or more than one generating unit;

xxvii. **“Generating Station”** or “station” means any station for generating electricity, including any building and plant with step-up transformer, switch yard, switch-gear, cables or other appurtenant equipment, if any

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used for that purpose and the site thereof, a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, but does not in any case include any sub-station;

- xxviii. **“Grid Code”** means the state grid code specified by the Commission under clause (h) of sub-section (1) of Section 86 of The Electricity Act, 2003;
- xxix. **“Holding Company”** for the purposes of this Licence, a company shall be deemed to be a holding company of another if and only if that other is a subsidiary as defined herein;
- xxx. **“Interim Grid Code”** means the existing practices and procedures followed by Transco for operating the Transmission System as of the date of the Transmission and Bulk Supply Licence;
- xxxi. **“License”** means this licence under which the Licensee is Authorised to conduct the Licensed Business;
- xxxii. **“Licensee”** means BSES Yamuna Power Limited in its capacity as operator of the Licensed Business;
- xxxiii. **“Licensed Business”** means the business of Distribution and Retail Supply of electricity as Authorised under this Licence;
- xxxiv. **“Major Incident”** means an incident associated with the Distribution and Retail Supply of electricity in the Licensee’s Area of Supply which results in a significant interruption of service, substantial damage to equipment, or loss of life or significant injury to human beings, with the technical characteristics of “significant interruption”, “substantial damage”, “significant injury” specified in the Grid Code, Distribution Code or Standards of Performance to be approved by the Commission or as otherwise specified by the Commission and shall also include any

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other incident which the Commission expressly declares to be a major incident;

- xxxv. **“Management Control”** means and includes the act of managing and controlling the affairs and / or business by direction or regulation or administration or control or superintendence or being in a position, directly or indirectly, to exercise restraint, legally or operationally, in any manner over another;
- xxxvi. **“M/S BSES YAMUNA POWER LIMITED” or “the Company”** means BSES Yamuna Power Limited, a company incorporated under the Companies Act, 1956, and having its registered office at Shakti Kiran Building, Karkardooma, New Delhi – 110 070;
- xxxvii. **“Operational Control”** means possessing the authority to make operational decisions such as commissioning and utilisation of units, service lines and equipment;
- xxxviii. **“Other Business”** means business of the Licensee other than the Licensed Business;
- xxxix. **“Overall Performance Standards”** means the standards as may be determined by the Commission pursuant to Section 37 of the DERA or relevant provisions of the Electricity Laws;
- xl. **“Person”** shall include any individual, firm, company or association or body of individuals whether incorporated or not;
- xli. **“Policy Directions”** shall mean the Policy Directions issued by the State Government under relevant provisions of DERA and Electricity Laws;
- xlii. **“Regulations”** means the regulations issued by the Commission, from time to time, under the provisions of the DERA and / or the Electricity Act, 2003;
- xliii. **“Retail Supply”** means the sale of electricity to the Consumers;

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- xliv. **“Retail Supplier”** means any Person who is Authorised to carry out Retail Supply;
- xlv. **“Retail Supply Business”** means Authorised business of the Licensee in Retail Supply of electricity in the Area of Supply;
- xlvi. **“Standards of Performance”** means such standards of performance relating to Distribution and / or Retail Supply of electricity, as may be determined by the Commission under Section 36 and other relevant provisions of the DERA or the relevant provisions of the Electricity Laws;
- xlvii. **“State Government”** means the Government of National Capital Territory of Delhi;
- xlviii. **“Subsidiary”** For the purposes of this Licence, a company shall be deemed to be a subsidiary of another if that other holds more than half in nominal value of the paid up equity share capital of the first mentioned company or if that other exercises management control over the first mentioned company;
- xlix. **“Supplier”** means any Person who holds a licence to supply electricity under Section 20 of the DERA or is granted an exemption under Section 21 of the DERA or licensed or exempted under the Electricity Laws;
 - i. **“Supply”** in relation to electricity, means the sale of electricity to a licensee or consumer;
 - ii. **“Transco”** means the Delhi Transco Limited, the company wholly owned by Government of National Capital Territory of Delhi, incorporated under the Companies Act, 1956 having its registered office at Shakti Sadan, Kotla Marg, New Delhi – 110 002, which has succeeded to the functions of bulk supply and transmission of electricity
 - iii. **“Trading”** means purchase of electricity for resale thereof and the expression "trade" shall be construed accordingly;

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- liii. **“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;
- liv. **“Transfer Scheme”** shall mean the Delhi Electricity Reform (Transfer Scheme) Rules, 2001, as amended by the Delhi Electricity Reform Transfer Scheme (Amendment) Rules, 2002 and any subsequent amendments thereof;
- lv. **“Transmit”** means conveyance of electricity by means of transmission lines and the expression **“transmission”** shall be construed accordingly;
- lvi. **“Transmission Business”** means the Authorised business of a Transmission Licensee in Transmission, whether for its own account or for that of any other Person, through any system owned and / or operated by such Licensee;
- lvii. **“Transmission Licensee”** means a Person Authorised to engage in Transmission Business;
- lviii. **“Transmission Lines”** means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works.
- lix. **“Transmission System”** means the system consisting mainly of extra high voltage electric lines having design voltage of 220 kV and higher, owned or controlled by the Transmission Licensee, and used for the purposes of the conveyance of electricity between the switchyards of two Generating Sets or from the Switchyard of a Generating Set to a substation, or between substations, or to or from any external

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interconnection and includes all bays / equipment up to the interconnection with the Distribution System, and any plant, apparatus and meters owned or used in connection with the transmission of electricity and all assets, properties, interests in assets associated with the above including but not limited those forming part of Schedule A, B, C, D to the Transfer Scheme, but shall not include any part of a Distribution System;

- lx. **“Utility”** means the electric lines or electrical plant, and includes all lands, buildings, works and materials attached thereto belonging to any person acting as a generation company or licensee under the provisions of the DERA;
 - lxi. **“Wholesale Price Index”** shall mean the wholesale price index published by Ministry of Industry, Government of India and being in force at the relevant time.
- 2.4 References in this Licence to Clauses, Parts, and Schedules shall, unless the context otherwise requires, be construed as references to Clauses, Parts of and Schedules to this Licence.
- 2.5 The Part and Chapter Headings in this Licence have been included solely for ease of reference and shall not be considered in the interpretation or constructions of this Licence.

