

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 221/TL/2014**

**Coram:**

**Shri Gireesh B.Pradhan, Chairperson**

**Shri M. Deena Dayalan, Member**

**Shri A.K Singhal, Member**

**Shri A.S.Bakshi, Member**

**Date of Hearing: 30.09.2014**

**Date of Order: 15.10.2014**

**In the matter of**

Application under Section 14 read with Section 15(1) of the Electricity Act, 2003 for grant of Transmission License to NRSS XXIX Transmission Limited, New Delhi.

**And**

**In the matter of**

NRSS XXIX Transmission Limited  
C-2, 2<sup>nd</sup> Floor, The Mira Corporate Suites1 & 2,  
Ishwar Nagar, Okhla Crossing,  
Mathura Road, New Delhi-110065.

..... **Petitioner**

**Vs**

1. U.P. Power corporation Limited  
14th Floor, Import Export & Payment Circle,  
Shakti Bhawan Extn. Building,  
14,Ashok Marg, Lucknow-226 001, U.P.
2. AD Hydro Power Limited  
Bhilwara Towers, A-12, Sector 1,  
Noida 201301,Uttar Pradesh.
3. Haryana Power Purchase Centre  
Shakti Bhawan, Energy Exchange,  
Room No.446, Top Floor, Sector 6,  
Panchkula- 134109, Haryana
4. Punjab State Power Corporation Ltd.  
Thermal Sheds,T 1-A, Thermal design,  
Near 22 No. Phatak, Patiala -147001, Punjab
5. Himachal Sorang Power Pvt. Limited  
901 B,9<sup>th</sup> Floor, Time Tower, M.G.Road,  
Gurgaon-122 009, Haryana

6. Adani Power Limited  
3rd Floor, Achalaraj, Opp. Mayor Bunglow,  
Law Garden, Ahemdabad-380 006
7. Rajasthan Discoms Power Procurement Centre  
Shed No. 5/4, Vidyut Bhawan, Janpath,  
Jyoti Nagar Jaipur - 302 005.
8. Jaipur Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Janpath, Jyoti Nagar,  
Jaipur-302 005.
9. Ajmer Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Panchsheel Nagar,  
Makarwali Road, Ajmer-305004.
10. Jodhpur Vidyut Vitran Nigam Limited  
New Power House, Industrial Area,  
Jodhpur-342 003.
11. Lanco Anpara Power Limited  
Plot No 397, Udyog Vihar, Phase 3,  
Gurgaon-122 016 ,Haryana.
12. Lanco Budhil Hydro Power Pvt. Limited  
Plot No. 397, Udyog Vihar, Phase-III,  
Gurgaon-122016, Haryana.
13. Power Development Department  
Govt. of J&K, Srinagar, Room No. 1/27,  
Mini Block, Civil Secretariat, Jammu.
14. North Central Railway  
Allahabad, DRM office, Nawab Yusuf Road,  
Subedarganj, Allahabad-211 001, U.P.
15. Jaiprakash Power Ventures Limited  
A Block, Sector-128, Noida-201304, U.P
16. BSES Yamuna Power Limited  
2nd Floor, B Block, Shakti Kiran Building,  
Near Karkadooma Court, New Delhi-110092.
17. BSES Rajdhani Power Limited  
2<sup>nd</sup> Floor, B-Block, Behind Nehru Place Bus Terminal,  
Nehru Place, New Delhi-110019.
18. Tata Power Delhi Distribution Limited  
33 KV sub-station Building, Hudson Lane,  
Kingsway Camp, New Delhi-110009.

19. New Delhi Municipal Corporation  
NDMC, Palika Kendra, Sansad Marg,  
New Delhi-110001.

20. Electricity Wing of Engineering Department  
Union Territory of Chandigarh,  
Electricity OP Circle, Chandigarh- 160011.

21. PTC (Budhil), PTC India Limited  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,  
New Delhi- 110 066.

22. PTC (Everest), PTC India Limited,  
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,  
New Delhi-110 066.

23. Uttarakhand Power Corporation Limited  
Urja Bhawan, Kanwali Road, Near Balli Wali Chowk,  
Dehradun-248001.

24. Himachal Pradesh State Electricity Board  
Vidyut Bhawan, Kumar House Complex Building II,  
Shimla- 171 004.

25. Power Grid Corporation of India Limited  
HVDC Dadri & HVDC Rihand,  
“Saudamini” Plot No-2, Sector-29, Gurgaon -122 001, Haryana ..... Respondents

