

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 01/SM/2018 (Suo Motu)

Coram:

**Shri A. K. Singhal, Member
Shri A. S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order: 10th January, 2018

In the matter of

Additional tax burden on transmission licensees on introduction of Goods and Service Tax compensation cess

And

In the matter of

The Commission on its own motion

Vs

1. Western Region Transmission (Maharashtra) Private Limited,
'H' Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai – 400410.
2. Western Region Transmission (Gujarat) Private Limited,
'H' Block, 1st Floor,
Dhirubhai Ambani Knowledge City,
Navi Mumbai – 400410.
3. East-North Inter-Connection Company Limited,
F-1, The Mira Corporate Suite,
Ishwar Nagar, Mathura Road,
New Delhi – 110065.
4. Talcher-II Transmission Company Limited,
Upper Ground Floor, Antriksh Bhawan,
22, K G Marg, New Delhi – 110 001
5. North Karanpura Transmission Company Limited,
12th Floor, Building No. 10 B, DLF Cyber City,
Gurgaon – 122002,
Haryana.



6. Raichur Sholapur Transmission Company Limited,
Upper Ground Floor, Antriksh Bhawan,
22, K G Marg, New Delhi – 110 001
7. Jabalpur Transmission Company Limited,
F-1, The Mira Corporate Suite,
Ishwar Nagar, Mathura Road,
New Delhi – 110065.
8. Bhopal Dhule Transmission Company Limited,
F-1, The Mira Corporate Suite,
Ishwar Nagar, Mathura Road,
New Delhi - 110065
9. Powergrid NM Transmission Limited,
Pragathi Mahalakshmi,
South Block (2nd & 3rd Floor),
No. 62, 3rd Cross MEI Road,
Industrial Suburb, Yeshwantpur,
Bangalore – 560022.
10. Kudgi Transmission Limited
Core – 4, Scope Complex, 7,
Lodhi Road, New Delhi – 110003.
11. Powergrid Vizag Transmission Limited,
"SAUDAMINI", Plot No. – 2, Sector – 29,
Gurgaon – 122001.
12. Darbhanga - Motihari Transmission Company Limited,
6th Floor, Plot No. 19, Film City,
Sector – 16A, Noida – 201301 (U.P)
13. Purulia & Kharagpur Transmission Company Limited,
F-1, The Mira Corporate Suites,
1 & 2 Ishwar Nagar,
Mathura Road, New Delhi – 110065.
14. Patran Transmission Company Limited,
409, 4th Floor, Skipper Corner, 88 Nehru Place,
New Delhi- 110 019.
15. Powergrid Unchahar Transmission Limited,
"SAUDAMINI", Plot No. – 2, Sector – 29,
Gurgaon-122001.
16. RAPP Transmission Company Limited,
F-1, The Mira Corporate Suites,
1 & 2 Ishwar Nagar,
Mathura Road, New Delhi – 110065.



17. NRSS XXXI (B) Transmission Limited,
Essel House, B-10, Lawrence Road,
Industrial Area, New Delhi-110 035
18. Powergrid Kala Amb Transmission Limited,
"SAUDAMINI", Plot No. – 2, Sector – 29,
Gurgaon – 122001.
20. Sterlite Power, NRSS XXIX Transmission Limited
F-1, Mira Corporate Suits
1 & 2, Mathura Road, Ishwar Nagar,
New Delhi-110 065,
21. DGEN Transmission Company Limited,
301, 3rd Floor, Rectangle One,
D – 4, District Centre,
Saket, New Delhi – 110017.
22. POWERGRID Parli Transmission Limited
C/o GM I/C (TBCB & RC),
Power Grid Corporation of India Limited, Saudamini, Plot No. 2, Sector- 29,
Gurgaon-122 001
23. POWERGRID Warora Transmission Limited,
"SAUDAMINI", Plot No. – 2, Sector – 29,
Gurgaon – 122001.
24. Maheshwaram Transmission Limited,
F-1, "The Mira Corporate Suites",
1 & 2 Ishwar Nagar, Okhla Crossing,
Mathura Road, New Delhi – 110065.
25. Raipur-Rajandgaon-Warora Transmission Limited,
C–105, Anand Niketan,
New Delhi – 110021.
26. Chhattisgarh-WR Transmission Limited,
C-105, Anand Niketan,
New Delhi-110019.
27. Sipat Transmission Limited,
C–105, Anand Niketan,
New Delhi - 110021
28. POWERGRID Southern Interconnector Transmission System Limited,
"Saudamini", Plot No. 2, Sector 29,
Near IFFCO Chowk, Gurgaon - 122 001
29. Alipurduar Transmission Limited,
408, 4th Floor, Som Datt Chambers-II,
9, Bhikaji Cama Place, New Delhi – 110016.



