

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 5/2011

**Coram: Dr. Pramod Deo, Chairperson
Shri S.Jayaraman, Member
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

DATE OF HEARING: 18.8.2011

DATE OF ORDER: 24.8.2011

In the matter of

Application under Section 14 read with Section 15(1) of the Electricity Act, 2003 for grant of Transmission Licence to Raichur Sholapur Transmission Company Limited.

And in the matter of

Raichur Sholapur Transmission Company Limited, New Delhi. **Applicant**
Vs

- 1 Gujarat Urja Vikas Nigam Limited, Vadodara
- 2 Madhya Pradesh Power Trading Company Limited, Jabalpur
- 3 Chattisgarh State Power Distribution Company Limited, Raipur
- 4 Maharashtra State Electricity Distribution Co. Ltd., Mumbai
- 5 Goa State Electricity Department, Govt. of Goa, Panaji
- 6 Electricity Department, Daman
- 7 Electricity Department, Silvassa
- 8 Madhya Pradesh Audyokik Kendra Vikas Nigam Ltd., Indore
- 9 Jindal Power Limited, Chhattisgarh
- 10 Torrent Power Limited, Ahmedabad
- 11 PTC India Ltd., New Delhi
- 12 Adani Power Limited, Gurgaon
- 13 Heavy Water Projects, Department of Atomic Energy, Mumbai
- 14 Power Grid Corporation of India Ltd. (POWERGRID-HVDC-VIN)
- 15 Power Grid Corporation of India Ltd. (POWERGRID-HDC-BHD)
- 16 Kerala State Electricity Board, Trivandrum
- 17 Tamil Nadu State Electricity Board, Chennai
- 18 Electricity Department, Govt. of Puducherry
- 19 Northern Power Distribution Company of Andhra Pradesh Ltd. Warrangal
- 20 Eastern Power Distribution company of Andhra Pradesh Ltd. Vishakhapatnam
- 21 Southern Power Distribution Company of Andhra Pradesh Limited, Tripuri

22 Central Power Distribution Company of Andhra Pradesh Limited,
Hyderabad
23 Power Company of Karnataka Limited, Karnataka
24 Power Grid Corporation of India Ltd. (POWRGRID-HVDC)
25 Lanco Kondapali Power Ltd., Hyderabad ... **Respondents**

The following were present:

1. Miss Surbhi Sharma, Advocate for the petitioner
2. Shri Himansu Agarwal, RSTCL
3. Shri Suresh Gehani, RSTCL
4. Shri A.K.Agarwal, RSTCL

ORDER

The Applicant, Raichur Sholapur Transmission Company Limited has filed this application under Section 14 read with Section 15 (1) of the Electricity Act, 2003 (the Act) to build, own, operate and maintain the transmission systems associated with Krishnapattnam UMPP-Synchronous inter-connection between Southern Region and Western Region (Part-B) comprising the following element:

Name (end-points location)	Voltage Class (kV)	Length (km)	Type S/C or D/C	Completion schedule
Raichur-Sholapur	765 kV	208	S/C	36 months from the effective date

2. The applicant has submitted that the Government of India, Ministry of Power, vide its Resolution No. 11.5.2005-PG(i) dated 17.4.2006 notified the 'Tariff based Competitive-bidding Guidelines for Transmission service' (hereinafter referred to as "the Guidelines") under Section 63 of the Act. In accordance with the Guidelines, the Rural Electrification Corporation Transmission Projects Company Limited (RECTPCL) was notified by Government of India, Ministry of Power vide Notification No. 11/12/2006-PG

dated 1.7.2009 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission project on Build, Own, Operate and Maintain (BOOM) basis through tariff based competitive bidding process.

3. The applicant has further submitted that the Rural Electrification Corporation Transmission Projects Company Limited (RECTPCL) in its capacity as BPC initiated the bid process on 12.7.2010 and completed the process on 16.12.2010 as per the Guidelines. M/s Patel Engineering Ltd. (PEL) in consortium with M/s Simplex Infrastructure Limited and M/s BS Transcomm Limited was selected as the successful bidder with lowest levelised transmission charge ₹ 2939.569 lakh per annum for the project.

4. The applicant has also submitted that the consortium of Patel Engineering Limited (Lead Member), Simplex Infrastructure Limited and BS Transcomm Limited furnished the performance guarantee to each of the long-term transmission customers on 20.10.2011 and acquired hundred percent equity holding in Raichur-Sholapur Transmission Company Limited on 7.1.2011.

5. We had examined the application of the applicant in the light of the provisions of the Electricity Act, 2003 and the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009

(hereinafter referred to as 'the transmission licence regulations') and had come to the following conclusion in our order dated 26.4.2011:

"Considering all the material on record, we are prima facie of the view that the applicant satisfies the conditions for grant of inter-State transmission licence for planning, construction, operation and maintenance of the transmission system as described in para 1 of this order. We, therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission."

6. The public notice under Section 15 (5) of the Act was published on 29.3.2011 in all editions of Times of India and Dainik Bhaskar. In response to the public notice, no suggestions/objections have been received. During the hearing on 18.8.2011, no body appeared on behalf of any of the respondents or any objector.

7. Clauses (15) and (16) of Regulation 7 of transmission licence regulations provide as under:

"(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reasons.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity to the applicant, the Central Transmission Utility, the Long-term customers, or the person who has filed suggestions and objections, or any other person:

Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application."

8. In our order dated 26.4.2011, we had proposed to grant transmission licence to the applicant company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. We are satisfied that the applicant company meets the requirements of the Act and the transmission licence regulations for grant of transmission licence for the subject transmission system mentioned at para 1 of this order. Accordingly, we direct that a transmission licence be granted to Raichur Sholapur Transmission Company Limited to build, own, operate and maintain the transmission systems associated with Krishnapattnam UMPP-Synchronous inter-connection between Southern Region and Western Region (Part-B) as per the details given in para 1 above.

9. The grant of transmission licence to the applicant is subject to the fulfillment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;

(b) If the useful life of the transmission system extends beyond the period of 25 years, the applicant may make an application, two years before the expiry of initial licence period, for grant of licence for another term which shall be considered by the Commission in accordance with law;

(c) The applicant shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(d) The applicant shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2008, as amended from time to time or any of other regulations in force. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of licence;

(e) The applicant shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(f) The applicant shall remain bound by the Central Electricity Regulatory Commission (Standard of performance of inter-State transmission licensees) Regulations which will be notified by the Commission shortly.

(g) The applicant shall provide non-discriminatory open access to its transmission system for use by any other licensee, including a distribution licensee or an electricity trader, or generating company

or any other person in accordance with the Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time;

(h) The applicant shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;

(i) The applicant shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 which will come into force with effect from 1.7.2011; and

(j) The applicant shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the transmission licence regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time.

10. Petition No. 5 of 2011 is disposed of in terms of the above. We direct that copies of this order shall be endorsed to all Long Term Transmission Customers of the transmission system.

Sd/-
(M. DEENA DAYALAN)
MEMBER

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(S. JAYARAMAN)
MEMBER

Sd/-
(DR. PRAMOD DEO)
CHAIRPERSON