CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No.011/SM/2014

Coram:
Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S.Bakshi, Member

Date of Order: 5.8.2015

In the matter of

Non- compliance of Sections 38 and 39 of the Electricity Act, 2003.

And
In the matter of

1. Chief Operating Officer
Central Transmission Utility (CTU)
Saudamini, Plot no. 2, Sector-29,
Gurgaon – 122001, Haryana

2. Director (Technical)
Rajasthan Rajya Vidyut Prasaran Nigam Limited
Vidyut Bhawan, Janpath, Jyoti Nagar,
Jaipur – 302005, Rajasthan.

3. Director (Works and Project)
U P Power, Transmission Corporation Limited
Shakti Bhawan, Ashok Marg,
Lucknow – 226001, UP

4. Director (Projects)
H.P. Power Transmission Corporation Limited
Barowalias House,
Khalini, Shimla-171002, HP ….**Respondents**

Parties present:

Shri Sanjey Sen, Senior Advocate, PGCIL
Shri Sakie Jakharia, Advocate, PGCIL
Shri R.P. Padhi, PGCIL
Shri Manju Gupta, PGCIL
Shri RC Kaundal, HPPTCL
Shri DP Sharda, HPPTCL
Shri Praveen Kumar, HPPTCL

ORDER

Section 38 (2) of Electricity Act 2003 (hereinafter "Act") provides that Central Transmission Utility (hereinafter "CTU") shall discharge all functions of planning and coordination with various agencies and shall ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines. Relevant portion of Section 38 (2) of the Act is extracted as under:

" (2) The functions of the Central Transmission Utility shall be -

(a) To undertake transmission of electricity through inter-State transmission system;

(b) To discharge all functions of planning and co-ordination relating to inter-State transmission system with -

(i) State Transmission Utilities;
(ii) Central Government;
(iii) State Governments;
(iv) Generating companies;
(v) Regional Power Committees;
(vi) Authority;
(vii) Licensees;
(viii) Any other person notified by the Central Government in this behalf;

(c) to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres;……."

2. Similarly, Section 39(2) of Act provides that State Transmission Utility (hereinafter "STU") shall discharge all functions of planning and coordination with various agencies and shall ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines. Section 39 (2) of the Act is extracted as under:

> " (2) The functions of the State Transmission Utility shall be -
>
> (a) To undertake transmission of electricity through intra-State transmission system;
>
> (b) To discharge all functions of planning and co-ordination relating to intra-State transmission system with –
>
> (i) Central Transmission Utility;
> (ii) State Governments;
> (iii) Generating companies;
> (iv) Regional Power Committees;
> (v) Authority;
> (vi) Licensees;
> (vii) Any other person notified by the State Government in this behalf;
>
> (c) To ensure development of an efficient, co-ordinated and economical system of intra-State transmission lines for smooth flow of electricity from a generating station to the load centres;….."

3. The above provisions stipulate that CTU and STUs shall coordinate with each other and with other agencies so that implementation of Inter-State Transmission System (hereinafter "ISTS") and associated downstream/upstream Intra-State Transmission System is done in a matching time frame so that no asset remains stranded or unutilized and the intended purpose/use of the transmission scheme is realized.

4. In view of the above provisions, the Commission vide order dated 12.8.2014 directed CTU to submit a report enumerating the details of the ISTS Projects wherein associated downstream/upstream systems are not ready/incomplete/not matching with implementation of ISTS. The Commission also directed CTU to submit the complete associated schemes of the projects.