30. Odisha Generation Phase-II Transmission Limited,
F – 1, The Mira Corporate Suites, 1 & 2 Ishwar Nagar,
Okhla Crossing, Mathura Road,
New Delhi – 110065.
31. Gurgaon Palwal Transmission Limited,
F-1, "The Mira Corporate Suites",
1 & 2 Ishwar Nagar, Okhla Crossing,
Mathura Road, New Delhi – 110065.
32. Warora-Kurnool Transmission Limited,
5th Floor, 18, Ramnath House,
Community Centre, Yusuf Sarai,
New Delhi-110 049
33. North Karanpura Transco Limited,
Core 4 – Scope Complex,
7 – Lodhi Road, New Delhi – 110003.
34. Khargone Transmission Limited,
F - 1, The Mira Corporate Suites 1 & 2 Ishwar Nagar,
Okhla Crossing, Mathura Road,
New Delhi – 110065.
35. NRSS XXXVI Transmission Limited,
5th Floor, 18, Ramnath House,
Community Centre, Yusuf Sarai,
New Delhi-110 049
36. NER-II Transmission Limited,
F - 1, The Mira Corporate Suites 1 & 2 Ishwar Nagar,
Okhla Crossing, Mathura Road,
New Delhi – 110065.
37. Powergrid Medinipur Jeerat Transmission Limited,
HVDC Dadri and HVDC Rihand,
“Saudamini”, Plot No. 2, Sector 29,
Near IFFCO Chowk, Gurgaon - 122 001
38. Kohima-Mariani Transmission Limited,
A-63, FIEE Complex,
Okhla Industrial Area Phase-II
New Delhi-110 020
39. Rajasthan Rajya Vidyut Prasan Nigam Limited
Vidyut Bhawan, Vidyut Marg,
Jaipur - 302005
40. Ajmer Vidyut Vitran Nigam Limited
Vidyut Bhawan, Panchsheel Nagar,
Makarwali Road, Ajmer– 305004



41. Jaipur Vidyut Vitran Nigam Limited
Vidyut Bhawan, Janpath,
Jaipur - 302 005
42. Jodhpur Vidyut Vitran Nigam Limited
New Power House, Industrial Area,
Jodhpur - 342 003
43. Himachal Pradesh State Electricity Board
Vidyut Bhawan
Kumar House Complex Building II
Shimla-171 004
44. Punjab State Electricity Board
Thermal Shed TIA,
Near 22 Phatak,
Patiala-147001
45. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Panchkula (Haryana) 134 109
46. Power Development Department
Government of Jammu & Kashmir
Mini Secretariat, Jammu
47. Uttar Pradesh Power Corporation Limited
(Formerly Uttar Pradesh State Electricity Board)
Shakti Bhawan, 14, Ashok Marg
Lucknow - 226 001
48. Delhi Transco Ltd.
Shakti Sadan, Kotla Road,
New Delhi-110002
49. BSES Yamuna Power Ltd.
BSES Yamuna Power Ltd. 2nd Floor,
Shakti Kiran Bldg., Karkardooma,
New Delhi – 110092
50. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place,
New Delhi - 110 019
51. TATA Power Delhi Distribution Limited
NDPL House, Hudson Lines,
Kingsway Camp, Delhi - 110 009
52. Chandigarh Administration
Sector -9, Chandigarh.



53. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road,
Dehradun.
54. North Central Railway,
Allahabad.
55. New Delhi Municipal Council
Palika Kendra, Sansad Marg,
New Delhi-110002
56. NTPC Ltd.,
NTPC Bhawan, Core-7, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi – 110003.
57. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur
Jabalpur-482 008.
58. Maharashtra State Electricity Distribution Company Limited,
5th Floor, Prakashgad,
Bandra (East),
Mumbai-400 052.
59. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390 007.
60. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.
61. Electricity Department,
Administration of Daman and Diu,
Daman-396 210.
62. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230.
63. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013.
64. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road
Indore-452 008.



65. Gati Infrastructure Chuzachen Limited,
1-7-293, MG Road, 268, Udyog Vihar, Phase-IV,
Secunderabad, Andhra Pradesh - 500003
66. Gati Infrastructure Bhasmay Power Ltd,
1-7-293, MG Road, 268, Udyog Vihar, Phase-IV,
Secunderabad, Andhra Pradesh - 500003
67. PTC India Limited, PTC (Budhil) and PTC (Everest),
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place, New Delhi
68. Lanco Energy Pvt. Ltd.
Plot No. 397, 2nd Floor,
Udyog Vihar, Phase III,
Gurgaon, Haryana- 122016
69. Dans Energy Private Ltd.
5th Floor, DLF Building No. 8, Tower C,
DLF Cyber City Phase- II
Gurgaon, Haryana- 122002.
70. Jal Power Corporation Ltd,
405-406, Raja House, 30-31,
Nehru Place, New Delhi- 110019
71. Madhya Bharat Power Corporation Ltd.
Nh-31-A, Golitar, Singtam,
Gangtok -737 134, Sikkim.
72. Bihar State Power (Holding) Company Ltd
(Formerly Bihar State Electricity Board -BSEB)
Vidyut Bhavan, Bailey Road, Patna – 800 001
73. West Bengal State Electricity Distribution Company
Bidyut Bhawan, Bidhan Nagar
Block DJ, Sector-II, Salt Lake City
Kolkata -700 091
74. Grid Corporation of Orissa Ltd.
Shahid Nagar, Bhubaneswar - 751 007
75. Damodar Valley Corporation
DVC tower, Maniktala
Civic Tower, VIP Road, Kolkata - 700 054
76. Energy & Power Department
Government of Sikkim,
Gangtok - 737 101