3. Term Of The Licence

- 3.1 The Commission, in exercise of the powers conferred on it by Section 20 of the DERA, hereby grants this License to the Licensee for conducting the Licensed Business, during the period specified in Clause 3.3 and subject to the terms and conditions contained in this Licence.

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- 3.2 The terms and conditions as specified in this Licence are subject to such modifications or amendments as may be made by the Commission in accordance with the provisions of the DERA or Electricity Laws or the Rules and Regulations framed there under and / or this Licence.
- 3.3 This Licence shall come into force with effect from the 12th day of March, 2004 and, unless revoked earlier by the Commission in accordance with the provisions of Clause 13 of this Licence and the provisions of the Electricity Laws, shall remain in force for 25 years from that date.
- 3.4 The Commission may, at the instance of the Licensee, renew this Licence for such further period or periods and on such terms and conditions, as the Commission may consider appropriate :

Provided that the Licensee shall apply, in writing, for renewal of the License one year prior to expiry of the License. The Commission may, at its discretion, condone any delay in such application.

PART II
GENERAL CONDITIONS

4. Directions

- 4.1 The Licensee shall comply with the Regulations, Orders and Directions issued by the Commission from time to time and shall also act, at all times, in accordance with the terms and conditions of this Licence, except where the Licensee obtains the prior written approval of the Commission for any deviation therefrom.

5. Activities Of The Licensee

- 5.1 The Licensee shall be entitled to purchase, import or otherwise acquire electricity from such sources and persons with whom the Licensee had agreements or arrangements of power purchase or procurement of energy as on the date of the coming into force of the Transfer Scheme, in accordance with the terms and conditions of such agreement and arrangement.
- 5.2 The Licensee shall not, without the general or special approval of the Commission:
- a. purchase or otherwise acquire electricity for distribution and retail supply except in accordance with this License and on the tariffs and terms and conditions as may be approved by the Commission; or
 - b. undertake any transaction to acquire, by purchase or takeover or otherwise, the utility of any other Supplier; or
 - c. merge its utility with the utility of any other Supplier; or
 - d. transfer – by sale, lease, exchange or otherwise – the undertaking or its utility, either in whole or any part thereof; or

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- e. enter into any agreement or arrangement with any other person to get any part of the Licensed Business undertaken, except the appointment of Franchisees;

Provided that any such agreement or arrangement shall be subject to the terms and conditions of this Licence including such other terms and conditions that may be imposed by the Commission :

Further provided that the Licensee shall continue to have the overall responsibility for the due performance, by such other person and a breach of any of the terms and conditions of this Licence by such other person shall be deemed to be a breach by the Licensee.

- 5.3 Any Franchisee appointed by the Licensee to undertake any part of the Licensees Business shall operate in compliance of the terms and conditions of this License, the Electricity Laws and any Orders or Directions issued by the appropriate authority :

Further, any agreement between the Licensee and the Franchisee shall be subject to such Regulations, Orders, Directions or Guidelines as may be specified or issued by the Commission from time to time and such Regulations, Orders, Directions or Guidelines shall be binding on both the parties :

Also, the Licensee shall be responsible for all acts, of omission and / or commission, of the Franchisee.

- 5.4 The Licensee shall purchase the energy required by the Licensee for Distribution and Retail Supply in an economical manner and under a transparent power purchase or procurement process and in accordance with the Regulations framed, guidelines, directions and orders issued by the Commission from time to time.

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5.5 The Licensee may, subject to the provisions of Section 51 of the Electricity Act, 2003 and the directions issued by the Commission in this regard, engage in any Other Business with prior intimation to the Commission :

Provided that the Licensee shall engage in such Other Business only so long as such activity is likely to result in the optimum employment of the assets and infrastructure comprising the Distribution System and further subject to the following conditions :

- (a) the Licensed Business and the conduct thereof by the Licensee is not prejudiced and / or adversely affected in any manner;
- (b) the Licensee shall prepare and keep, in respect of the Other Business activities, separate accounting records as would be required to be kept in respect of such activities, as if they were carried on by a separate company, so that the revenues, costs, assets, liabilities, reserves and provisions of, or reasonably attributable to, such Other Business activities are separately identifiable from those of the Licensed Business;
- (c) the Licensee shall comply with such guidelines, terms and conditions that the Commission may specify in regard to (i) the Licensee engaging in Other Business activities; and (ii) payment of fair compensation to the Licensed Business for the assets of the Licensed Business utilised for such Other Business activities;
- (d) the Licensee shall not Transfer any assets utilised in the Distribution System for the purposes of Other Business activities without the prior written approval of the Commission; and
- (e) the Licensee shall not use, nor allow to be used, the Land & Building in the Distribution System for the purpose of the Other

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Business activities without the prior written approval of the Commission.

- 5.6 The Licensee shall seek written approval of the Commission before making any loans to, or issuing any guarantee for any obligation of, any Person. However, loans to employees pursuant to their terms of service and trade advances, including Guarantees, in the ordinary course of the distribution and retail supply business are excluded from the requirement to seek such approval.
- 5.7 The Licensee may engage any of its Subsidiaries or Holding Company or a Subsidiary of such Holding Company to provide any goods or services to the Licensee, in connection with the Licensed Business, subject to the condition that the transaction will be on an arms-length basis and at a value that is fair, competitive and reasonable in the circumstances, or such other conditions as may be imposed by the Commission from time to time :
- Provided that all such transactions will be consistent with any Regulations or Guidelines, as may be framed or issued by the Commission relating to the provision of goods and services with respect to the Licensed Business.
- 5.8 The Licensee shall not transfer or assign – by sale, lease exchange or otherwise – this Licence, or any part thereof, to any other Person without the prior written approval of the Commission.
- 5.9 To obtain the approval of the Commission as aforesaid, the Licensee shall file a suitable application with the Commission disclosing relevant facts in that behalf and the Commission shall dispose such application expeditiously.