**The following were present:**

1. Shri T.A. Reddy, NRSS-XXIX Transmission Limited
2. Shri Pulkit Sharma, NRSS-XXIX Transmission Limited

**ORDER**

The petitioner, NRSS-XXIX Transmission Limited, has filed this petition under Section 14 read with Section 15(1) of the Electricity Act, 2003 (the Act) for grant of transmission licence to establish transmission system for “Northern Region System Strengthening Scheme NRSS-XXIX” on ‘Build, Own, Operate and Maintain’ (BOOM) basis, comprising the following elements:

| S. No | Transmission elements           | Voltage Class (kV) | Type | Conductors per Phase                     | Completion Target                |
|-------|---------------------------------|--------------------|------|--|----------------------------------|
| 1.    | Jullandhar- Samba<br>400 kV D/C | 400                | D/C  | Twin Moose<br>ACSR or<br>equivalent AAAC | 34 months from<br>effective date |

|    |  |         |     |                              |          |                               |
|----|--|---------|-----|------------------------------|----------|-------------------------------|
| 2. | LILO of both circuits of Uri-Wagoora 400 kV D/C line at Amargarh (on multi-circuit towers)   | 400     | D/C | Twin ACSR or equivalent AAAC | Moose or | 50 months from effective date |
| 3. | Samba -Amargarh 400 kV D/c routed through Akhnoor/Rajouri  | 400     | D/C | Twin ACSR or equivalent AAAC | Moose or | 50 months from effective date |
| 4. | <p>II. Sub-station Establishment of 7x105 MVA (1 ph units), with 400/220 kV GIS sub-station at Amargarh</p> <p>400 kV</p> <ul style="list-style-type: none"> <li>- Line Bays: 6 No.</li> <li>- 400/220 kV ICT: 7 x 105 (1-ph Units)</li> <li>- ICT bays: 2 no.</li> <li>- Line Reactor (50 MVAR): 2 no. (for Amargarh Lines)</li> <li>- Bus Reactor (63 MVAR): 2 no.</li> <li>- Bus Reactor Bay: 1 no. (Two bus reactors on one bay)</li> <li>- Space for line/ICT bays: 4 no.</li> <li>- Space for ICT: 1 no.</li> </ul> <p>220 kV</p> <ul style="list-style-type: none"> <li>- Line Bays: 6 no.</li> <li>- ICT bays: 2 no.</li> <li>- Space for line/ICT bays: 4 no</li> </ul> | 400/220 |     | -                            |          | 50 months from effective date |

2. The petitioner has made the following prayers:

"(a) Grant transmission licence to NRSS XXIX Transmission Limited with respect to the Transmission System described at para 1 of this application;

- (b) Give due consideration to the contents of this application; and
- (c) Pass such other order(s) as this Hon`ble Commission may deem fit and proper in the facts and circumstances of this case."

3. The petitioner 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. 15/1/2013-Trans dated 20.5.2013 notified the 'Guidelines for encouraging competition in development of Transmission Projects and competitive bidding for Transmission Service' and '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, REC Transmission Projects Company Limited (RECTPCL) was notified by Government of India, Ministry of Power vide Notification No. 15/1/2013-Trans. dated 20.5.2013 as the Bid Process Coordinator (BPC) for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the Transmission system for "Transmission Scheme for Northern Region System Strengthening Scheme NRSS-XXIX"(hereinafter referred to as 'Project') through tariff based competitive bidding process.

4. RECTPCL in its capacity as BPC initiated the bid process on 6.8.2013 and completed the process on 21.5.2014 in accordance with the Guidelines. M/s Sterlite Grid Limited (SGL) was selected as the successful bidder having quoted the lowest levelized transmission charges of Rs. 4377.05 million per annum in order to establish

the transmission system required for Northern Region System Strengthening Scheme NRSS-XXIX on BOOM basis and provide transmission service to the following identified long-term transmission customers (LTTCs) of the projects, namely:

| <b>S. No.</b> | <b>Name of Long Term Transmission Customers</b>                             |
|---------------|---|
| 1.            | AD Hydro Power Limited  |
| 2.            | Haryana Power Purchase Centre   |
| 3.            | Punjab State Power Corporation Ltd  |
| 4.            | Himachal Sorang Power Pvt Limited   |
| 5.            | Adani Power Limited, Mundra   |
| 6.            | Rajasthan Discoms Power Procurement Centre (on behalf of following Discoms) |
|               | (i) Jaipur Vidyut Vitran Nigam Limited                                      |
|               | (ii) Ajmer Vidyut Vitran Nigam Limited                                      |
|               | (iii) Jodhpur Vidyut Vitran Nigam Limited                                   |
| 7.            | Lanco Anpara Power Limited  |
| 8.            | Lanco Green Power Pvt. Limited  |
| 9.            | Power Development Department, Govt. of J&K                                  |
| 10.           | North Central Railway, Allahabad  |
| 11.           | Jaiprakash Power Ventures Limited   |
| 12.           | BSES Yamuna Power Limited   |
| 13.           | BSES Rajdhani Power Limited   |
| 14.           | Tata Power Delhi Distribution Limited                                       |
| 15.           | New Delhi Municipal Corporation   |
| 16.           | Electricity Wing of Engineering Department, Union Territory of Chandigarh   |
| 17.           | Power Grid Corporation of India Limited (HVDC Rihand & HVDC Dadri)          |
| 18.           | U.P. Power corporation Limited  |
| 19.           | PTC (Budhil), PTC India Limited   |
| 20.           | PTC (Everest), PTC India Limited  |
| 21.           | Uttrakhand Power Corporation Limited  |
| 22.           | Himachal Pradesh State Electricity Board                                    |

5. The petitioner has submitted that two bidders submitted their offers at Request for Proposal (RfP) stage. Bid Evaluating Committee carried out the responsiveness check of the non-financial bids in accordance with conditions of RfP and recommended all two bids as responsive for opening of financial bids. After opening the financial bids, as per the Bid Evaluation Report dated 21.5.2014, M/s Sterlite Grid Limited (SGL) emerged as the successful bidder with the lowest levelized transmission charges of ₹4377.05 million/annum.

6. Consequent to its selection as the lowest bidder, Letter of Intent (LoI) was issued to M/s Sterlite Grid Limited by the BPC on 23.5.2014 which has been accepted by M/s Sterlite Grid Limited. Under the terms of Request for Proposal (RfP) and the Letter of Intent, the successful bidder is obligated to accomplish the following tasks:

- (a) Provide contract performance guarantee in favor of Long Term Transmission Customers (LTTC);
- (b) Execute Share Purchase Agreement;
- (c) Acquire, for the Acquisition Price, 100% share equity share holding of NRSS-XXIX Transmission Limited from REC Transmission Projects Company Limited along with all its related assets and liabilities;
- (d) To execute RFP project document including Transmission Service Agreement (TSA) with LTTCs;
- (e) Make an application to the Central Commission for adoption of transmission charges, as required under Section 63 of the Electricity Act, 2003
- (F) To apply to the Central Commission for grant of transmission license.

7. The petitioner has submitted that M/s Sterlite Grid Limited has acquired one hundred percent equity holding in NRSS-XXIX Transmission Limited on 4.8.2014. The petitioner 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 SGL.

8. Section 14 of the Act provides that the Appropriate Commission may, on an application made to under section 15 of the Act, grant a license to any person to

transmit electricity as a transmission licensee in any area as may be specified in the license. The word 'person' has been defined in section 2(49) of the Act to include any company or body corporate or association or body of individuals whether incorporated or not or artificial juridical person. The petitioner has been incorporated under the Companies Act, 1956. The main object of the petitioner company is as under:

"To plan, promote and develop an integrated and efficient power transmission system network in all its aspects including planning, investigations, research, design and engineering, preparation of preliminary, feasibility and definite project reports, construction, operation and maintenance of transmission lines, sub-station, load dispatch stations and communication facilities and appurtenant works, coordination of integration operation of regional and national grid system, execution of turnkey jobs for other utilities/organizations, wheeling of power, purchase and sale of power in accordance with the policies, guidelines and objectives laid down by the Central Government from time to time".

9. Section 15(1) of the Act provides that every application under Section 14 shall be made in such manner and in such form as may be specified by the Appropriate Commission and shall be accompanied by such fees as may be prescribed. The Central Commission has specified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Transmission License and other related matters) Regulations, 2009 (hereinafter referred to as "Transmission License Regulations"). Regulation 3 of the Transmission License Regulations provides that the Empowered Committee shall identify the projects included in the transmission plan to be developed under the guidelines for competitive bidding. Regulation 4 of Transmission License Regulations provides that in case of projects identified by the Empowered Committee for development under the guidelines for competitive bidding, selection of the project developer shall be made in accordance with the procedure laid down in the guidelines. The transmission project under consideration has been identified by the Empowered Committee. The Ministry of Power, Government of India, vide its letter dated 19.9.2013, has accorded approval to the project under Section 68 of the



Electricity Act, 2003. The selection of the project developer, M/s Sterlite Grid Limited, has been made in accordance with the guidelines for competitive bidding.