77. Jharkhand State Electricity Board
In Front Of Main Secretariat
Doranda, Ranchi – 834002
78. Jharkhand Bijli Vitran Nigam Limited
H.B Road, Kokar,
Ranchi-834001
Jharkhand
79. Teesta Valley Power Transmission Ltd.
2nd Floor, Vijaya Building,
Barakhamba Road, CP, New Delhi - 110001
80. Teesta Urja Limited
02nd Floor, Vijaya Building
17 Barakhamba Road, Connaught Place
New Delhi 110001.
80. Karnataka Power Transmission Corporation Ltd.
Kaveri Bhawan, K. G. Road
Bangalore-560 009.
81. Transmission Corporation of Andhra Pradesh Ltd.
Vidyut Soudha, Khairatabad,
Hyderabad-500 082
82. Kerala State Electricity Board Ltd.,
Vydyuthi Bhavanam,
Pattom, Thiruvananthapuram- 695004,
83. Tamil Nadu Generation & Distribution Corporation Limited (TANGEDCO)
NPKRR Malligai, 144 Anna Salai,
Chennai-600002
84. Electricity Department
Government of Goa
Vidyuti Bhawan, Panaji
Goa-403 001.
85. Electricity Department, Government of Pondicherry,
Pondicherry -605 001.
86. Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)
APEPDCL, P&T Colony,
Seethmmadhara, Vishakhapatnam-530 017
Andhra Pradesh.
87. Southern Power Distribution Company of Andhra Pradesh Limited(APSPDCL)
Srinivasapuram, Tiruchanoor Road,
Tirupati-517 501,
Chittoor District, Andhra Pradesh.



88. Central Power Distribution Company of Andhra Pradesh Limited (APCPDCL)
Corporate Office, Mint Compound,
Hyderabad-500 063.
89. Northern Power Distribution Company of Andhra Pradesh Limited (APNPDCL)
NIT Petrol Pump
Chaitanyapuri, Kazipet, Warangal – 506 004
Andhra Pradesh.
90. Bangalore Electricity Supply Company Ltd. (BESCOM)
718, First Floor, 12th Main Road,
Bengaluru- 560 092, Karnataka
91. Gulbarga Electricity Supply Company Ltd. (GESCOM)
Station Main Road, Kalaburagi,
Gulbarga-585 102, Karnataka.
92. Hubli Electricity Supply Company Ltd. (HESCOM),
P.B. Road, Nava Nagar
Hubli-580 025, Karnataka
93. Mangalore Electricity Supply Company Ltd. (MESCOM)
Paradingm Plaza, A.B. Shetty Circle,
Mangalore-575 001
94. Chamundeshwari Electricity Supply Corp. Ltd. (CESCOM),
Corporate Office, 927, L. J. Avenue, Ground Floor
New Kantharaj Urs Road,
Saraswathi Puram, Mysore-570 009.
95. Powergrid NM Transmission Ltd, Gadarwara (B) Transmission Limited,
HVDC Dadri and HVDC Rihand,
“Saudamini”, Plot No. 2, Sector 29,
Near IFFCO Chowk, Gurgaon - 122 001
96. Transmission Corporation of Telangana Limited,
Vidhyut Sudha, Khairatabad,
Hyderabad, 500082
97. Maheshwaram Transmission Limited
F-1, Mira Corporate Suits,
1 & 2, Mathura Road, Ishwar Nagar,
New Delhi – 110065.
98. North Eastern Electric Power Corporation Limited,
NEEPCO Limited,
15, NBCC Tower, Bhikaji Cama Place
New Delhi