- 5.10 The primary responsibility of the Licensee under and in terms of this License is towards the Distribution and Retail Supply of Electricity in the Area of Supply. Thus, subject to the provisions of Section 52 of the Electricity Act, 2003, any activity in the trading of electricity carried on by the Licensee shall be subject to its Distribution and Retail Supply obligations under this License.
- 5.11 The Commission may, at any time, enquire into the Trading activity of the Licensee and if it deems it fit require the Licensee to satisfy it that its Trading activity is not detrimental to or in derogation of its Distribution and Retail Supply business.

6. Provision Of Subsidies

- 6.1 In the event the State Government makes any order providing for any subsidy for any class or classes of Consumers in terms of Section 12(3) of the DERA, the Licensee shall, subject to the relevant provisions of the Electricity Laws, provide such subsidy pursuant to the necessary guidelines or orders issued by the Commission in this regard.
- 6.2 Subject to Clause 6.1 of this License, the Licensee shall not without prior permission of the Commission give any subsidy or subvention to any Person or for the purposes of any of its Other Business(es) either by reducing the tariff notified or otherwise by giving any other concession, remission or reduction of any nature.

7. Accounts

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

7.2 Accounting Principles

The 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 such business 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 Other Business in which the Licensee may be engaged;
- b. prepare on a consistent basis from such accounting records and deliver to the Commission :
 - i. the Accounting Statements;
 - ii. in respect of the first six months of each financial year, an interim unaudited profit and loss account, cash flow statement, funds flow statement and provisional balance sheet;
 - iii. in respect of the Accounting Statements prepared in accordance with this Clause 7, an Auditor's report for each financial year stating whether in their opinion, these statements have been properly prepared in accordance with this Clause 7 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
 - iv. a copy of each interim unaudited 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 nine months after the end of the financial year to which they relate.

- 7.3 Accounting Statements under Clause 7.2 shall be prepared in accordance with generally accepted Indian accounting standards and / or as may be prescribed by the Commission.
- 7.4 References in this Clause 7 to costs or liabilities of, or reasonably attributable to the Licensed Business or the Other Business shall be construed as excluding taxation, and capital liabilities which do not relate principally to such Business and interest thereon.
- 7.5 The Commission may, from such time it considers appropriate, require the Licensee to comply with the provisions of Clause 7.1 to 7.4 above treating the Distribution Business and the Retail Supply Business of the Licensee as separate and distinct businesses.
- 7.6 Notwithstanding anything contained in this Clause 7, whenever deemed fit, the Commission may require the submission of a report prepared by an independent Auditor at the expense of the Licensee to be included as an expense in the determination of aggregate revenues made in accordance with Clause 24.

8. Prohibition Of Discrimination Or Undue Preference

- 8.1 In the conduct of the Licensed Business, the Licensee shall not show undue preference to any Person or subject any Person to discrimination :

Provided that the Licensee shall be deemed not to be in breach of its obligations under this Licence if any undue preference results from compliance with any directions of the State Government under the Electricity Laws and Section 12(3) of the DERA or in the implementation of any order passed by the Commission including the orders determining the tariffs for different class or classes of persons or any other law for the time being in force.

9. Provision Of Information To The Commission

- 9.1 The Licensee shall furnish to the Commission without any delay such information, documents and details related to the Licensed Business or any Other Business of the Licensee, as the Commission may require for its own purposes or for the purposes of the Government of India, State Government, the Central Commission and / or the Central Electricity Authority.
- 9.2 The Commission may, at anytime during the subsistence of this Licence, authorise any Person(s) to inspect, verify and audit the performance, records and accounts of the Licensee and the Licensee shall be obliged to extend all co-operation, assistance and facilities, as may be required, to such authorised Person(s) .
- 9.3 The Licensee shall notify the Commission of any Major Incident affecting any part of the Distribution System that has occurred and shall at the earliest possible and in any event, by no later than 15 days or such period as may be extended by the Commission from the date of such Major Incident :
- a. submit a report to the Commission giving full details of the facts within the knowledge of the Licensee regarding the incident and its cause.
 - b. In the event the report under sub-Clause (a) is likely to take more than 15 days from the date of the Major Incident, the Licensee shall within 15 days from such date of the incident submit a preliminary report with such details which the Licensee can reasonably furnish and state reasons to the satisfaction of the Commission as to why the Licensee requires more than 15 days for giving a full report of such incident.

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- c. Give copies of the report to all parties concerned with the Major Incident and to such other Persons as the Commission may direct.
- 9.4 The decision of the Commission as to what is a Major Incident shall be final.
- 9.5 The Commission at its own discretion may require the submission of a report on any incident or incidents to be prepared by an independent Person at the expense of the Licensee to be included as an expense in the determination of aggregate revenues made in accordance with Clause 24.
- 9.6 The Commission may at any time require the Licensee to comply with the provisions of Clauses 9.3 to 9.5 as to matters / incidents which the Commission may specifically direct and the Licensee shall comply with the same notwithstanding that such incidents are not Major Incidents; provided that the time limits specified in Clause 9.3 shall commence from the date that the Commission notifies Licensee of such requirement.

10. Capital Investments And Project Implementation

- 10.1 The Licensee shall not make any investment under any scheme or schemes except in an economical and efficient manner and in terms of this Licence and in accordance with the Regulations, Guidelines, Directions and Orders, the Commission may issue from time to time.

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- 10.2 The Licensee shall notify the Commission of any schemes pertaining to the Distribution System that the Licensee from time to time proposes to implement together with relevant details, including the estimated cost of such schemes, with requisite break-up, source of funding and proposed investment plans. The Licensee shall specifically detail, as part of the Investment Scheme, an Implementation Plan and the time required to implement the Scheme. The Licensee shall furnish to the Commission such further details and clarifications as to the schemes proposed, as the Commission may require from time to time.
- 10.3 The schemes proposed may be implemented by Licensee, subject to the following conditions :
- a. If the scheme does not involve major investment as defined hereunder, without the need for any specific approval from the Commission but subject to any direction or condition which the Commission may give or impose during the implementation of the scheme;
 - b. If the scheme involves major investment, after taking specific prior written approval of the Commission as provided in Clause 10.4;
 - c. The Licensee shall implement the Scheme in an efficient manner within the specified time.
- 10.4 The Licensee shall make an application to the Commission for obtaining prior approval of the Commission for schemes involving major investments as per the procedure which the Commission may specify from time to time and demonstrate to the satisfaction of the Commission that :
- a. there is a need for the major investment in the Distribution System which the Licensee proposes to undertake;
 - b. the Licensee has examined the economic, technical and environmental aspects of all viable alternatives to the proposal

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for investing in or acquiring new Distribution System assets to meet such need; and

- c. the Licensee has explored all possible avenues and is sourcing funds in the most efficient and economical manner.

