

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

1. **Shri Bhanu Bhushan, Member**
2. **Shri R.Krishnamoorthy, Member**

**Petition No.44/2007**

**In the matter of**

Application for grant of transmission licence to Jaypee Powergrid Limited.

**And in the matter of**

Jaypee Powergrid Limited, New Delhi

**....Applicant**

**And**

1. Power Grid Corporation of India Limited, Gurgaon
2. Jaypee Karcham Hydro Corporation Limited, Kandaghat
3. PTC India Limited, New Delhi
4. Punjab State Electricity Board, Patiala
5. Haryana Vidyut Prasaran Nigam Ltd, Panchkula
6. Uttar Pradesh Power Corporation Ltd, Lucknow
7. Rajasthan Power Procurement Centre, Jaipur
8. Jaipur Vidyut Vitaran Nigam Ltd, Jaipur
9. Ajmer Vidyut Vitaran Nigam Ltd., Ajmer
10. Jodhpur Vidyut Vitaran Nigam Ltd, Jodhpur
11. Govt. of Himachal Pradesh, Simla
12. Central Electricity Authority, New Delhi
13. Power Development Deptt., Govt. of J&K, Jammu

**...Respondents/Beneficiaries**

**The following were present:**

1. Shri Avijit Kumar Lab, Advocate, Jaypee
2. Shri G.P.Singh, Jaypee
3. Shri Amit Sharma, Jaypee
4. Shri Rajiv Mohan, PGCIL/CTU
5. Shri R.N.Nayak, PGCIL/CTU
6. Shri Mukesh Khanna, PGCIL/CTU
7. Shri M.Krishna Kumar PGCIL/CTU
8. Shri M.G. Ramachandran, Advocate, HPSEB
9. Shri J.P.Kalra, HPSEB
10. Shri Sandeep Sharma, HPSEB
11. Shri R.N.Kaul, HPSEB
12. Shri J.S.Attri, Additional Advocate General, Govt. of HP
13. Shri A.R.Gupta, Brakel Kinnaur Power Pvt .Ltd.
14. Shri Ranji Srinivasan, Advocate, Brakel Kinnaur Power Pvt .Ltd
15. Ms. Mandakini Singh, Advocate, Brakel Kinnaur Power Pvt .Ltd.

**ORDER**  
**(DATE OF HEARING: 14.6.2007)**

The application has been made for grant of licence to undertake construction, commissioning, operation and maintenance of 400 kV D/C transmission assets, for evacuation of power from Karcham-Wangtoo HEP in Kinnaur District of Himachal Pradesh to Abdullapur sub-station located in the State of Haryana for its onward transmission to the beneficiary States in the Northern Region. The applicant is a joint venture company promoted by Jaiprakash Hydro-Power Limited (JHPL) and Power Grid Corporation of India Ltd (PGCIL). The specific transmission assets in respect of which the licence has been sought are as under:

- (a) LILO of Baspa-II Nathpa Jhakri 400 kV D/C transmission line at Karcham - Wangtoo; and
- (b) Karcham -Wangtoo-Abdullapur 400 kV D/C transmission line. (Quad).

2. Karcham-Wangtoo HEP is being developed by Jaypee Karcham Hydro Corporation Ltd., an associate company of the applicant.

3. The applicant sent a copy of its application to the Central Transmission Utility in accordance with sub-section (3) of Section 15 of the Act. The applicant has also published notices under sub-section (2) of Section 15 of the Act in the newspapers. The Central Transmission Utility, vide its letter dated 23.4.2007, has recommended grant of licence to the applicant. In response to public notice, M/s Brakel Corporation NV (registered in India as Brakel Kinnaur

Power Pvt. Ltd.) and Himachal Pradesh State Electricity Board have filed their objections.

4. Learned Counsel for M/s Brakel Kinnaur Power Pvt. Ltd (the objector) submitted that Government of Himachal Pradesh had approved construction by the objector two hydro electric projects, one each at Jangi-Thopan (480 MW) and Thopan-Powari (480 MW) in Kinnaur district on build, own, operate and transfer basis . Thereafter, the two projects were combined into one project known as Jangi-Thopan HEP (960 MW). Learned counsel further submitted that the Jangi-Thopan HEP, situated just above Karcham-Wangtoo HEP being established by an associate of the applicant, would require transmission corridor for evacuation of power generated at Jangi-Thopan HEP. However, because of topographical constraints two separate corridors would not be possible, which will make evacuation difficult. .