5. The Commission vide said order dated 12.8.2014 directed CTU, STUs of Rajasthan, Himachal Pradesh and Uttar Pradesh to clarify as under:

> "5. It has come to our notice in Petition No. 89/TT/2012 that Power Grid Corporation of India Ltd. has completed the work of six 220 kV bays each at Sohawal sub-station and Jaipur (South) sub-station for which downstream systems are incomplete. Further, during the course of hearing of the Petition Nos. 28/TT/2014, 99/TT/2014, 100/TT/2014 and 107/TT/2014 on 12.6.2014 for grant of transmission tariff for inclusion in the POC mechanism, issue of stranded assets due to non completion of downstream assets associated at Hamirpur sub-station, Kotputli sub-station, 765 kV S/C Bareilly-Lucknow transmission line at 400 kV level and one circuit of 400 kV D/C Bareilly (New)-Bareilly (Existing) transmission line was raised. Therefore, we direct CTU, STUs of Rajasthan, Himachal Pradesh and Uttar Pradesh to clarify, on affidavit by 5.9.2014, their position in this regard and submit the proof of coordination efforts made by each party and the action taken on the basis of such coordination."

6. In response, CTU, HP Power Transmission Corporation Limited (HPPTCL), Rajasthan Rayja Vidyut Prasaran Nigam Limited (RRVPNL) have filed their replies. However, U P Power Transmission Corporation Limited has not filed its reply.

7. CTU vide its affidavit dated 12.9.2014 has submitted as under:

(a) Transmission System Planning is done in a coordinated manner with the participation of CEA, CTU, concerned STUs, RPCs and RLDCs. In the

Standing Committee meeting on Transmission System Planning, the stakeholders deliberate the need for various transmission schemes. After the approval of any transmission scheme, the scheme is put up to the concerned RPC for its approval. Based on the agreement in Standing Committee and RPC meetings, the elements of new EHV transmission network are finalised.

(b) Upstream/downstream networks are planned to meet the growing power requirement of an area. The new sub-stations are planned based on STU requests, operational feedback and system studies. The ISTS network to transfer power to these stations are discussed and finalised, considering both present and future power transfer requirement, in a coordinated manner in various forums including concerned RPC meetings. With regard to 220 kV networks, which are planned by STUs, the provision for 220 kV bays are provided as per norms agreed in the Standing Committee meeting.

(c) It is desirable that downstream networks of STUs are commissioned matching with ISTS sub-station/network. However, it may be appreciated that still there may be time gap between their commissioning. The implementation of networks inevitably brings together multiple agencies and groups which are intended to work in concert to achieve the set of objectives. Upon finalization of the planning of the ISTS and downstream networks, agencies responsible for their areas of work carry out implementation of work independently as per their internal policies, procedures and monitoring systems while keeping co-ordination between them at macro level only.

(d) At the time of implementation of the project, even after realizing that the downstream network is getting delayed, it may not be possible to delay the completion/commissioning of the ISTS/Upstream networks beyond a certain period due to obvious contractual reasons.

(e) The time gap is not due to any lack of coordination but it is due to fund problems, delay in getting statutory clearances, RoW problems. Such gaps are observed in case of implementation of 400/220 kV sub-stations by various STUs also where downstream alongwith 400 kV system is being implemented by the same STU. For example, the transformers at 400/220 kV sub-station of Deepalpur of Haryana and Makhu of Punjab are not being utilised due to non-availability of downstream network.

(f) CTU has enumerated the details regarding specific sub-stations as under:

(i) Jaipur (South) and Kotputli sub-station in Rajasthan: Issue of power supply to Jaipur area was raised in the 13th NRPC meeting held on 27.6.2009 wherein it was informed that Jaipur (South) and Kotputli sub-stations would help in meeting power demand. The issue was also discussed in 24th NRPC meeting held on 18.11.2011 wherein the status of Jaipur (South) and Kotputli was informed. In the said meeting, STU was requested to ensure availability of evacuation system from Jaipur South. PGCIL vide its letters dated 10.1.2013, 8.1.2014, 21.2.2014 and 25.3.2014 informed RVPNL regarding final route alignment of 400 kV

feeders and termination of 220 kV feeders at 400/220 kV PGCIL`s sub-station at Kotpuli.