10.5 The Licensee shall invite and finalise tenders for procurement of equipment, material and / or services relating to such major investment, in accordance with a transparent, competitive, fair and reasonable procedure as may be specified by the Commission from time to time.

10.6 For the purposes of Clause 10, the term "major investment" means any planned investment in or acquisition of Distribution facilities, the cost of which, when aggregated with all other investments or acquisitions (if any) forming part of the same overall transaction, equals or exceeds Rs.2,00,00,000.00 (Rupees two crore only) or such other amount as may be notified by the Commission from time to time.

10.7 The Licensee shall submit to the Commission, along with the "Expected Revenue Calculation" filed in terms of Clause 24, an Annual Investment Plan – consisting of those schemes that have been approved by the Commission; schemes submitted before the Commission for approval; and all schemes not requiring approval of the Commission planned for the ensuing financial year – and shall make investment in the said financial year in accordance with the said investment plan :

Provided that the aggregate cost of all schemes not requiring an approval from the Commission shall not exceed Rs.20,00,00,000.00 (Rupees twenty crore only) in any financial year or such other amount as may be notified by the Commission from time to time :

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Further provided that if any unforeseen contingencies require reallocation of funds within the schemes listed in the annual investment plan, the Licensee may do so after intimating the Commission. However, such reallocation in respect of individual projects shall not exceed Rs.1,00,00,000.00 (Rupees one crore only) and on an aggregate basis shall not exceed Rs.10,00,00,000.00 (Rupees ten crore only) in any financial year or such other amounts as may be notified by the Commission from time to time :

Also provided that if on account of any unforeseen circumstances, the Licensee is required to make investments in a scheme that does not find a place in the annual investment plan, the Licensee may do so subject to the condition that such investment in respect of individual projects shall not exceed Rs.1,00,00,000.00 (Rupees one crore only) and on an aggregate basis shall not exceed Rs.10,00,00,000.00 (Rupees ten crore only) in any financial year or such other amounts as may be notified by the Commission from time to time. Also, the Licensee shall satisfy the Commission, within 30 days thereof, that such investment was the result of a prudent decision warranted by compelling circumstances.

11. Transfer of Assets

11.1 The Licensee shall not, without the written permission of the Commission, in a single transaction or a set of related transactions, Transfer or assign any asset whose book value at the time of the proposed Transfer exceeds Rs.30,00,000.00 (Rupees thirty lacs only) or such other amount as may be notified by the Commission from time to time :

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Provided that in case of any emergency condition, such transfer or assignment, can be carried out between the Licensees in the National Capital Territory of Delhi without prior approval. The Licensee shall immediately after such a transaction submit before the Commission the detailed facts about the situation and the details of the transaction explaining to the satisfaction of the Commission the transfer and the emergency condition warranting such a transfer or assignment :

Provided further that the Licensee shall not under any circumstance transfer, relinquish, assign any right / interest / possession of any land and building of any value without the prior written approval of the Commission.

- 11.2 The Licensee shall file an application to seek the permission of the Commission in terms of Clause 11.1 disclosing all relevant facts. The Commission may, within 30 days of the receipt of the application, seek further information in support of the transaction and may, generally within 30 days of such further information being submitted by the Licensee, and where no such further information is sought by the Commission as above, within 60 days of the filing of the application, allow the Transfer arrangement subject to such terms and conditions or modifications as is considered appropriate or reject the same, for reasons recorded in writing in the order to be issued by the Commission.
- 11.3 The Licensee may also transfer or assign any asset where the asset in question was acquired and used by the Licensee exclusively or primarily in connection with any Other Business that it has been Authorised to carry on pursuant to Clause 5.5 and does not constitute a legal or beneficial interest in land, or otherwise form part of the Distribution System or is not otherwise an asset required for the Licensed Business.

- 11.4 Notwithstanding what is stated above, the Licensee will be entitled to utilise the assets as a means of facilitating funding or financing the Licensed Business in the ordinary course of business, subject to the conditions :
- a. that the Licensee shall inform the Commission about such arrangements at least 15 days prior to the effective date of the relevant agreements;
 - b. the Licensee acts in a prudent and reasonable manner in such utilisation of assets;
 - c. the Licensee has explored all possible avenues and is sourcing funds in the most efficient and economical manner; and
 - d. the Licensee retains the Operational Control over assets in the Distribution System.

12. Payment Of Licence Fees

- 12.1 Within 60 days or such further period as the Commission may allow after the coming into force of this Licence, the Licensee shall pay to the Commission a fee equivalent to 0.05% of the amount billed during the previous financial year in the area of supply of the Licensee, and annually in each subsequent year during the validity of the license by similar calculation or such other amount as may be notified by the Commission from time to time.
- 12.2 For as long as this Licence remains in force, the Licensee shall, by the 10th of April of every year, or such further period as the Commission may allow, pay to the Commission the annual licence fee as mentioned hereinabove.
- 12.3 Where the Licensee fails to pay to the Commission any of the fees due under Clauses 12.1 or 12.2 by the due dates :

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- a. without prejudice to other obligations, the Licensee shall be liable to pay interest on the outstanding amount at a simple interest rate of one percent per month or any other rate that may be prescribed by the Commission from time to time, the interest being payable for the period beginning on the day after which the amount became due, and ending on the day on which the payment is made in cleared funds; and
 - b. the Licensee shall be subject to proceedings for the recovery of such fees as specified in the DERA; and
 - c. the Commission may revoke this Licence pursuant to Section 23 of the DERA and Clause 13 of this Licence.
- 12.4 The Licensee shall be entitled to take into account any fee paid by it under this Clause 12 as an expense in the determination of aggregate revenues made in accordance with Clause 24, but shall not take into account any interest paid pursuant to Clause 12.3.