10. Regulation 7 of the Transmission Licence Regulations provides for the procedure for grant of transmission licence as under:

*“(1) The application for grant of license shall be made to the Commission in Form-I appended to these regulations and shall be accompanied by such fee as may be prescribed by the Central Government from time to time.*

*(2) In case of the person selected for implementation of the project in accordance with the guidelines for competitive bidding, the application shall also contain such additional information, as may be required under these guidelines.*

*(3) The application shall be supported by affidavit of the person acquainted with the facts stated therein.*

*(4) Before making an application, the applicant shall serve a copy of the application on each of the long-term customers of the project and shall submit evidence to that effect along with the application and shall also post the complete application along with annexures and enclosures on its web site, the particulars of which shall be given in the application.*

*(5) The application shall be kept on the web site till such time the license is issued or the application is rejected by the Commission.*

*(6) Immediately on making the application, the applicant shall forward a copy of the application to the Central Transmission Utility.*

*(7) The applicant shall, within 7 days after making the application, publish a notice of its application in Form-II attached to these regulations, in at least two daily newspapers, one in English language and one in vernacular language, having circulation in each State or Union Territory where an element of the project or a long-term customer is situate, in the same language as of the daily newspaper in which the notice of the application is published.*

*(8) As far as possible, within 7 days of receipt of the application the Secretariat of the Commission shall convey defects, if any, if noticed on preliminary scrutiny of the application for rectification and the defects conveyed shall be rectified by the applicant in such time as may be indicated in the letter conveying the defects.*

*(9) In the notice published in the newspapers under clause (7) it shall be indicated that the suggestions and objections, if any, on the application, may be filed before the Secretary, Central Electricity Regulatory Commission, Third Floor, Chanderlok Building, Janpath, New Delhi-110001 (or the address where the office of the Commission is situated), with a copy to the applicant, by any person, including the long-term customers, within 30 days of publication of the notice,*

*(10) The applicant shall within 15 days from the date of publication of the notice as aforesaid submit to the Commission on affidavit the details of the notice published, indicating the newspapers in which the notice has been published and the date and place of their publication and shall also file before the Commission the relevant copies of the newspapers, in original, in which the notice has been published.*

*(11) The Central Transmission Utility shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it:*

*Provided that copy of the recommendations, if any, made by the Central Transmission Utility shall always be forwarded to the applicant;*

*Provided further that the, recommendations of the Central Transmission Utility shall not be binding on the Commission.*

*(12) The applicant may file its comments, duly supported by an affidavit, on the recommendations made by the Central Transmission Utility and the suggestions and objections, if any, received in response to the public notice published by him, within 45 days of service of copy of the application on the Central Transmission Utility or publication of notices in the newspapers, with an advance copy to the Central Transmission Utility or the person who has filed the suggestions and objections on the proposal made in the application, as the case may be.*

*(13) The Commission after considering the suggestions and objections received in response to the public notice published by the applicant and the recommendations, if any, of the Central Transmission Utility may, propose to grant the license or for reasons to be recorded in writing, reject the application.”*

11. The petitioner has approached the Commission by a separate application for adoption of transmission charges in respect of the transmission system which is presently under consideration of the Commission and order in that petition will be issued separately. The petitioner has filed the present application for grant of transmission license in accordance with the Transmission Licence Regulations. The petitioner has submitted proof of service of the copies of the application on the LTTCs and Central Transmission Utility and proof of web posting of the complete application. The petitioner has further undertaken to pay the applicable licence fee upon the grant of Transmission Licence in terms of Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012. The petitioner has prayed for grant of transmission licence to NRSS-XXIX Transmission Limited with respect to the transmission system as per the details given in para 1 above.

12. The petitioner has made the application as per Form-1 and paid the fee of ₹ Rupees one lakh as prescribed by the Government of India. On perusal of the

application, it is revealed that the petitioner has served copy of the application on the Long Term Transmission Customers (LTTCS) of the project as per the TSA. The levelized tariff charges quoted by the petitioner which have been recommended by the Bid Evaluation Committee for acceptance is ₹ 4377.05 million/annum. The petitioner has also enclosed copies of the Bid Evaluation Committee recommendations for selection of M/s Sterlite Grid Limited as the selected bidder and proof of making the evaluation report public by the Bid Process Coordinator as per the Guidelines.

