

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 110/2011

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

DATE OF HEARING: 29.9.2011

DATE OF ORDER: 12.10.2011

In the matter of

Application under Section 14 read with Section 15(1) of the Electricity Act, 2003 for grant of Transmission Licence to Bhopal-Dhule Transmission Company Limited, New Delhi.

And in the matter of

Bhopal-Dhule Transmission Company Limited, New Delhi **Applicant**

Vs

- 1 Sterlite Energy Limited, Bhubaneshwar
- 2 GMR Kamalanga Energy Limited, Bangalore
- 3 Navbharat Power Pvt.Ltd., Mumbai
- 4 Monnet Power Company Ltd., New Delhi
- 5 H Jindal India Thermal Power Ltd, New Delhi
- 6 Lanco Babandh Power Ltd., Gurgaon
- 7 Ind Barath Energy (Utkal) Ltd., Hyderabad
- 8 M.B Power (Madhya Pradesh) Ltd., New Delhi
- 9 RKM Powergen Ltd., Chennai
- 10Athena Chattisgarh Power Ltd., Hyderabad
- 11Jindal Power Limited, Gurgaon
- 12 SKS Power Generation (Chattisgarh) Ltd., Mumbai
- 13 Korba West Power Co. Ltd., Gurgaon
- 14 DB Power Ltd., Gurgaon
- 15 Visa Power Limited, Kolkata
- 16 KSK Mahanadi Power Company Ltd., Hyderabad
- 17 Bharat Aluminum Company Ltd, Korba
- 18 Vandana Vidyut Ltd., Raipur
- 19 Lanco Amarkantak Power Ltd., Gurgaon
- 20 GMR Chhattisgarh Energy Pvt. Ltd., Bangalore
- 21 Chhattisgarh State Power Trading Co. Ltd, Raipur

Respondents

The following were present:

1. Shri T.A.Reddy, JTCL



2. Miss Deepali, JTCL

ORDER

The Applicant Bhopal-Dhule Transmission Company Limited has filed this application under Section 14 read with Section 15 (1) of the Electricity Act, 2003 (the Act) to undertake the business of establishing, commissioning, operation and maintenance of the transmission systems comprising the following elements:-

Transmission lines

- (i) Jabalpur-Bhopal 765 kV S/C transmission line (ACSR/AAAC Bersemis Quad) -286 kms;
- (ii) Bhopal-Indore 765 kV S/C transmission line (ACSR/AAAC Bersemis Quad)-181 kms;
- (iii) Bhopal-Bhopal (MPPTCL) 400 kV D/C Quad transmission line (ACSR/AAAC Moose)-10 kms;
- (iv) Aurangabad-Dhule (IPTC) 765 kV S/C transmission line (ACSR/AAAC Bersemis Quad)-232 kms;
- (v) Dhule (IPTC)-Vadodara 765 kV S/C transmission line (ACSR/AAAC Bersemis Quad)-276 kms;
- (vi) Dhule (IPTC)-Dhule (MSETCL) 400 kV Quad D/C transmission line (ACSR/AAAC Moose)-20 kms.

Sub-station

- (i) Bhopal sub-station (2 x1500 MVA, 765/400 kV);
- (ii) Dhule (IPTC) sub-station (2 x 1500 MVA, 765/400 kV).

2. The applicant has submitted that Ministry of Power, Government of India initiated a scheme for development of Independent Transmission

Projects through private sector participation for evacuation of power from the generating station and transmission of power from pooling station to other grid stations up to load centers and system strengthening in India. The said projects were to be awarded to developers selected on the basis of tariff based competitive bidding process. Government of India, Ministry of Power, vide its Resolution No. 11.5.2005-PG(j) dated 17.4.2006 notified the 'Tariff based Competitive-bidding Guidelines for Transmission service' (hereinafter referred to as "the Guidelines") under Section 63 of the Act. In accordance with the Guidelines, the PFC Consulting Limited (PFCCL) was notified by Government of India, Ministry of Power vide Notification No. 11/12/2006-PG dated 1.7.2009 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for "system strengthening for common WR and NR" through tariff based competitive bidding process.

3. PFC Consulting Limited (PFCCL) in its capacity as BPC initiated the bid process on 2.3.2010 and completed the process on 28.1.2011 as per the Guidelines. M/s Sterlite Transmission Projects private Limited (STPPL) was selected as the successful bidder having quoted the lowest levelised transmission charge in order to establish the transmission project for transmission scheme for System Strengthening for common WR on build, own, operate and maintain basis. The applicant has also submitted that as per the Bid Evaluation Report dated 28.1.2011, STPPL emerged as the

successful bidder with the lowest levelized transmission charges of ₹ 19953.00 lakh/annum.

4. The applicant has submitted that the STPPL has acquired hundred percent equity holding in Bhopal-Dhule Transmission Company Limited on 31.3.2011. The applicant has further submitted that TSA executed between the TSP and the LTTCs who are the beneficiaries of the transmission project has become effective on the date of acquisition of the applicant by STPPL.

5. We had examined the application of the applicant in the light of the provisions of the Electricity Act, 2003 and the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as 'the transmission licence regulations') and had come to the following conclusion in our order dated 2.9.2011:

"Considering all the material 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."

6. The public notice under Section 15 (5) of the Act was published on 8.9.2011 in all editions of Times of India, Economic Times and Dainik Bhaskar. In response to the public notice, no suggestions/objections have been

received. During the hearing on 29.9.2011, no body appeared on behalf of any of the respondents or any objector.

7. One of the Long Term Transmission Customer (LTTC) of the transmission system, Chhattisgarh State Power Trading Company Limited vide its affidavit dated 10.9.2011 has submitted that for the purpose of transmission services, the petitioner has entered into a detailed transmission agreement dated 7.12.2010 with the LTTCs and in terms of agreement, the petitioner shall construct required transmission lines, operate and maintain the same and provide all the transmission related services as agreed and set out in the agreement. LTTC has further submitted that for the purpose of provision of transmission services, the petitioner be granted the transmission licence as prayed in the petition.

8. 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.”

9. In our order dated 2.9.2011, we had proposed to grant transmission licence to the applicant company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. The CTU in its letter dated 4.7.2011 has recommended under Section 15 (4) for grant of Transmission Licence to the applicant. 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 Bhopal-Dhule Transmission Company Limited to undertake the business of establishing, commissioning, operation and maintenance of the transmission systems as per the details given in para 1 above.

10. 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) The transmission licensee shall comply with the provisions of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 or any subsequent enactment thereof during the period of substance of the licence.

(c) 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 licence period, for grant of licence for another term which shall be considered by the Commission in accordance with law;

(d) 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;

(e) 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;

(f) 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;

(g) The applicant shall remain bound by the Central Electricity Regulatory Commission (Standard of performance of inter-State

transmission licensees) Regulations which will be notified by the Commission shortly.

(h) 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time;

(i) 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;

(j) The applicant shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time; and

(k) 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.

11. Petition No. 110 of 2011 is disposed of in terms of the above. We direct that copies of this order shall be endorsed to all Long Term Transmission Customers of the transmission system.

Sd/-
(M. DEENA DAYALAN)
MEMBER

sd/-
(V.S.VERMA)
MEMBER

sd/-
(S. JAYARAMAN)
MEMBER

sd/-
(DR. PRAMOD DEO)
CHAIRPERSON