13. Terms As To Suspension And Revocation

- 13.1 Subject to the relevant provisions of the Electricity Act, 2003, if at any time the Commission is of the opinion that circumstances exist which render it necessary for it in the public interest to do so, it may suspend the License of the Licensee.
- 13.2 Within one year of suspending the License, the Commission shall either revoke the suspension and restore the License to the Licensee on such terms and conditions as it may deem fit, proper and necessary in the public interest to do so or revoke the License in accordance with the provisions of Section 19 and other relevant provisions of the Electricity Act, 2003 and Section 23 of the DERA.

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13.3 Subject to the provisions of Section 23 of the DERA and the relevant provisions of The Electricity Act, 2003, and the Rules and Regulations framed thereunder, the Commission may at any time initiate proceedings against the Licensee for revocation of this Licence and if satisfied in such proceedings on the grounds for revocation, revoke this Licence if the Licensee :

- a. has in the opinion of the Commission, committed a default in doing anything or omitted to do something required of it by or under the DERA or the Electricity Laws; or
- b. has in the opinion of the Commission, committed a breach of any of the terms and conditions contained in this Licence or of any Regulations, codes and standards that the Commission may specify from time to time and has failed to rectify such breach within the time allowed by the Commission; 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 the licence fee or any other fee or fine or charges within the time allowed by the Commission; or
- e. fails to show to the satisfaction of the Commission, within 60 days 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 this Licence or to make the deposit or furnish the security as may be required by the Commission from the Licensee; or
- f. has committed a breach of Clause 15.4; or
- g. has committed an act which renders this Licence revocable on any other grounds specified in the DERA or the Regulations.

13.4 It is a condition of this Licence that the Licensee shall comply with all the Regulations, codes and standards and also orders and directions of the Commission. When the Commission expressly states that an order

subjects the Licensee to such compliance, failure to comply with that order will render this Licence liable to revocation in accordance with Section 23 of the DERA without prejudice to the Commission's right to revoke this Licence on any other applicable grounds.

14. Policy Directions & Transfer Scheme

- 14.1 Notwithstanding anything contained in this License, till the end of 2006 – 2007, i.e. 31.03.2007 – the Policy Directions shall have an overriding effect on any provision of this License that is contrary to or in conflict with the Policy Directions.
- 14.2 Notwithstanding anything contained in this License the Transfer Scheme shall have an overriding effect on any provision of this License that is contrary to or in conflict with the Transfer Scheme.

15. Miscellaneous General Conditions

- 15.1 In carrying out its function and obligations under this Licence, the Licensee shall comply with the requirements of the DERA, the Electricity Laws and Rules, Regulations, Directions, Guidelines, Conditions framed, issued, notified, specified thereunder.
- 15.2 Subject to the applicable provisions of the DERA, the Electricity Laws and the Rules and Regulations framed thereunder, permission of concerned authorities, the Licensee shall have all the power for the placing of electric supply lines, appliances and apparatus for the Distribution and Retail Supply of electricity.
- 15.3 The Licensee shall comply with the directions of the Electrical Inspector issued pursuant to the powers vested in him under the DERA, the Electricity Laws, and any Rules framed thereunder, provided that any order passed by the Electrical Inspector shall be subject to appeal as per the relevant provisions thereunder.

- 15.4 The Licensee shall, in the event of a proposed change in its constitution or existing share holding pattern or management control, immediately, inform the Commission of such proposed change.
- 15.5 This License is being issued subject to the No Objection Certificate issued by the Central Government pursuant to the provisions of the Section 20 of the DERA. The said No Objection Certificate is attached to this License as **Schedule II**. The Licensee shall comply with the conditions subject to which the No Objection Certificate has been issued.
- 15.6 Nothing contained in this License shall be deemed to authorise or confer any power or authorisation upon the Licensee to act in derogation or contravention of any law for the time being in force. It is expected that the Licensee shall at all times diligently discharge the duties cast upon it under any and every law for the time being in force.

16. Dispute Resolution And Decision On Interpretation Of Licence

- 16.1 Any dispute arising between the Licensee and any other Supplier or generating company falling within the jurisdiction of the Commission shall be referred to the Commission only. The Commission may adjudicate itself or nominate arbitrator(s), on such terms and conditions as the Commission may deem fit, proper and necessary, to determine / settle such disputes.
- 16.2 All issues arising in relation to interpretation of this Licence and as to the terms and conditions thereof shall be a matter for determination of the Commission and the decision of the Commission on such issues shall be final, subject only to the right of appeal.

PART III
TECHNICAL CONDITIONS

17. Compliance With The Grid Code

- 17.1 The Licensee shall comply with the provisions of the Grid Code in so far as it is applicable to it.
- 17.2 The Commission may, on reasonable grounds and after consultation with any affected Generating Companies, the Transmission and Bulk Supply Licensee and Bulk Suppliers or Retail Suppliers, issue directions relieving the Licensee of its obligation under Clause 17.1 in respect of such parts of the Grid Code and to such extent as may be specified by the Commission.
- 17.3 Till the Grid Code is approved by the Commission, the Licensee shall comply with the Interim Grid Code.

18. Distribution Code And Construction Practices

- 18.1 The Licensee shall, within 120 days of issue of this Licence, prepare and submit to the Commission a Distribution Code which shall be accompanied by a plan for its implementation. Once the Commission approves the Distribution Code and the said implementation plan, the Licensee shall implement and comply with such Distribution Code :

Provided that the Commission may, at the instance of the Licensee, issue directions relieving the Licensee of its obligations under the Distribution Code in respect of such parts of the Licensee's Distribution System and to such extent as may be specified by the Commission.