(ii) Hamirpur sub-station in Himachal Pradesh: Hamirpur sub-station (Part of NRSS-XX) was approved by the Board of Directors of PGCIL in October, 2010 after concurrence in SCM and NRPC meetings. Subsequently, HPSEBL vide its letter dated 20.10.2011 approached PGCIL regarding drawl arrangement. Since the State utility was aware of the location and construction activities at site, it confirmed the construction of other 220 kV lines.

(iii) Sohawal in Uttar Pradesh: The Investment Approval of the Sohawal sub-station was accorded by the Board of Directors of PGCIL vide Memorandum ref. C/CP/NRTSS dated 17.3.2010 after concurrence in Standing Committee and Northern Regional Power Committee meetings. PGCIL`s site office has continuously been interacting with State utility regarding 220 kV outlets from Sohawal sub-station.

(g) CTU has done necessary co-ordination and provided information and uploaded status in its website as per decision taken in 27th Standing Committee Meeting of Northern Region. CTU has been making best efforts to co-ordinate with STUs and with other agencies to implement the Inter-State Transmission System and associated downstream/upstream Intra-State Transmission System for matching time frame.

8. The matter was heard on 23.9.2014. The Commission directed STU, Uttar Pradesh to file status of downstream lines at Sohawal sub-station. H. P. Power Transmission Corporation Ltd. was directed to file status of transmission lines which are to be built in the State. The Commission directed Rajasthan Rajya Vidyut Prasaran Nigam Ltd to file the status of Duzi-SEZ and Vatika sub-stations and latest status of other downstream lines.

9. H.P. Power Transmission Corporation Limited (HPPTCL) in its reply affidavit dated 5.9.2014 has submitted that the work in question has been planned by it. HPPTCL has further submitted that it has been proposed to implement the project through external assistance. In this regard, HPPTCL vide its letter dated 11.2.2014 informed the Government of Himachal Pradesh that the transmission projects are proposed to be implemented through Japan International Cooperation Agency (JICA), Official Development Assistance (ODA) Loan for the financial year 2014. HPPTCL has submitted that the construction work of the transmission projects would be taken up as and when the fund is arranged. HPPTCL has submitted the details of transmission projects and their scheduled CoD as under:

S. No.	Name of Transmission Project	Power to be Evacuated (MW)	Scheduled CoD
1	22/132 kV, 2x31.5 MVA sub-station at Tangnu Romai HEP in District Shimla	90	2014-15
2	132 kV D/C line from Tangnu-Romai HEP to 132/220kV GIS sub-station at Sunda in District Shimla		2014-15
3	33/132 kV, 2x31.5 MVA GIS substation in the yard of Rupin HEP in District Shimla	103	2016-17
4	132kV D/C line from Rupin HEP to 132/220kV GIS sub-station at Sunda in		2016-17

	District Shimla		
5	66/220kV, 100 MVA GIS sub- station at Sunda with 66kV Andhra-Sunda D/C line in District Shimla	50	2016-17
6	220 kV D/C Prini-Nalagrh D/C line in District Kullu	192	The line belongs to AD Hydro. To avoid multiplicity of lines, this line is required to be taken over by HPPTCL to evacuate power of other HEPs in Palchan and Naggar valley
7	132 kV D/C line from Malana-II HEP to 132/220 kV sub-station at Charor in District Kullu	275	The line and sub-station belongs to Everest Power Pvt. Ltd. To avoid lines, this line and sub-station is required to be taken over by HPPTCL to evacuate power of other HEPs in Parvati valley
8	132/220 kV, 120 MVA sub-station at Charor in District Kullu		
9	33/220kV sub-station in the yard of 400/220kV sub-station of PGCIL at Sissu in District Lahaul and Spiti	25	2017-18
10	220kV D/C line from Kangoo to 220/400kV PGCIL sub-station at Hamirpur in District Hamirpur		For load drawal
11	Additional 400/220kV, 315 MVA transformer at 400/220kV sub- station at Pragatinagar in District Shimla	300	
12	220/66 kV, 50/63 MVA sub-station in the yard of 400/220 kV sub-station at Pragatinagar		For load drawal
13	220/66 kV, 50/63 MVA sub-station in the yard of 220 kV switching station at Hatkoti		For load drawal
	Total	**735.0**	

10. HPPTCL vide affidavit dated 9.12.2014 has further submitted that the following four new transmission lines are to be built by HPTTCL up to PGCIL's regional sub-stations which have been mentioned under Tranche-II, Tranche-III,

REC funded projects and KFW funded projects (Page 8 to 14 of the affidavit dated 9.12.2014):

(i) 220 kV D/C line (Twin Moose) from Charor to 400/220 kV Banala s-Station of PGCIL.

