

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 56/TL/2014**

**Coram:**

**Shri Gireesh B.Pradhan, Chairperson  
Shri M. Deena Dayalan, Member  
Shri A.K Singhal, Member**

**Date of Hearing: 15.7.2014**

**Date of Order: 21.7.2014**

**In the matter of**

Application under Section 14 read with section 15 (1) of the Electricity Act, 2003 for grant of transmission license to Unchahar Transmission Limited.

**And**

**In the matter of**

Unchahar Transmission Limited  
C/o Chief Manager (TBCB),  
Power Grid Corporation of India Limited.  
Saudamini, Plot no.2, Sector -29, Gurgaon 122001

**...Petitioner**

**Vs**

1. Chairman, Uttar Pradesh Power Corporation Limited  
Import Export & Payment Circle, 14th Floor,  
Shakti Bhawan Extn. Building,  
14, Ashok Marg, Lucknow, UP

2. Chairman, Jodhpur Vidyut Vitran Nigam Limited  
New Power House, Industrial Area,  
Jodhpur -342 003

3. Chairman, Jaipur Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Janpath,  
Jaipur-302 005

4. Chairman, Ajmer Vidyut Vitran Nigam Limited



Vidyut Bhawan, Panchsheel Nagar, Makarwali Road,  
Ajmer – 305004

5. Chairman & Managing Director  
Himachal Pradesh State Electricity Board Limited,  
Vidyut Bhawan, Kumar House  
Complex Building II, Shimla

6. Executive Director (Commercial)  
Uttarakhand Power Corporation Limited  
Urja Bhawan, Kanwali Road,  
Near Balli Wala Chowk, Dehradun

7. CEO & ED, Tata Power Delhi Distribution Limited (Formerly NDPL)  
33 kV S/Station Building, NDPL House,  
Hudson Lane, Kingsway Camp,  
New Delhi-110019

8. Chief Engineer, Haryana Power Purchase Centre,  
acting on behalf of UHBVNL and DHBVNL, (HPPC),  
Shakti Bhawan, Energy Exchange, Room No. 446,  
Top Floor, Sector-06, Panchkula – 134109

9. Principal Secretary (Power),  
Power Development Department,  
Government of Jammu & Kashmir (PDD)  
SLDC Building, 1st Floor Gladani Power House, Narwal, Jammu

10. Superintending Engineer,  
Electricity Wing of Engineering Department, Union Territory of Chandigarh  
(EWEDUTC), Electricity OP Circle,  
UT Chandigarh

.....**Respondents**

11. CEO (CTU),  
Power Grid Corporation of India Limited  
Saudamini, Plot No. 2, Sector - 29  
Gurgaon 122 001



12. CEO  
REC Transmission Projects Company Limited  
Core-4, SCOPE Complex, 7, Lodi Road,  
New Delhi 110 003

...Proforma Respondents

**The following were present:**

Shri B. Vamsi, UTL  
Shri Vivek Agarwal, RECTPCL  
Shri Mayur Girdhar, RECTPCL  
Shri Yogesh Malik, RECTPCL

**ORDER**

The petitioner, Unchahar Transmission Limited has filed this application under Section 14 read with Section 15(1) of the Electricity Act, 2003 (the Act) for grant of licence to establish transmission system for "ATS of Unchahar TPS" (hereinafter referred to as "Transmission system") on 'Build, Own, Operate and Maintain (BOOM) basis comprising the following elements :

<b>Transmission Line</b>	<b>Conductors per phase</b>	<b>Completion Target</b>
Unchahar-Fatehpur 400 kV D/C line-60 km (approx.)	Twin Moose ACSR or Twin AAAC (equivalent to twin ACSR Conductor) and Transmission line design should be corresponding to 85 <sup>o</sup> C conductor temperature operation	30 months from the effective date (24.3.2014)

2. The petitioner has submitted that Government of India, Ministry of Power, vide its Resolution No. 11/5/2005-PG(i) dated 17.4.2006 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 Guidelines, REC Transmission Projects Company Limited (hereinafter referred to as RECTPCL) was notified by Government of India, Ministry of Power vide Notification No. 15/1/2011-Trans dated 8.10.2012 as the Bid Process Coordinator (hereinafter referred to as "BPC") for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for 'ATS of Unchahar TPS' (Project) through tariff based competitive bidding. The petitioner was incorporated on 17.12.2012 by RECTPCL as its wholly owned subsidiary to initiate work on the project to build, own, operate and maintain the transmission system for 'ATS of Unchahar TPS' and to act as the Transmission Service Provider (TSP) after being acquired by the successful bidder.

