

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.146 of 2010

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

Date of Hearing: 19.10.2010

Date of Order: 8.11.2010

In the matter of:

Application for grant of Transmission Licence to Talcher II Transmission Company Limited

And

In the matter of:

Talcher II Transmission Company Limited, New Delhi

.....**Petitioner**

Vs

1. Eastern Power Distribution Company of Andhra Pradesh Limited, Visakhapatnam
2. Southern Power Distribution Company of Andhra Pradesh Limited, Tirupati
3. Central Power Distribution Company of Andhra Pradesh Limited, Hyderabad
4. Northern Power Distribution Company of Andhra Pradesh Limited, Warangal
5. Bangalore Electricity Supply Co. Ltd., Gulbarga
6. Gulbarga Electricity Supply Co. Ltd., Gulbarga
7. Hubli Electricity Supply Co. Ltd., Hubli
8. Mangalore Electricity Supply Co. Ltd., Mangalore
9. Chamundeshwari Electricity Supply Co. Ltd., Mysore
10. Kerala State electricity Board, Thiruvananthapuram
11. Tamil Nadu State Electricity Board, Chennai
12. Secretary (Power), Govt. of Puducherry, Puducherry
13. Grid Corporation of Orissa, Bhubaneswar
14. Power Grid Corporation of India Ltd, New Delhi

..... **Respondents**

The following were present:

1. Shri LN Mishra, RPTL
2. Shri Anil, RPTL
3. Shri Vinay Kumar, PGCIL
4. Shri Mukesh Khanna, PGCIL



ORDER

The Applicant, Talcher II Transmission Company Limited, has filed this application under Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Transmission Licence and other related matters) Regulations, 2009 (hereinafter “transmission licence regulations”) for grant of transmission licence to build, own, operate and maintain the Transmission Systems-Augmentation of Talcher-II Transmission System comprising the following elements:

(a) Transmission lines:

S.No.	Name (end-points location)	Voltage Class (kV)	Length (Km)	Type (S/C/ D/C)
1.	Talcher II- Rourkela	400 kV	161	D/C, Quad
2.	Talcher II- Behrampur	400 kV	220	D/C
3.	Behrampur- Gazuwaka	400 kV	290	D/C

(b) Sub-stations

	Name (Location)	Voltage Level (s) (kV)	Transformer (Nos. and MVA capacity)	Reactive/ capacity compensation (Device with MVAR capacity)	No. of bays
1	Behrampur	400/220 kV	2 Nos X 315 MVA	A0 4 Nos- 50 MVAR Switchable Line Reactors b) 1 No- 63 MVAR 400 kV bus reactor	10

(c) Scope of work

S. No.	Scope of work	Completion target
1.	Talcher II- Rourkela 400 kV D/C Quad line	30 months or earlier
2.	Talcher-II Behrampur-400 kV D/C line	30 months or earlier
3.	Behrampur-Gazuwaka 400 kV D/C line	30 months or earlier
4.	Behrampur-400/220kV Sub-station with (a)400/220 kV Transformer-2x315 MVA (b)4 number of 400 kV line bays each with 50 MVAR switchable reactor that is 4x50 MVAR switchable line reactors (c)63 MVAR 400 kV bus reactor (d)220 kV line bays:4 nos. with space for 2 nos. of bays (e)400 kV: 1½ breaker scheme; 220 kV Double Bus scheme	30 months or earlier

2. The applicant has submitted that the Central Government in exercise of powers under section 63 of the Act has notified the “Tariff Based Competitive Bidding Guidelines for Transmission Service” (hereinafter “the Guidelines”) vide Government of India, Ministry of Power, Resolution No.11/5/2005-PG(i) dated 17.4.2006. In accordance with the Guidelines, Rural Electrification Corporation Transmission Projects Company Limited (RECTPCL) was notified by Government of India, Ministry of Power vide Notification No. F.No.11/12/2006-PG dated 26.6.2007 as the Bid Process Coordinator (BPC) for the purpose of selection of a Transmission Service Provider (TSP) to establish the Transmission System- Augmentation of Talcher-II Transmission System (hereinafter referred to as the “project”) through tariff-based competitive bidding on “Build, Own, Operate and Maintain” (BOOM) basis following the process laid down in the Guidelines. Talcher II Transmission Company Limited (TTCL) having its registered office at New Delhi was incorporated on 1.5.2007 by RECTPCL as its wholly owned subsidiary to initiate the work on the project and subsequently to act as Transmission Service Provider (TSP) after being acquired by the successful bidder. The Applicant has submitted that subsequent to the process of competitive bidding conducted by the Bid Process Coordinator, Reliance Power Transmission Limited (RPTL) has emerged as the successful bidder and the Letter of Intent was issued to it by the BPC on 18.12.2009. Subsequently the Applicant has been acquired by the successful bidder on 27.4.2010 after execution of the Share Purchase Agreement (SPA) and completing all procedural requirements specified in the bid documents. Accordingly, the Applicant as the TSP has approached the Commission in a separate petition for adoption of tariff. The present petition has been filed for grant of transmission licence.



3. We had examined the application of the applicant in the light of the provisions of the Electricity Act, 2003 (the Act) and provisions of Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 as amended from time to time (hereinafter 'transmission licence regulations').

4. We had in our order dated 29.9.2010 directed as under:

“13.Considering all the materials 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.”

5. 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.”



6. In response to the public notice, no objections/suggestions have been received.

7. Reliance Power Transmission Limited has emerged as the successful bidder through the transparent process of competitive bidding. The company has acquired the Talcher II Transmission Company Limited in terms of the Share Purchase Agreement and discharged other obligations in accordance with the terms of the RFP. The Central Transmission Utility has recommended for grant of transmission licence to the applicant. In our order dated 29.9.2010, we had proposed to grant transmission licence to the applicant company and directed for issue of public notice. In response to 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 Talcher II Transmission Company Limited for carrying out the business of transmission in electricity on 'build, own, operate and maintain' basis for Transmission Systems-Augmentation of Talcher II Transmission System as per the details given in para 1 above.

8. 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 period licence 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 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 Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, as amended from time to time;

(g) 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;

(h) 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.

9. Petition No.146 of 2010 is disposed of in terms of the above.

Sd/-	Sd/-	Sd/-	Sd/-
(M.Deena Dayalan) Member	(V.S.Verma) Member	(S.Jayaraman) Member	(Dr. Pramod Deo) Chairperson