

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 69/TL/2022**

**Coram:**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri P. K. Singh, Member**

**Date of Order: 18<sup>th</sup> July, 2022**

**In the matter of**

Application under Section 14 of the Electricity Act, 2003 read with the Central Electricity Regulatory Commission (Terms and Conditions for Grant of Transmission Licence and other related matters) Regulations, 2009 for grant of separate Transmission Licence for implementation of scope of work as detailed in the Petition through Regulated Tariff Mechanism (RTM) mode to Power Grid Southern Interconnector Transmission System Limited.

**And**

**In the matter of**

POWERGRID Southern Interconnector Transmission System Limited,  
B-9, Qutab Institutional Area,  
Katwaria Sarai,  
New Delhi – 110 016.

**..... Petitioner**

**Vs**

1. Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO),  
NPKRR Malligai, 144 Anna Salai,  
Chennai – 600 002

2. Power Company of Karnataka Limited (PCKL),  
5th Floor, KPTCL Building, Kaveri Bhawan,  
Bangalore – 560 009

3. Bangalore Electricity Supply Company Limited (BESCOM),  
KR Circle,  
Bangalore – 560 001

4. Gulbarga Electricity Company Limited (GESCOM),  
Station Main Road,  
Gulbarga – 585 102

5. Hubli Electricity Supply Company Limited (HESCOM),  
Navanagar, PB Road, Hubli

6. Mangalore Electricity Supply Company Limited (MESCOM),  
Paradigm Plaza,  
AB Shetty Circle, Mangalore – 575 001

7. Chamundeshwari Electricity Supply Company Limited (CESCOM)  
#927, LJ Avenue, Ground Floor,  
New Kantharaj Urs Road,  
Sarawathipuram Mysore – 570 009

8. Kerala State Electricity Board,  
Vaidyuthi Bhawanam, Pattom,  
Thiruvananthapuram – 695004

9. Southern Power Distribution Company of Telangana Limited,  
#6-1-50, Mint Compound,  
Hyderabad – 500 063, Telangana

10. Northern Power Distribution Company of Telangana Limited,  
#2-5-31/2, Vidyut Bhawan, Nakkalgutta,  
Hanamkonda, Warangal – 506 001

11. Electricity Department, Govt. of Puducherry,  
Electricity Department, Govt. of Puducherry,  
Puducherry- 605 001

12. Electricity Department,  
Govt. of Goa (GED)  
Vidyut Bhawan, Panaji Goa – 605 001

13. Southern Power Distribution Company of Andhra Pradesh Limited,  
D. No.-19-13- 65/A, Srinivasapuram,  
Tiruchanoor Road, Tirupati – 517 503

14. Eastern Power Distribution Company of Andhra Pradesh Limited.  
P&T Colony, Seethammadhara,  
Visakhapatnam

15. Chief Engineer,  
Power System Project Monitoring Division,  
Central Electricity Authority, Sewa Bhawan,  
R. K. Puram, Sector-1,  
New Delhi - 110 066

16. Chief Operating Officer, CTUIL  
Saudamini, Plot no.2, Sector -29,  
Gurgaon 12200, Haryana

**.....Respondents**

**The following were present:**

Shri Burra Vamsi Ram Moharn, PSITSL  
Shri V.C Sekhar, PSITCL  
Shri Prashant Kumar, PSITCL  
Shri Arjun Malhotra, PSITCL  
Shri Anil Kr Meena, CTUIL  
Shri Swapnil Verma, CTUIL  
Shri Siddharth Sharma, CTUIL  
Shri Ranjeet Singh Rajput, CTUIL  
Shri Akshayvat Kislay, CTUIL

**ORDER**

The Petitioner, Powergrid Southern Interconnector Transmission Limited, has filed the present Petition under Section 14 of the Electricity Act, 2003 (hereinafter referred to as 'the Act') read with provisions of the Central Electricity Regulatory Commission (Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as 'the Transmission Licence Regulations') for grant of separate transmission licence for implementation of schemes, namely (i) requirement of 765 kV spare (1-ph) Reactors units at 765 kV Chilkaluripeta (Part-B) and (ii) scheme to bypass NGR to use Switchable line reactor as bus reactor at 765 kV Chilkaluripeta on the Regulated Tariff Mechanism (RTM) mode (hereinafter referred to as the 'transmission scheme') . The scope of the project for which transmission licence is sought is as under:

A. Requirement of 765 kV spare (1-ph) Reactors units at 765 kV Chilkaluripeta (Part-B).

S.No	Scope of the Transmission Scheme	Capacity /km	
1	One spare unit (1-ph) of 80 MVAR reactor at 765 kV Chilkaluripeta along with necessary arrangement to take spare reactor units into service as per the operational requirement	1x125 MVAR, 420 kV Bus Reactor 80 MVAR (1-ph)	15 months from issue of OM by CTU

B. Scheme to bypass NGR to use Switchable line reactor as bus reactor at 765 kV Chilkaluripeta.

S.No	Scope of the Transmission Scheme	Capacity /km	
1	NGR bypass arrangement to use switchable line reactors (240 MVAR each) as bus reactors installed on each circuit of Vemagairi- Chilkaluripeta 765 kV D/C line at Chilkaluripeta 765 kV S/s	NGR bypass arrangement	6 months from issue of OM by CTU

2. The Petitioner company was incorporated as a special purpose vehicle (SPV) by Bid Process Coordinator (in short, 'BPC'), namely, REC Transmission Projects Company Limited (in short 'RECTPCL'). Power Grid Corporation of India Limited (PGCIL) participated in the competitive bidding process conducted by RECTPCL and emerged as a successful bidder. Letter of Intent (LoI) was issued by RECTPCL to PGCIL on 29.10.2015. In accordance with the bidding documents, PGCIL acquired 100% of the shareholding in the Petitioner Company by executing a Share Purchase Agreement with RECTPCL on 4.12.2015. The Commission in its order dated 14.3.2016 in Petition No. 300/TL/2015 granted transmission licence to the Petitioner for inter-State transmission of electricity to establish 'the Transmission System for Strengthening of Transmission System beyond Vemagiri' on Build, Own, Operate and Maintain ('BOOM') basis.

