

**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 Ltd., New Delhi

..Applicant

Vs

1. Power Grid Corporation of India Limited, New Delhi
 2. Jaypee Karcham Hydro Corporation Ltd., Kandaghat
 3. PTC India Ltd., 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, Shimla
 12. Central Electricity Authority, New Delhi
 13. Power Development Department, Govt. of J&K, Jammu
- ..Respondents**

The following were present:

1. Shri Amit Kapoor, Advocate, Jaypee
2. Shri Avijeet K.Lala, Advocate, , Jaypee
3. Shri Rajiv Bhardawaj, Jaypee
4. Shri R.B.Mishra, Jaypee
5. Shri Amit Sharma, Jaypee
6. Shri Rajiv Mohan, PGCIL/CTU
7. Shri Mukesh Khanna, PGCIL/CTU
8. Shri J.P.Kalra, HPSEB
9. Shri Anand K. Ganesan, Advocate, HPSEB
10. Ms. Mandakini Singh, Advocate, Brakel.

**ORDER
(DATE OF HEARING: 27.9.2007)**

The application has been made under sub-section (1) of Section 15 of the Electricity Act, 2003 (the Act) for grant of transmission licence for construction and maintenance of the transmission lines and facilities to be used for evacuation

of power from Karcham-Wangtoo HEP to the Central Transmission Utility's Abdullapur sub-station located in the State of Haryana, as under:

- (a) LILO of 400 kV D/C Baspa - Nathpa Jhakri transmission line at Wangtoo;
- (b) 400 kV D/C Karcham-Wangtoo-Abdullapur transmission line (Quad conductor); and
- (c) 400/220 kV sub-station (Extension) (PGCIL) at Abdullapur.

2. The applicant is a joint venture company promoted by Jaiprakash Hydro Power Limited (JHPL) and Power Grid Corporation of India Ltd (PGCIL). The applicant, as well as JHPL are group companies of Jaiprakash Associates Ltd (JAL). A hydroelectric project, namely Karcham-Wangtoo HEP is being developed by a group company of the applicant. The applicant has proposed the transmission system primarily for evacuation of power from Karcham-Wangtoo HEP to Abdullapur sub-station located in the State of Haryana for its onward transmission to the beneficiary States in the Northern Region.

3. The main objects of the applicant company include undertaking the business of establishing, commissioning, setting up, operating and maintaining electric power transmission systems/networks. The applicant has stated that with the support of the group company, namely Jaiprakash Associates Ltd. it would be able to undertake the execution of the transmission lines and other facilities, in respect of which application for grant of licence has been made,

4. The applicant has submitted that as a part of the power to be transmitted through the above transmission system is meant for inter-State users, they are part of the inter-State transmission system in terms of sub-section (36) of Section

2 of the Act. Accordingly the Commission has been approached for grant of licence.

5. 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.

6. The Central Transmission Utility, vide its letter dated 23.4.2007, has recommended grant of licence to the applicant.

7. The applicant published public notices in the newspapers as required under sub-section (2) of Section 15 of the Act. In response to public notice published by the applicant M/s. Brakel Corporation NV, the parent company of Brakel Kinnaur Power Pvt. Ltd (collectively referred to as "Brakel") and Himachal Pradesh State Electricity Board (HPSEB) filed their objections. In its reply to the petition, the State Government of Himachal Pradesh, Respondent No.11 herein generally repeated the objections raised by HPSEB. Central Electricity Authority (CEA), Respondent No.12 had also placed on record its views.

8. On consideration of the objections and suggestion received in response to the public notice published by the applicant, the replies filed by the respondents and the views of the Central Transmission Utility the Commission by its order dated 17.8.2007 had proposed to grant licence to the applicant for the assets applied for.

9. A notice under clause (a) of sub-section (5) of Section 15 of the Act was published by the Commission, inviting suggestions/objection to the above proposal of the Commission. However, no objections have been received in response to the notice published by the Commission.

