

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 215/MP/2018**

**Coram:**

**Shri P.K.Pujari, Chairperson**

**Dr. M. K. Iyer, Member**

**Date of Order: 5<sup>th</sup> of October, 2018**

**In the matter of**

Petition under Section 61 read with Section 79 (1) (c) and (d) and Section 41 of the Electricity Act, 2003 seeking re-determination/revision of the ratio for sharing of income earned by transmission licensees from telecommunication business towards reduction of annual transmission charges.

**And**

**In the matter of**

BSES Rajdhani Power Limited  
BSES Bhawan,  
Nehru Place, New Delhi-110 019

**...Petitioner**

**Vs.**

Power Grid Corporation of India Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi-110 016

**...Respondent**

**The following were present:**

Shri Buddy Ranganathan, Advocate, BRPL  
Shri Anupam Verma, BRPL  
Shri Rahul Kinra, BRPL  
Shri Aushtosh Kumar, BRPL  
Ms. Manju Gupta, PGCIL

**ORDER**

The present petition has been filed by the Petitioner, BSES Rajdhani Power Limited seeking re-determination/revision of the ratio for sharing of income earned by Power Grid Corporation of India Limited (PGCIL) from its telecommunication

business towards reduction of annual transmission charges. The Petitioner has made the following prayers:

“(a) Admit the present petition;

(b) Revise the mechanism for sharing of revenue of income derived from telecommunication business under Regulation 4(1)(a) of the Central Electricity Regulatory Commission (Sharing and Revenue derived from utilization of transmission assets for other business) Regulations, 2007 as prayed for in the present petition;

(c) Specify a “proportion” of the revenues to be taken towards the transmission charges as a percentage of the revenues rather than a static number;

(d) Direct PGCIL to place all relevant material and data before the Commission with copies to the beneficiaries which may assist in computing the percentage of the revenue to be shared;

(e) Permit the petitioner to be heard on the quantum of the percentage after the material and data is provided by PGCIL; and

(f) In the alternative, consider the submissions under present petition as representation for amendment to Regulation 4 (1) (a) of the Central Electricity Regulatory Commission (Sharing and Revenue derived from utilization of transmission assets for other business) Regulations, 2007.”

2. The Petitioner has submitted that the Commission notified the Central Electricity Regulatory Commission (Sharing and Revenue derived from utilization of transmission assets for other business) Regulations, 2007 (hereinafter referred to as “Revenue Sharing Regulations”) under Section 41 of the Electricity Act, 2003 (hereinafter referred to as ‘Act’). Regulation 4 (1) (a) of Revenue Sharing Regulations deals with mechanism for sharing of revenue derived by the transmission licensee from its telecommunication business. Regulation 1 (1) (b) of the Revenue Sharing Regulations provides that the sharing of the revenue derived from business other than telecommunication business as decided by the Commission on a case to case basis on consideration of the value of the assets

utilised in such other business, the revenue derived therefrom and the other details furnished by the transmission owner. Regulation 5 of the Revenue Sharing Regulations provides that the revenue so shared by the transmission owner shall be utilized towards reduction of transmission charges payable by the beneficiaries of the assets utilized for other business in proportion to the transmission charges payable by them other transmission owner.

3. The Petitioner has submitted that the existing transmission system of PGCIL provides an infrastructure for stringing optical fibre cable. PGCIL provides overhead optic fibre network using optical ground wire on its transmission lines and the spare capacity of optical fibres has set up a grade long distance telecommunication network of high capacity. PGCIL shares the revenue so earned from the use of the transmission line for laying these optical fibre cables in terms of the formula/method given under Regulation 4 of Revenue Sharing Regulations. The Petitioner has submitted that PGCIL's business as an infrastructure provider (under telecom business) by leasing of towers is not related to the optical fibres for which there is a formula in the Revenue Sharing Regulations. In this regard, the value of asset i.e transmission line needs to be re-assessed in terms of Regulation 4 (b) and be shared with the beneficiaries.

4. The Petitioner has submitted that the Commission in its order dated 25.12.2007 in Petition No. 54/2007 has observed that "the Commission may review the matter after gaining some experience on the issue, and may revise the rate and/or approach subsequently after taking into account the experience gained on the working of the regulations proposed to be notified.". The Petitioner has prayed

to revise the mechanism for sharing of revenue of income derived from telecommunication business, after taking into consideration the graded revenue earned by PGCIL from its telecommunication business in terms of the observation of the Commission in order dated 25.12.2007 in Petition No. 54/2007.

5. We have heard learned counsel for the Petitioner. The Petitioner is basically seeking indulgence of the Commission to revisit the provisions regarding revenue sharing for other business due to latest development in the telecommunication sector and the revenues earned by PGCIL from sharing its assets for that purpose. The Commission has taken a consistent view that the filing of petition is not the proper way to seek amendment of the Regulations. Therefore, the present petition cannot be entertained on merit. It is pertinent to note that the issue of sharing of revenue for telecommunication and other business from the utilization of the transmission assets has been flagged in the Approach Paper for the Tariff period 2019-24. The Commission is in the process of preparation and publication of the Draft Tariff Regulations for the period 2019-24 in which necessary provision will be made. The Petitioner is at liberty to make its submissions including the submissions made in this petition in response to the draft Tariff Regulations as when it is issued.

6. The Petition No. 215/MP/2018 is disposed of in terms of the above.

**Sd/-  
(Dr. M. K Iyer)  
Member**

**sd/-  
(P.K. Pujari)  
Chairperson**