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- 18.2 The Distribution Code shall cover all material technical aspects relating to connections to, and the operation and use of, the Distribution System including the operation of the electrical lines and electrical plant and apparatus connected to the Distribution System in so far as relevant to the operation and use of the Distribution System and shall include, but not be limited to:
- a. the Distribution planning and connection code containing :
 - i. a planning code specifying the plan for laying the Distribution lines and the service lines in the Area of Supply, the technical and design criteria and procedures to be applied by the Licensee in the planning and development of the Licensee's Distribution System; and
 - ii. connection conditions specifying the technical, design and operational criteria to be complied with by any Person connected or seeking connection with the Licensee's Distribution System; and
 - b. the Distribution operating code specifying the conditions under which the Licensee shall operate the Licensee's Distribution System and under which Persons shall operate their plant and / or Distribution System in relation to the Licensee's Distribution System, in so far as necessary to protect the security and quality of supply and safe operation of the Licensee's Distribution System under both normal and abnormal operating conditions.
- 18.3 The Distribution Code shall be designed so as to permit the development, maintenance and operation of an efficient, co-ordinated and economical Distribution System.
- 18.4 The Licensee shall, till the Distribution Code comes into force, follow the same practices which had been followed by the Delhi Vidyut Board prior to its reorganisation with such modifications as may be permitted by the Commission.

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- 18.5 The Licensee shall from time to time, as appropriate, review the Distribution Code. The Licensee shall also undertake such review as and when directed to do by the Commission. Following any such review, the Licensee shall send to the Commission :
- a. a report on the outcome of such review;
 - b. any proposed revisions to the Distribution Code as the Licensee (having regard to the outcome of such review) reasonably thinks fit for the achievement of the objectives of the Distribution Code and this Licence; and
 - c. all written representations or objections received during such review.
- 18.6 All revisions to the Distribution Code shall require prior written approval from the Commission.
- 18.7 The Licensee shall make available to any Person requesting for it, copies of the Distribution Code and practices thereto in force at the relevant time, at a price not exceeding the reasonable cost of duplicating it.
- 18.8 A compilation of the existing codes and practices relating to construction of the Licensee's Distribution System and its Distribution facilities shall be filed with the Commission by the Licensee within 30 days of the grant of this Licence. The Licensee shall follow the existing codes and practices with such modification as the Commission may direct from time to time. The construction practices shall be reviewed and upgraded by the Licensee from time to time, as appropriate, based on relevant technological improvements and changes.

19. Distribution System Planning And Security Standards, Distribution System Operating Standards, Overall Performance Standards

- 19.1 The Licensee shall comply with the same practices which had been followed by the Delhi Vidyut Board prior to its reorganisation with such modifications as may be permitted by the Commission with regards to Distribution System Planning and Security Standards and Distribution System Operating Standards until the Distribution System Planning and Security Standards and Distribution System Operating Standards proposed by the Licensee pursuant to Clause 19.3 are approved by the Commission.
- 19.2 The Licensee shall plan and operate its Distribution System to ensure that, subject to the availability of adequate power of appropriate quality, the system is capable of providing Consumers with a safe, reliable and efficient Supply of electricity. In particular, the Licensee shall:
- a. plan and develop its Distribution System in accordance with the Distribution System Planning and Security Standards together with the Distribution Code as approved by the Commission; and
 - b. operate its Distribution System in accordance with the Distribution System Operating Standards together with the Distribution Code as approved by the Commission.
- 19.3 The Licensee shall, within 90 days after this Licence becomes effective, prepare and submit to the Commission the Licensee's proposal for Distribution System Planning and Security Standards and Distribution System Operating Standards.

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- 19.4 The Commission may, with such amendments and modifications as it may deem fit, proper and necessary, specify the Distribution System Planning and Security Standards and Distribution System Operating Standards. The Licensee shall, at all times, follow the Distribution System Planning and Security Standards and Distribution System Operating Standards as specified by the Commission.
- 19.5 If the Licensee fails to meet the Standards specified by the Commission under Clause 19.4, without prejudice to any penalty that may be imposed or prosecution initiated, the Licensee shall be liable to pay such compensation to the person affected as may be determined by the Commission, after allowing the Licensee a reasonable opportunity of being heard.
- 19.6 Upon receipt of any written representation received by the Commission or upon its own motion, after giving the Licensee an opportunity to present its perspective on the same, for reasons recorded in writing, the Commission may require the Licensee to revise the Distribution System Planning and Security Standards and the Distribution System Operating Standards, and Licensee shall comply with the directions of the Commission.
- 19.7 The Licensee shall, within 3 months of the end of each financial year, submit to the Commission a report indicating the performance of the Licensee's Distribution System during the previous financial year with reference to the Standards specified by the Commission under Clause 19.4 as also the number of cases in which compensation was awarded and the aggregate amount of such compensation. The Licensee shall, if required by the Commission, publish a summary of the report in a manner approved by the Commission.

- 19.8 The Licensee shall conduct its Licensed Business in the manner which it considers to be best calculated to achieve the Overall Performance Standards in connection with provision of Supply services and the promotion of the efficient use of electricity by Consumers, as may be prescribed by the Commission pursuant to the DERA or the Electricity Act, 2003.
- 19.9 The Licensee shall supply annually, information to the Commission as to the means by which it proposes to achieve the Overall Performance Standards and other standards referred to in this Clause 19.

20. Obligation To Connect Consumers And Public Lamps

20.1 Subject to the other provisions of this Licence, the Licensee shall have the following obligations :

- a. Subject to the provisions of Section 43 of the Electricity Act, 2003, the Licensee shall, on the application of the owner or occupier of any premises within the Area of Supply, give supply of electricity to such premises within one month of the Application requiring such supply.
- b. It shall be the duty of the Licensee to provide, if required, electric plant or electric line for giving electric supply to the premises specified in sub-clause (a) :

Provided that no person shall be entitled to demand, or to continue to receive, from the Licensee a supply of electricity unless he has agreed to pay to the Licensee such price as may be determined by the Commission.