(ii) 400 kV D/C line (Twin Moose) from 400/220kV, 2x315 MVA Lahal GISS to 400/220kV Chamera Pooling Station of PGCIL.

(iii) 220 kV S/C line on D/C tower between Karian and 22/400skV Chamera pooling station of PGCIL.

(iv) 132/220 kV, 2x100 MVA GIS sub-station at Dehan and 220 kV/DC line between Dehan and 400/220 kV sub-Station at Hamirpur (PGCIL).

11. Rajasthan Rajya Vidyut Prasaran Nigam Limited (RRVPNL) in its reply dated 15.12.2014 has furnished the status of 220 kV inter-connection at PGCIL's 400/220 kV GSSs at Jaipur (South), Kotputli and Neemrana as under:

400/220kV substation	**Approved 220 kV interconnections**	**Status as on 30.11.2014**	**Efforts made by RRVPNL to coordinate with PGCIL**
Jaipur (South)	Following 220 kV interconnections have been approved at PGCIL's 400/220 kV GSS Jaipur (South-PG)		
	• 10 km 220 kV D/C Jaipur (South-PG)-Chaksu line	➢ First circuit commissioned on 24-10-2013. ➢ Second circuit is ready since April-14 but could not be charged because charging code is issued by NRLDC due to non availability telemetering equipments on the line	• RRVPNL has already placed the order for telemetering equipments and likely to be installed at the end f this month. • Line would be charged at the earliest
	• 28km LILO of 220kV	**Line Commissioned on**	-

	S/C Duni-SEZ (220kV GSS) line at PGCIL's 400/220 kV sub-station Jaipur (South)	**16.10.2014**	
	• 30km 220 kV D/C line from PGCIL's 400/220kV Jaipur (South-PG) to Vatika (under construction 220 kV GSS)	• Work of line has been completed • PGCIL has been requested to provide 220 kV bays at 400 kV GSS Jaipur (South-PG) for termination of 220 kV D/C Vatika-Jaipur (South-PG) line	• Tentative commission schedule: March 2015 • Work is in progress at 220 kV GSS Vatika
Kotputli	Following 220 kV interconnections have been planned at PGCIL's 400/220 kV GSS Kotputli (PG)		
	• 6 km LILO of one circuit of 220 kV D/C Kotputli-Manoharpur line at PGCIL's 400/220 kV Kotputli (PG)	• Work of line is in progress. ➢ Stub Setting: 26 out of 26 ➢ Tower Erection: 26 out of 26 ➢ Stringing: 5 km out of 6km • Tentative Commissioning Schedule: 31-Dec-2014	• 1km stringing is pending at National Highway crossing. National Highway authority has been requested to grant permission for carrying out the stringing.
	• 42 km 220kV D/c line from PGCIL's 400/220kv Kotputli (PG) to Bansur (under construction 220kV GSS)	• Work of line is in progress. ➢ Stub Setting: 137 out of 137 ➢ Tower Erection: 132 out of 137 ➢ Stringing: 26 km out of 42 km	• Work is in progress at 220kV GSS Bansur • Tentative Commissioning Schedule: March, 2015
Neemrana	Following 220 kV inter-connections have been planned at PGCIL's 400/220 kV GSS Neemrana (PG)		
	• LILO of 220kV S/C Khushkhera-Neemrana line at Neemrana (PG)	Commissioned	-
	• 27 km 220kV D/C line from PGCIL's 400/220kV Neemrana (PG) to Behror (under construction 220kV GSS)	• Work of line is in progress. ➢ Stub Setting: 100 out of 100 ➢ Tower Erection: 94 out of 100 ➢ Stringing: 20 km out of 27 km	• Work is in progress at 220kV GSS Behrore • Tentative Commissioning Schedule: March, 2015