3. The Petitioner has successfully completed the work under the scope of the transmission licence (granted by the Commission vide order dated 14.3.2016 in Petition No. 300/TL/2015) and achieved Commercial Operation Date (COD) progressively by 18.1.2020.

4. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, in its order dated 8.6.2022, prima facie proposed to grant transmission licence to the Petitioner described in paragraph 1 of the order dated 8.6.2022. Relevant extract of order dated 8.6.2022 is extracted as under:

*“21. In the present case, the Petitioner does not fulfil any of the eligibility condition for grant of transmission licence. However, in the 6<sup>th</sup> meeting of National Committee on Transmission, it was indicated that as per the revised ToR, issued by Ministry of Power, Government of India, ISTS projects costing upto Rs. 100 crore or such limit as may be prescribed by Ministry of Power from time to time would be approved by CTU including its mode of implementation. The scheme has been identified for implementation though RTM mode by CTUIL. Non-grant of transmission licence to any agency nominated by the NCT to implement a transmission system through regulated tariff mechanism in view of the provisions of Regulation 6 defeats the purpose of the Policy decision of the Government. We are of the view that considering the strategic importance of the transmission line, it is a fit case for relaxation of the provisions of Regulation 6 by invoking of the power vested under Regulation 24 of the Transmission Licence Regulations.*

*22. Regulation 24 of the Transmission Licence Regulations dealing with power to relax in appropriate cases, provides as under:*

*“24. The Commission may, when it considers necessary or expedient to do so and for reasons to be recorded in writing, relax or depart from any of the provisions of these regulations”*

*23. It is an established principle of law that the power to relax has to be strictly construed and is to be exercised judiciously and with caution. When and only when undue hardship is caused by the application of the rules or regulations, the power to relax is to be exercised. In the present case, the Petitioner is a transmission licensee which has already implemented the project defined under its scope through TBCB mechanism. The present Petition is consequent to the Office Order 28.10.2021 notified by Ministry of Power Government of India wherein CTUIL has been authorized to determine the mode of implementation of ISTS projects less than or equal to Rs.100 crore. Pursuant to direction of Ministry of Power, CTUIL, vide Office Memorandum dated 16.11.2021, has determined a list of Projects to be implemented or through Regulated Tariff Mechanism which also includes the petition for the subject transmission system.*

*24. Since the Petitioner is already an inter-State transmission licensee and has been identified as an agency to implement the project as per RTM, the Commission in exercise of power under Regulation 24 hereby relaxes the provision of Regulation 6 of the Transmission Licence Regulations and holds that the Petitioner is eligible for grant of transmission licence. We, hereby, 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, by 16.6.2022.”*

5. A public notice under Sub-section (5) of Section 15 of the Act was published on 11.6.2022 in all editions of the Times of India (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from the members of the public in response to the public notice.

6. Case was called out for virtual hearing on 15.7.2022 through video conferencing. The representative of the Petitioner submitted that no objection has been received in response to the public notice published by the Commission under sub-section (5) of Section 15 of the Act. Accordingly, requested to grant transmission licence to the Petitioner company.

7. As regards grant of transmission licence, 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 as 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 reason.*

*(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing 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 8.6.2022, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the

public notice, no suggestions/ objections have been received. CTUIL in its letter dated 5.4.2022 has recommended for grant of transmission licence to the Petitioner. We are satisfied that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, Powergrid Southern Interconnector Transmission System Limited to establish the transmission scheme through RTM route as per the details given in paragraph 1 above.

9. The grant of transmission licence to the Petitioner (hereinafter referred to as “the licensee”) is subject to the fulfilment 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 from the date of issue;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence;

(c) The licensee may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee 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;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. 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 the licence;

(f) The licensee 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;

(g) The licensee shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee 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; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009; the Central Electricity Regulatory Commission (Indian



Electricity Grid Code) Regulations, 2010, as amended from time to time or any subsequent re-enactments thereof;

(i) The licensee 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, 2020;

(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee 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;

(l) The licensee shall ensure execution of the Project as per the Technical Standards and Grid Standards of CEA;

(m) The licensee shall as far as practicable coordinate with the licensee (including deemed licensee) executing the upstream or downstream transmission projects and the Central Electricity Authority for ensuring execution of the Project in a matching timeline; and

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance

Regulations or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

10. Central Electricity Authority/ CTUIL shall monitor the execution of the Project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Act and the Transmission Licence Regulations.

11. Let an extract copy of this order be sent to the Central Government in Ministry of Power and Central Electricity Authority in terms of sub-section (7) of Section 15 of the Electricity Act, 2003 for their information and record.

12. Petition No. 69/TL/2022 is allowed in terms of the above.

Sd/-  
**(P. K. Singh)**  
Member

sd/-  
**(Arun Goyal)**  
Member

sd/-  
**(I.S. Jha)**  
Member