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- c. Subject to the provisions of Section 56 of the Electricity Act, 2003 and such conditions as may be specified by the Commission in the Regulations contemplated under Clause 22.2 of this License, the Licensee may refuse to supply, or may disconnect the supply of, electricity to any premises.
- 20.2 The Licensee shall, before commencing to lay down or place a service-line in any area in which a Distribution main has not already been laid down or placed, serve upon the local authority or authorities (if any) falling in the area as lies between the points of origin and termination of the service line to be laid down or placed, a notice stating that the Licensee intends to lay down or place a service line and confirming that if within 21 days from the date of the notice, the local authority require in accordance with Clauses 19 and 21, that a Supply shall be given for any public lamps, the necessary Distribution main will be laid down or placed by the Licensee at the same time as the service line. In addition to the above, the Licensee shall publicise, to the fullest extent possible, the notice of such proposed work for information of the public so as to enable any owner or occupier of the premises abutting so much of the area lies between the points of origin and termination of the service line to be laid down or placed and any one or more occupiers may apply to the Licensee for laying down the distribution main and connected works along with the service line.

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- 20.3 Where, after Distribution mains have been laid down under the provisions of this Clause 20 and the supply of energy through those mains or any of them has commenced, a requisition is made by the State Government or by a local authority requiring the Licensee to supply for a period of not less than two years, energy for any public lamps within the Area of Supply, the Licensee shall supply and, save in so far as it is prevented from doing so by events of Force Majeure and technical viability / constraints, continue to supply energy for such lamps in such quantities as the State Government or the local authority, as the case may be, may require. The State Government or the relevant local authority, as the case may be, may require the Licensee :
- a. to provide the mains and other equipment for public lamps; and
 - b. to use for that purpose supports, if any, previously erected or set up by it for supply of energy.
- 20.4 The Licensee may levy any reasonable charge(s) for carrying out works / release of supply pursuant to Clauses 20.1; 20.2 and 20.3, in accordance with any procedures that may be stipulated by the Licensee and approved by the Commission as well as the provisions of the DERA and / or Regulations.
- 20.5 The Licensee shall allow any person for the use of the Distribution System operated by the Licensee on the terms and conditions prescribed by the Commission.

21. Obligation To Supply And Power Supply Planning Standards

21.1 The Licensee shall take all necessary steps to ensure that all Consumers connected to the Licensee's Distribution System receive a safe, economical and reliable Supply of electricity as provided in the performance standards referred to in this Licence, the Consumer Rights Statement and the Complaint Handling Procedures, except where :

- a. the Licensee discontinues Supply to certain Consumers under the relevant provisions of the DERA and / or the Electricity Laws for the reason of neglect or refusal to pay the charges due from the Consumer to the Licensee or in accordance with the Regulations contemplated under Clause 22; or
- b. the Licensee regulates the Supply to Consumers as may be directed by the Commission.

21.2 The Licensee shall :

- a. submit, within 120 days of this License becoming effective, a detailed survey plan of the Area of Supply clearly indicating :
 - i. Electrified Area;
 - ii. Partially Electrified Area;
 - iii. Non-Electrified Areas; and
 - iv. Rural Areas;
- b. forecast annually, and submit before the Commission, the demand for power within the Area of Supply in each of the next succeeding, at least, 5 years;

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- c. prepare and submit a detailed plan for the development of the Distribution System and the systematic & planned electrification of the Area of Supply. This Plan should have milestones – on a yearly basis – on the basis of which the performance of the Licensee could be evaluated and graded; and
 - d. co-operate with the Transmission and Bulk Supply Licensee in the preparation of power demand forecasts for the National Capital Territory of Delhi.
- 21.3 Subject to the foregoing Clauses, the Licensee shall purchase electricity from Bulk Suppliers and others as permitted by the Commission to meet the expected demand of the Licensee's Consumers, or where appropriate, such lesser quantities as the Bulk Suppliers and others are able to provide on account of shortage of available sources of electricity generation, imports or supply.
- 21.4 The Licensee shall purchase electricity in the manner specified in Clause 5.4.
- 21.5 The Licensee shall, as soon as possible and no later than 180 days after this Licence has come into force or such other time as the Commission may allow, prepare and submit for information before the Commission, a Disaster Management Plan, to address emergencies that may arise in connection with and arising out of the conduct of the Licenced Business.
- 21.6 The Licensee shall prepare the Disaster Management Plan in consultation with the local authorities and keep them fully abreast of the provisions thereof. The Disaster Management Plan shall cover, without limitation :
- i. the detailed systems to be followed by the Licensee;
 - ii. the various Agencies (Local / State / Central) to be informed by the Licensee;

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- iii. the person or authority co-ordinating amongst the Licensee, the local Municipal Agencies, the Police and other para-military authorities, the State Administration, the Government and other appropriate or concerned Authorities;
 - iv. the Emergency Control Room;
 - v. the periodicity with which the Disaster Management Plan will be rehearsed; and
 - vi. such other aspects which may be of importance to formulate an effective and efficient plan.
- 21.7 For purposes of Clause 21.5, an emergency shall mean any condition and / or situation that materially and adversely :
- a. affects the ability of the Licensee to maintain safe, adequate and continuous operation of all or any part of the Licensed Business;
or
 - b. endangers the security of any person, plant, or other life, equipment or property.

22. Consumer Service; Electricity Supply Code And Consumer Rights Statement

- 22.1 The Licensee shall, within 90 days, or such period as may be allowed by the Commission, after this Licence has become effective, prepare and submit to the Commission, for its consideration, a code covering the following subjects :
- a. Payment of Electricity Bills by Consumers;
 - b. Consumer Rights Statement;
 - c. Standards of Performance by Licensee;

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- d. Any other subject or subjects, as may be directed by the Commission.

22.2 The Commission may, after considering the code and after such consultation as it may deem fit, proper and necessary, issue new Regulations or amend any existing Regulations concerning the above mentioned subjects.

22.3 The Licensee shall :

- a. draw to the attention of Consumers - by publication in Newspapers or posting on website or in such other manner as the Commission may direct - the existence of the Regulations and each substantive revision thereof and how they may inspect or obtain a copy of the said Regulations in their latest form;
- b. make a copy of the Regulations, revised from time to time, available for inspection by members of the public during normal working hours; and
- c. provide a copy of the Regulations, revised from time to time, to any other Person who requests for it at a price not exceeding the reasonable cost of duplicating it.

22.4 The Licensee shall comply with the practice and procedures of the erstwhile Delhi Vidyut Board with respect to the above mentioned subjects with such modifications as the Commission may direct, until necessary Regulations are issued by the Commission :

Provided that where necessary Regulations have been issued by the Commission, such Regulations shall be followed by the Licensee.