12. During the course of hearing on 12.2.2015, learned senior counsel for CTU referred to the affidavits dated 5.9.2014 and 15.12.2014 filed by RRVPNL and submitted that there is deviation in both affidavits with regard to the status of 220 kV inter-connection at PGCIL's 400/220 kV GSS Jaipur (South). The reasons for non-commissioning of the second circuit stated in the affidavit dated 5.9.2014 is "non-completion of 220 kV bay at 400/220 kV GSS Jaipur (South)". Whereas in the affidavit dated 15.12.2014 reason provided by RRVPNL is "non-availability of charging code due to non-availability of telemetering equipments on the line". Learned senior counsel further submitted that the data filed by HPPTCL is incomplete and requested the Commission to direct HPPTCL to submit its clarification in this regard.

Analysis and Decision:

13. We have heard the learned senior counsel of the petitioner and representatives of the parties and perused documents on record. The details filed by CTU and STUs have been summarized as under:

Line/Bay	**PGCIL`s completion date**	**STU`s completion date**	**Remarks**
1no. 22/132 kV, 1 no. 33/132 kV and 4 nos. 132/220 kV of lines in the district of Shimla and Kullu		Scheduled to be commissioned in 2014-15 (22/132 kV), 2016-17 (33/132 kV) and 2016-17 (132/220 kV)	Funding through JICA and ODA has been routed through Govt. of HP
1no. 33/220 kV, 3 nos. 66/220 kV and 3 nos. 220/400 kV lines in the district of Shimla, Kullu and Hamirpur		2016-17 (66/220kV), and 2017-18 (220/440kV)	Status of Palampur is not available. HPSEB limited has requested for additional 4 nos

			bays at Hamipur (PGCIL). 220kV D/C Hamirpur-Kangoo line (HPSEB) shall be constructed during 2017-18
5 bays for 220 kV side with ICT-I and another 5 bays with ICT-II at Jaipur (South)	June, 2012 and December, 2012 **(Petition No.89/TT/2012) Details at 12, 13 and 14.**	220kV D/C Jaipur (South-PG)-Chaksu line	First circuit was commissioned on 24.10.2013. Second circuit is ready since April-14 but not commissioned due to non-availability of telemetering equipment.
28 km LILO of 220kV S/C Duni-SEZ (220kV GSS) line at PGCIL's 400/220kV sub-station Jaipur (South)	June, 2012 and December, 2012	Commissioned on 16.10.2014	
30 km 220 kV D/C line from PGCIL's 400/220 kV Jaipur (South-PG) to Vatika	June, 2012 and December, 2012	Tentative Commissioning schedule is March, 2015	**RRVPNL informed that the delay in commissioning of line is because 220 kV bays are not ready at 400/220 kV GSS Jaipur (South)**
6 km LILO of one circuit of 220 kV D/C Kotputli-Manoharpur line at PGCIL's 400/220 kV Kotputli (PG)	400 kV Kotputli (2x315 MVA) was commissioned on 31st March, 2014	Tentative Commissioning schedule is 31st December, 2014	Due to RoW problems construction work of line has been delayed. Presently, due to RoW problems sub setting of location nos. 11 and 12 is pending.
42 km 220 kV D/C line from PGCIL's 400/220 kV Kotputli (PG) to Bansur (under construction 220 kV GSS)		Tentative Commissioning schedule is March, 2015	Work is in progress at 220 kV GSS Bansur.
27 km 220 kV D/c line	ICT along with	March, 2015	Work is in progress

from PGCIL's 400/220 kV Kotputli (PG) to Behrore	bays was commissioned on 01.04.2014		at 220 kV GSS Behrore