13. The petitioner vide its affidavit dated 8.9.2014 has placed on record the relevant copies of the newspapers in original in which notice of its application has been published. The petitioner has published the notices on 14.8.2014 in Early Times (English version) and Daily Aftab (Urdu version) having circulation in Jammu & Kashmir, Daily Post (English version) and Rozana Spokesman (Punjabi version)-Punjab. The petitioner has complied with the requirement of Regulation 7 (7) of Transmission Licence Regulations.

14. In response to the petition, no reply has been received from the respondents. No objection has been received from the public in response to the public notice.

15. As per para 12.1 of the Guidelines, the selected bidder is required to make an application for grant of transmission licence to the Appropriate Commission within ten days of issuance of LOI or signing of TSA, whichever is later. Though LOI was issued on 23.5.2014, the application for grant of transmission licence has been filed on 11.8.2014. In this regard, the petitioner vide its affidavit dated 9.9.2014 has submitted that in terms of proviso to para 2.4 of the RfP, the Bid Process Coordinator extended the last date for completion of various activities from time to time and the last date was finally extended till 11.8.2014 vide letter No. RECTPCL/P-12/NRSS-29/2014-15/379

dated 5.8.2013. Accordingly, the petitioner has filed application for grant of transmission licence on 11.8.2014.

16. The petition was heard on 30.9.2014. None was present on behalf of the respondents. The representative of the petitioner submitted that the tariff of the petitioner company has been discovered through the process of complete bidding conducted in accordance with Section 63 of the Act and requested to grant transmission licence accordingly.

17. The petitioner has served a copy of the application on Central Transmission Utility (CTU) as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. The CTU in its letter dated 29.9.2014 has recommended for grant of transmission licence to the petitioner. Relevant portion is as under:

"2...Elements under Northern Region System Strengthening Scheme NRSS-XXIX were discussed and agreed in the 31<sup>st</sup> Standing Committee meeting of Northern Region held on 2.1.2013 and in the 28<sup>th</sup> NRPC Meeting held on 26.4.2013.

3. The above scheme was identified for implementation through tariff based competitive bidding, Govt. of India, Ministry of Power (MOP) notified M/s REC Transmission Projects Company Limited as Bid Process Coordinator (BPC) for the Northern Region System Strengthening Scheme NRSS-XXIX.

4. Bidding process for selection of TPS was initiated by the BPC. As per Annexure-H, page-220 of the petition Bid evaluation committee had certified M/s Sterlite Grid Limited has emerged as the successful bidder. M/s Sterlite Grid Limited has acquired NRSS-XXIX Transmission Limited after execution of the Share Purchase Agreement (SPA) on 4<sup>th</sup> August, 2014.

5. As per the scope of works two nos of 50 MVAR line reactors are to be provided at Amargarh for Amargarh lines. For clarity purpose, it may be mentioned in the scope that two nos of 50 MVAR line reactors are to be provided at Amargarh for Samba-Amargarh lines.

6. Accordingly, in line with Section 15 (4) of the Electricity Act, 2003 and details furnished by M/s NRSS-XXIX Transmission Limited, POWERGRID as CTU recommends grant of transmission license to M/s NRSS-XXIX Transmission Limited."

18. We have considered the submissions of the petitioner and BPC and perused documents on record. Sterlite Grid Limited (SGL) has been selected on the basis of the tariff based competitive bidding as per the Guidelines issued by Government of India, Ministry of Power. SGL has been issued with the Lol by the BPC and has acquired 100% stake in the NRSS-XXIX Transmission Limited which has been transferred to the petitioner on 4.8.2014 after execution of Share Purchase Agreement. Thus, the petitioner has complied with the requirements of the RfP and Transmission Service Agreement. The CTU has also recommended the case of the petitioner for grant of transmission license. Considering all the material on record, we are *prima facie* of the view that the petitioner satisfies the conditions for grant of inter-State transmission license under Section 15 of the Act read with Transmission License Regulations for 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 license aforesaid. The objections or suggestions, if any, be filed by any person before the Commission by 7.11.2014.

19. The petitioner is directed to file an affidavit, by 28.10.2014, to the effect that the commencement and work on execution of the transmission project, shall not be delayed on the ground that statutory clearances required under RfP and the TSA have not been received or the petitioner has approached the appropriate forum for adjudication of any claim arising under the TSA.

20. The petition shall be listed on 11.11.2014 for further directions.

Sd/-  
**(A.S. Bakshi)**  
Member

sd/-  
**(A.K. Singhal)**  
Member

sd/-  
**(M. Deena Dayalan)**  
Member

sd/-  
**(Gireesh B. Pradhan)**  
Chairperson