22.5 The Commission may evaluate the Licensee's compliance with the Regulations set forth in accordance with this Clause 22 and the Licensee shall provide to the Commission such information as it may require to enable it to do so.

- 22.6 The Licensee shall provide all such information as may be requested for by a Consumer or an Applicant for a connection in so far as it related to his or its own connection or supply within 30 (thirty) days of the request being made.
- 22.7 If the Licensee fails to adhere to or comply with any Regulations framed by the Commission, without prejudice to any other liability or action that the Licensee may suffer on that count, it shall be liable to pay to the Consumer such compensation as may be determined by the Commission. The Commission may also require the Licensee to pay directly to the Consumers concerned the compensation amount and file a statement thereof with the Commission. The Commission may issue directions and pass orders to give effect to the above.

23. Other Terms And Conditions Of Supply

- 23.1 Subject to the provisions of the DERA, the Electricity Laws and the Rules framed there under, Regulations made by the Commission, these Licence conditions and other orders which the Commission may issue, the existing "The General Terms and Condition of Supply" applicable in Delhi Vidyut Board immediately before the Transfer Scheme came into effect shall govern the rights and obligations of the Licensee and the Consumers, till they are modified in accordance with this Clause 23.
- 23.2 The Licensee shall, within ninety days after this Licence has come into force or such other time as the Commission may allow, prepare and submit to the Commission for approval, the "The General Terms and Condition of Supply" with such proposed modifications as the Licensee considers necessary with reasons for making the modifications.

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23.3 The Commission may make such modifications, as it considers necessary, to “The General Terms and Condition of Supply” proposed by the Licensee. “The General Terms and Condition of Supply” as approved by the Commission shall apply from such date as the Commission may notify.

PART IV
EXPECTED REVENUE CALCULATION AND
TARIFFS

24. Expected Revenue Calculation And Tariffs

24.1 The Licensee shall calculate the total expected revenue from charges that it is permitted to recover, in accordance with the provisions of Section 28 of the DERA read with the relevant Regulations, the conditions of this Licence, the orders of the Commission and other requirements as may be directed by the Commission from time to time.

24.2 Expected Revenue Calculation

a. Not later than 30th of November every year, the Licensee shall prepare and submit to the Commission :

i. a statement with full details of its expected aggregate revenues and cost of service for the ensuing financial year (including financing costs and its proposed return on equity) for its Licensed Business, in accordance with Section 28(5) of the DERA;

Provided that the Licensee shall, while estimating the aggregate revenue and cost of service for the ensuing financial year, follow the Policy Directions. After the five years period as mentioned in the Policy Direction is over, the Licensee shall estimate the revenue requirement as per the regulations and guidelines issued by the Commission in this regard;

ii. the annual investment plan giving specific details of the investment which the Licensee proposes to make in the ensuing financial year and which the Licensee desires to be covered under the revenue requirements in the ensuing financial year with appropriate references to Schemes, if any, already approved by the Commission of which such investments form a part;

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- iii. If so required by the Commission, the Licensee shall file such statements separately for the Distribution Business and Retail Supply Business.

- b. If the statement referred to in Clause 24.2(a) indicates a difference between its expected aggregate revenues and its expected cost of service, the Licensee shall also submit with the statement an explanation of the measures it proposes to take, including any proposal for tariff revisions, to eliminate the difference.

24.3 Tariffs

- a. The approved tariff shall be the schedule of standard prices or charges for specified services that the Commission determines in accordance with the provisions of Section 28 of the DERA.

- b. The Licensee shall implement the approved tariff and shall calculate and recover the charges under the approved tariff in accordance with the orders of the Commission, the Regulations, the conditions of this Licence and other directions or requirements issued by the Commission from time to time.

- c. The Licensee shall publish, in the manner specified by the Commission, the tariffs and charges for the Licensed Business as approved under Clause 24.3.(a).

24.4 The Licensee may apply to the Commission to amend its tariffs in accordance with the DERA and applicable Regulations and directions of the Commission. If the Commission so directs, the Licensee shall apply to the Commission to amend its tariffs in accordance with the DERA and applicable Regulations.

25. Powers Of The Licensee For Revenue Realisation, Meter Tampering Etc.

25.1 Pursuant to Section 20(10) of the DERA, and subject to the provision of the Electricity Laws and the Rules framed thereunder and the applicable Regulations, the Licensee shall have the power and authority to take appropriate actions for :

- a. Metering at the point of supply of electricity;
- b. Revenue realisation;
- c. Implementing credit control procedure as approved by the Commission;
- d. Prosecution for theft – of power; equipment or appliance;
- e. Prevention of meter tampering;
- f. Prevention of diversion of electricity, and
- g. Prevention of the unauthorised use of electricity;
- h. Damage to public lamps and other property;
- i. and all such similar matters affecting Distribution or Retail Supply.

PART V
COMPETITION CONDITIONS

26. Introduction Of Competition In Retail Supply And Open Access

- 26.1 The Commission may, after consultation with the Licensee, Bulk Suppliers or Retail Suppliers, Generating Companies and other stake holders, formulate arrangements for the introduction of competition in Retail Supply and / or for open access of the Distribution System in the Area of Supply. The arrangements so formulated by the Commission shall be binding on the Licensee and it shall adhere to the same.
- 26.2 The Commission may, in accordance with the provisions of the DERA and the Electricity Laws, issue such orders modifying or amending the terms or conditions of this Licence as it may consider appropriate for the purpose of implementing the arrangements referred to in this Clause 26.

PART VI
PENALTY

27. Penalty

27.1 The Licensee shall be liable for penal action under the applicable provisions of the DERA, the Electricity Laws and the Rules and Regulations framed thereunder.

**THE BSES YAMUNA POWER LIMITED DISTRIBUTION AND RETAIL SUPPLY OF
ELECTRICITY LICENCE**

SCHEDULE I

Area of Supply

SCHEDULE II

No Objection Certificate issued by the Central Government

By order of the Commission

New Delhi

11th of March, 2004

SECRETARY, DERC