14. Perusal of above data reveals that Hamirpur (PGCIL) was to be connected to Hamirpur (HP) by constructing 220 kV D/C line. Other arrangement of connecting existing 220 kV D/C Jalandhar-Hamirpur transmission line is being done by PGCIL (COD of ckt-I was 1.4.2014). HPSEB vide its letter dated 20.11.2011 requested PGCIL for additional 4 nos bays at Hamipur (PGCIL) sub-station for connecting Kangoo and proposed 220 kV sub-station at Palampur of HPSEB. It is noted that 220 kV D/C Hamirpur-Kangoo transmission line (HPSEB) is to be constructed during 2017-18. However, the status of Palampur sub-station is not available. The assets (bays) at Hamirpur (PGCIL) sub-station are likely to remain unutilized for a long period.

15. It is noticed that PGCIL had filed Petition No. 89/TT/2012 seeking transmission tariff of assets (a) 2X500 MVA ICTs at Jaipur-South, (b) 2X315 MVA ICTs at Sohawal and (c) combined tariff of LILO of 400 kV D/C Agra-Jaipur line at Jaipur-South and LILO of 400 kV D/C Balia-Lucknow line at Sohawal. It is noted that during the 23rd meeting of Standing Committee on Power System Planning in Northern Region held on 16.12.2008, it was agreed that the norms of 220 kV bays with 400/220 kV transformers would be revised due to increasing demand density as under:

- For 2x315 MVA - 6 nos. of line bays
- For 3rd 315 MVA transformer - 2 line bays
- For 500 MVA transformer - 4 nos. of line bays.

According to PGCIL, it has constructed eight 220 kV downstream line bays along with ICT-I and ICT-II at Jaipur (South) sub-station as per norms agreed and approved during 23rd Standing Committee meeting of Northern Region held on 16.2.2008. Similarly, at Sohawal sub-station, PGCIL has constructed six 220 kV line bays along with ICT-I and ICT-II respectively. The details of 8 nos. of 220 kV line bays at Jaipur (South) sub-station for 220 kV lines of RRVPNL and 6 nos. of bays 220 kV line bays at Sohawal sub-station of UPPCL are as under:

220 kV line bays constructed by PGCIL at Jaipur (South) sub-station for 220 kV lines of RRVPNL:

S No.	Bay (220kV)	DOCO as mentioned by PGCIL	Feeders Name
1	Bay 3	1.6.2012	220 kV Chaksu–Jaipur (South) Ckt 1
2	Bay 4	1.6.2012	220 kV Chaksu–Jaipur (South) Ckt 2
3	Bay 5	1.6.2012	220 kV Duni- Jaipur (South) S/C
4	Bay 6	1.6.2012	220 kV Mahindra SEZ- Jaipur (South) S/C
5	Bay 7	1.6.2012	220 kV Vatika City- Jaipur (South) Ckt.1
6	Bay 8	1.6.2012	220 kV Vatika City- Jaipur (South)Ckt. 2
7	Bay 9	1.6.2012	Name is yet to be decided by RRVPNL
8	Bay 10	1.6.2012	Name is yet to be decided by RRVPNL

220 kV line bays constructed by PGCIL at Sohawal sub-station of UPPCL:

S No.	Bay (220 kV)	DOCO as mentioned by PGCIL	Feeder Name
1	Bay 3	1.7.2012	220 kV Tanda-Sohawal Ckt. 1
2	Bay 4	1.7.2012	220 kV Tanda-Sohawal Ckt. 2
3	Bay 5	1.7.2012	Name is yet to be decided by UPPCL
4	Bay 6	1.7.2012	Name is yet to be decided by UPPCL
5	Bay 7	1.7.2012	Name is yet to be decided by UPPCL
6	Bay 8	1.7.2012	Name is yet to be decided by UPPCL

16. It is noticed that Central Electricity Authority (CEA) has issued certificate for only 2 nos. of line bays for 220 kV D/C Chaksu-Jaipur (South) transmission line. However, for other line bays, CEA could not issue certificate as corresponding 220 kV transmission lines, which are to be constructed by RRVPNL, are yet to be commissioned. Similarly, in case of Sohawal sub-station, CEA did not issue certificate for any line bays as corresponding 220 kV lines, which are to be constructed by UPPCL and are yet to be commissioned. In the absence of CEA`s certificate, the said assets cannot be considered to have been completed and their COD cannot be declared.