5. The learned counsel for the objector also stated that it would be more appropriate to construct a joint transmission system capable of evacuating the entire power generated from generating stations coming up on Satluj River upstream of Karcham-Wangtoo HEP and the objector was ready and willing to participate in the joint transmission system. He also undertook to share proportionate cost of the joint transmission system.

6. The objector also pointed out that the applicant had not clearly stated as to how much power the proposed transmission system could carry and as to how much the residual capacity would be available for use by other generating stations after accounting for evacuation of power from Karcham-Wangtoo HEP.

7. Learned Counsel of Himachal Pradesh State Electricity Board (HPSEB) submitted that the applicant had not consulted Govt. of Himachal Pradesh and HPSEB particularly when both the joint venture partners were already operating in the State of Himachal Pradesh and were well aware of typical constraints in this hilly State. Learned counsel for HPSEB submitted that HPSEB was not against construction of the transmission line. He stated that the total capacity of the projects identified in Satluj Valley is about 7000 MW and there was an apprehension that after construction of the transmission assets by the applicant and its utilisation for evacuation of power generated at Karcham-Wangtoo HEP, no corridor would be available for evacuation of power from other projects. He informed that concern regarding congestion of the corridor was expressed in the meeting held on 29.5.2007 with CEA. It was stated that the proposed transmission system envisaged LILO of 400 kV D/C Baspa II-Jhakri transmission line, which constituted the dedicated transmission system of Baspa-II HEP. The latter was already in operation and its entire saleable power was being purchased by HPSEB under a long-term PPA. The said PPA, inter alia, provides for delivery of the entire power generated by Baspa-II HEP at Jhakri. It was submitted that the proposed LILO of Baspa-II - Jhakri transmission line would be in conflict with the provisions of the said PPA and the applicant could not establish proposed LILO unless PPA was modified, with mutual consent.

8. Learned Counsel for HPSEB also stated that it would raise objections to the decisions recorded in CEA meeting held on 29.5.2007 and without looking into survey report, it would be unfair to issue a licence for the transmission assets proposed in the application. HPSEB further urged that other projects

had an equal right to have right of way and so it would be better if construction of the transmission lines was done by CTU alone rather than by a JV, especially so since transmission assets in question, were not a dedicated transmission line. It was also pointed out that in spite of its STU status in the State of Himachal Pradesh, it was not even made a party in present application.

9. The representative of the CTU Shri Nayak, Executive Director submitted that right of way was not a constraint in Satluj Valley but stated that due to difficult terrain, cost of construction on other rights of way may be higher to a varying extent. He also stated that in addition to output from Karcham-Wangtoo HEP, 1000 MW to 1500 MW could be evacuated through the proposed system. He further stated that the role of CTU in JV was as a facilitator and JV was a separate legal entity, and there was no conflict of interest. On the question of construction of transmission line by CTU, the representative of CTU submitted that it could execute the transmission assets provided beneficiaries can be identified so that cost recovery was ensured.

10. The representative of CTU sought two weeks time to file its reply on affidavit on the submissions made during the hearing, which was allowed.

11. Shri J.S.Attri, Additional Advocate General for State of H.P has sought four weeks time to file reply on behalf of the State Government, which was also allowed.

12. We have considered the submission. We direct that the issues relating to planning process may be taken up by the parties with CEA for clarification. Unless revised or withdrawn by CEA, the decision recorded in CEA meeting

held on 29.5.2007, referred to earlier, shall be taken as final. The applicant may also confirm that it shall facilitate interconnection of the Jangi-Thopan-Powari and Shongtong-Karcham HEPs at Karcham-Wangtoo bus, when so required, and shall provide non-discriminatory open access to its transmission system as provided under section 40 (c) (i) of the Electricity Act, 2003.

13. CEA and CTU shall confirm that the transmission system proposed by the applicant is in conformity with the over all transmission plan. They shall also confirm that other projects coming up in the vicinity have been considered in the transmission planning process.

14. Time sought by the CTU and HPSEB (two/four weeks from the date of hearing) for filing of reply is allowed. The petition be listed for further hearing on 24.7.2007.

sd/  
**(R.KRISHNAMOORTHY)**  
**MEMBER**  
**New Delhi, dated the 29<sup>th</sup> June 2007**

sd/  
**(BHANU BHUSHAN)**  
**MEMBER**