3. The petitioner has submitted that RECTPCL in its capacity as BPC invited bids from the prospective bidders for issue of Request for Qualification (RfQ) to qualify/shortlist the bidders for participation in the next stage of bidding i.e Request for Proposal (RfP) as part of the process of selection of TSP in accordance with the Guidelines. The bidder selected in accordance with the bidding process was required to acquire one hundred percent of equity shares in the Unchahar Transmission Limited, New Delhi and then assume the responsibility of the TSP to establish the transmission project and to provide transmission service on long-



term basis to the following Long Term Transmission Customers (LTTCs) of the project, namely:

<b>S.No.</b>	<b>Name of Long Term Transmission Customers</b>
1.	Uttar Pradesh Power Corporation Limited
2.	Jodhpur Vidyut Vitran Nigam Limited
3.	Jaipur Vidyut Vitran Nigam Limited
4.	Ajmer Vidyut Vitran Nigam Limited
5.	Himachal Pradesh State Electricity Board Limited
6.	Uttarakhand Power Corporation Limited
7.	Tata Power Delhi Distribution Limited
8.	Haryana Power Purchase Centre, acting on behalf of UHBVNL and DHBVNL
9.	Power Development Department, Government of Jammu & Kashmir
10.	Electricity Wing of Engineering Department, Union Territory of Chandigarh

4. The petitioner has submitted that six bidders submitted their bids at Request for Proposal (RfP) stage. Bid Evaluation Committee carried out the responsiveness check of the non-financial bids in accordance with conditions of RfP and recommended all six bidders as responsive for opening the financial bids. After opening the financial bids, the Bid Evaluation Committee assessed the bids and submitted the Bid Evaluation Report dated 11.2.2014. As per the Bid Evaluation Report, M/s Power Grid Corporation of India Ltd. (PGCIL) emerged as the successful bidder with the lowest levelized transmission charges of ₹ 167.7071 million.



5. The Commission after considering the application of the petitioner in the light of the provisions of the Electricity Act, 2003 and 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') *prima facie* proposed to grant licence to the petitioner. Relevant para of our order dated 20.6.2014 is extracted as under

"21. As per para 12.1 of the Guidelines, finally selected bidder shall make an application for grant of transmission licence within one month of selection. PGCIL has been selected on the basis of the tariff based competitive bidding as per the Guidelines issued by Government of India, Ministry of Power. Lol was issued on PGCIL by the BPC and PGCIL has acquired one hundred percentage stake in the Unchahar Transmission Limited which has been transferred to the petitioner on 12.5.2014 after execution of Share Purchase Agreement. Thus, the petitioner has complied with the requirements of RfP and Transmission Service Agreement. CTU has also recommended grant of transmission licence to the petitioner. Considering the material on record, we are *prima facie* of the view that the petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence 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 licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission by 8.7.2014."

6. A public notice under Section 15 (5) of the Act was published on 18.6.2014 in all editions of Times of India and Amar Ujala. No suggestions/objections have been received from the members of the public in response to the public notice. During the hearing on 15.7.2014, none appeared on behalf of any of the respondents despite notice.



7. We have considered the submission of the petitioner and perused documents on record.

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 20.6.2014, we had proposed to grant transmission licence to the petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. CTU in its letter dated 16.5.2014 has recommended under Section 15 (4) of the Act for grant of transmission licence to the petitioner. We are satisfied that the



petitioner 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 transmission licence be granted to the petitioner, Unchahar Transmission Limited, to establish the transmission system for "ATS of Unchahar TPS " on BOOM basis as per the details given in para 1 above.

10. The grant of transmission licence to the petitioner 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 as amended from time to time or any subsequent enactment thereof during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;





(d) The petitioner 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 petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. 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 the licence;

(f) The petitioner 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 petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.

(h) The petitioner 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 and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;

(i) The petitioner 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 petitioner 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;

(k) The petitioner 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; and



(l) The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 26.5.2014.

12. Central Electricity Authority shall monitor the execution of the project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Act and Transmission Licence Regulations.

13. Petition No. 56/TL/2014 is disposed of in terms of the above.

14. We direct that copies of this order shall be endorsed to all Long Term Transmission Customers of the transmission system and Central Electricity Authority.

Sd/-

**(A.K.Singhal)**  
**Member**

Sd/-

**(M. Deena Dayalan)**  
**Member**

sd/-

**(Gireesh B.Pradhan)**  
**Chairperson**