17. PGCIL has already completed its work covered under scope of work. However, the concerned STUs have not completed their work as provided under scope of work. Since, PGCIL undertook erection of 220 kV downstream bays as per norms agreed in 23rd Standing Committee meeting of Northern Region held on 16.2.2008 and these bays were for exclusive use of concerned STUs, we are of the view that till commissioning of associated assets, the concerned STUs shall bear the transmission charges of these bays which have been built exclusively for them.

18. The Central Electricity Regulatory Commission (Terms and Conditions for Tariff) Regulations, 2014 (2014 Tariff Regulations) defines 'Implementation Agreement' as under:

> (34) "Implementation Agreement" means the agreement, contract or memorandum of understanding, or any such covenant, entered into (i) between transmission licensee and generating station or (ii) between transmission licensee and

developer of the associated transmission system for the execution of project in coordinated manner;"

19. Perusal of above provisions of 2014 Tariff Regulations reveals that Implementation Agreement includes generating company, transmission licensee and developer of the associated transmission system. However, in the 2014 Tariff Regulations, no such provision has been made with regard to downstream system if it is not made ready by concerned STU. The Commission in the Statement of Objects and Reasons on 2014 Tariff Regulations, has excluded DICs from signing Implementation Agreement. The relevant portions of the Statement of Objects and Reasons on 2014 Tariff Regulations are extracted as under:

> **"Stakeholders' Comments/Suggestions**
> 5.22.2 One of the private sector utility submitted that the definition may include long-term transmission customer/DIC instead of generating station.
>
> **Commission's Views**
> 5.22.3 The Commission is of the view that the Implementation Agreement considered for the purpose of this Regulation is between generating station/developer of associated transmission system and transmission licensee. There is no role of DICs in Implementation Agreement of project of generating station and transmission system. The purpose of the definition is that the generating company and the transmission licensee should provide for the development of the generating station and transmission line in a coordinated manner so that mismatch between the commissioning of the generating station and the transmission system are avoided. Moreover, the implementation agreement should provide for the liability of the generating company or the transmission licensee for the delay of the execution of their respective project. Till the beneficiaries are not identified, the generating stations are deemed long-term transmission customers for the payment of transmission charges, hence, the proposed definition does not require any modification."

20. Keeping in view the mismatch between commissioning of transmission system by an ISTS licensee and upstream/downstream system of STU, we are of the view that ISTS transmission licensees and STUs should also sign such Implementation Agreement for development of ISTS and downstream system in

coordinated way to avoid any mismatch. We direct staff of the Commission to examine this aspect and propose necessary changes required in the 2014 Tariff Regulations to enable an ISTS licensees and STUs to enter into Implementation Agreement.

21. Since, the process of amendment would take time, we direct STUs to expedite downstream system in a time bound manner so that the transmission system already commissioned is put to use. PGCIL is at liberty to approach the Commission for invoking Regulation 3(12) (c) of the 2009 Tariff Regulations or Regulation 4(3) (ii) of 2014 Tariff Regulations, as the case may be, for COD of the completed assets. Concerned STU, who had requested for provision of downstream line bays in the various meetings of Standing Committee/RPC, shall bear the transmission charges till completion of downstream system.

22. The Petition No.11/SM/2014 is disposed of with the above.

Sd/-	**sd/-**	**sd/-**
(A.S.Bakshi)	**(A.K. Singhal)**	**(Gireesh B. Pradhan)**
Member	**Member**	**Chairperson**