10. During the hearing, the learned counsel for HPSEB wanted an assurance that certain land, considered to be most suitable for construction of 400 kV pooling sub-station at Sherpa Colony and stated to be with the applicant, shall be made available for the proposed pooling sub-station. The applicant stated at the hearing that the land was only under temporary occupation of the generating company, and it still belonged to Govt. of H. P. In these proceedings it is not possible for us to determine the correctness or otherwise of the statement made on behalf of HPSEB or the applicant and give the direction sought.

11. Learned counsel for HPSEB further stated that in the event of grant of licence, the applicant be directed to co-ordinate with HPSEB, which is presently functioning as the State Transmission Utility, for the entire line in general and for 18 kms critical stretch between Bhaba and Kotla because of the corridor constraint on this stretch of line and a further direction that one number 220 kV transmission corridor should be kept reserved for the extension of one No. 220 kV D/C line of HPSEB.

12. The functions and duties of the State Transmission Utility and the licensee are defined in Sections 39 and 40 of the Act respectively. One of the functions of the State Transmission Utility is to co-ordinate with the licensees (including the transmission licensee). The grant of transmission licence to the applicant will not in any manner hinder the performance of functions of the State Transmission Utility. Similarly, the applicant as transmission licensee will be obligated to discharge its duties under the Act and rules and regulations framed under the Act. The applicant, in terms of Section 40 of the Act has to ensure an efficient,

co-ordinated and economical inter-State transmission system. With specific reference to Bhaba-Kotla stretch, we need to draw attention to the following observations made in the order dated 17.8. 2007:

“Right-of-way constraint envisaged by CEA for 18 km route between Bhava and Kotla for 220 kV line to be constructed by HPSEB can be taken care of by doing detailed survey before deciding on the issue of multi-circuit towers vis-à-vis separate towers as suggested by CEA”

13. Learned counsel also sought direction to the applicant to sort out contractual/ commercial arrangement with regard to LILO of 400 kV D/C Baspa-Jhakri line with HPSEB and the State Govt. of HP, without elaborating on the matter further. It is sufficient for us to say that the applicant as a transmission licensee, shall take all steps and actions necessary for construction and execution of the inter-State transmission system for which the licence is being granted, in a co-ordinated and economical manner.

14. It was further submitted by the leaned counsel for HPSEB that the arrangement and modalities for providing the remaining transmission system under the Master Plan for evacuation of power from Satluj basin projects, based of CEA`s planning be worked out. We state that the Central Transmission Utility by virtue of its functions under Section 38 of the Act shall take the necessary steps as and when required.

15. Learned counsel for Brakel sought a direction to the petitioner to make available 1200 MW to 1400 MW of capacity of the transmission system to take care of the future projects, and to provide non-discriminatory open access. We make it clear that surplus capacity with the applicant shall be available for evacuation of power from the future projects. It has already been noted in our

order dated 17.8.2007 that the applicant has confirmed that it shall provide non-discriminatory open access to its transmission system.

16. On consideration of the material available on record, we direct that licence for transmission of electricity in favour of the applicant, Jaypee Powergrid Limited for the assets noted in para 1 above be issued. The licence granted shall be subject to the terms and conditions as contained in the Act, the rules prescribed by the Central Government and the regulations specified by the Commission from time to time, including statutory amendment and re-enactment thereof and the Commission's order dated 17.8.2007, which is the basis for the proceedings taken by the Commission after framing of *prima-facie* opinion to grant licence. The licence shall be granted subject to the applicant's depositing the initial licence fee of Rs. One lakh within 30 days of this order. The payment of licence fee during the validity of the licence shall be regulated in terms of fee to be notified by the Commission separately by virtue of powers under sub-clause (g) of sub-section (1) of Section 79 of the Act. Till such time the fee is so notified by the Commission, the applicant shall pay licence fee of Rs.25 lakh per annum (1st April of a year to 31st March of the following year), the licence fee for a part of year shall be paid on pro rata basis. The first instalment of fee shall be deposited within 30 days of grant of the licence. The licence shall be valid for a period of 25 years, unless revoked earlier.

17. With the above directions, Petition No. 44/2007 stands disposed of.

Sd-/
(R. KRISHNAMOORTHY)
MEMBER
New Delhi dated the 1st October, 2007

sd-/
(BHANU BHUSHAN)
MEMBER