99. National Hydro Power Corporation (NHPC) Limited,
NHPC office complex
Lodhi Road, New Delhi
100. ONGC Tripura Power Company Limited,
6th floor, A-wing, IFCI tower, 61, Nehru Place,
New Delhi- 110019
101. North East Transmission Company Limited
1st floor, Ambience Corporate Tower, Ambience Mall,
Ambience Island.
102. National Thermal Power Corporation Limited,
Bongaigaon TPP, Salakati,
Kokrajhar- 783369, Assam.
103. Department of Power,
Government of Arunachal Pradesh
Vidyut Bhawan, Itanagar,
Arunachal Pradesh-791 111
104. Assam Power Distribution Company Limited (APDCL),
4th Floor, Bijuli Bhavan,
Paltan Bazar,
Guwahati- 781001
105. Assam Electricity Grid Corporation Ltd.
1th Floor, Bijuli Bhavan,
Paltan Bazar,
Guwahati- 781001
106. Manipur State Power Distribution Company Limited
Electricity Complex, Patta No. 1293 under 87(2),
Khwai Bazar, Keishampat,
District-Imphal West,
Manipur-795 001
107. Meghalaya State Power Distribution Company Limited
Lum Jingshai, Sort Round Road,
Shillong, Meghalaya-793 001
108. Power and Electricity Department
Government of Mizoram
Mizoram Secretariat, Annexure-II,
Treasury, Square Aizwal, Mizoram
109. Department of Power
Government of Nagaland,
A.G. Colony, Kohima, Nagaland-797 005



110. Tripura State Electricity Corporation Limited
Bidyut Bhawan, Banamalipur,
Agartala, Tripura
111. Chhattisgarh State Power Distribution Company limited,
Energy Info Tech Centre
Block No.8, CS Power Companies Campus
Daganiya, Raipur
112. Jindal Power Limited,
Jindal Centre,
12, Bhikaiji Cama Place,
New Delhi 110 066
113. Torrent Power Limited,
Samanvay, 600 Tapovan,
Ambavadi
Ahmadabad-380015
114. Heavy Water Board,
5th Floor, Vikram Sarabhai Bhavan,
Anushakti Nagar,
Mumbai - 400 094.
115. Power Company of Karnataka Limited,
5th Floor, KPTCL Building, Kaveri Bhawan,
Bangalore-560009
116. Lanco Kondapali Power Limited,
8-2-120/120/14/B Road-14 Nandi Nagar B Hills-34,
Banjara Hills, Hyderabad,
Telangana-500 034
117. Adhunik Power and Natural Resources Limited,
9B, 9th Floor, Hansalaya Building,
15 Barakhamba Road, Connaught Place,
New Delhi-110 001
118. Corporate Power Limited,
901, Mahabir Tower, Main Road,
Ranchi 834 001, Jharkhand
119. Jharkhand Bijli Vitran Nigam Limited,
H.B Road, Kokar, Ranchi,
Jharkhand 834001
120. Essar Power (Jharkhand) Limited,
Essar House, 11th Floor, 11 KK Marg,
Opposite Racecourse, Mahalaxmi,
Mumbai - 400 034



121. GMR Kamalanga Energy Limited,
New Udaan Bhawan
Opposite Terminal 3, IGI Airport
New Delhi-110 037
122. Navbharat Power Private Limited,
Essar House, 11, K.K. Marg,. Mahalaxmi,
Mumbai- 400 034
123. Monnet Power Company limited,
Monnet House, 11, Masjid Moth,
Greater Kailash Part – II,
New Delhi, Delhi-110048
124. Ind Bharat Energy (Utkal) Limited,
Plot No. 30-A, Road No. 1,
Film Nagar, Jubilee Hills,
Hyderabad-500 096, Andhra Pradesh
125. H Jindal India Thermal Power Limited,
Plot No 12, Sector B-1,
Local Shopping Complex, Vasant Kunj
New Delhi-110 070
126. M.B. Power (Madhya Pradesh) Limited,
235, Okhla Industrial Estate,
Phase-III,
New Delhi- 110020.
127. RKM Powergen Limited,
Giriappa Road, Drivers Colony, T Nagar,
Chennai-600017 Tamil Nadu
128. Athena Chhattisgarh Power Limited,
7-1-24/1/RT,G-1, B Block, Roxana Towers
Green Lands, Begumpet
Hyderabad - 500016
Telangana,
129. DB Power Limited,
3rd Floor, Naman Corporate Link,
Opposite Dena Bank, C-31, Block G,
Bandra Kurla Complex
Bandra (E), Mumbai-400 051
130. SKS Powergen (Chhattisgarh) Limited,
501-B, Elegant Business Park,
Andheri Kurla Road,
J.B.Nagar, Andheri (East),
Mumbai-400 059



131. Korba West Power Company Limited,
Avantha Power & Infrastructure Limited
6th floor, Vatika City Point
M.G. Road, Gurgaon-122002, Haryana
132. Visa Power Limited,
VISA House, 8/10 Alipore Road,
Kolkata, West Bengal
133. KSK Mahanadi Power Company Limited,
8-2-293/82/A/431/A
Road No: 22, Jubilee Hills,
Hyderabad 500 033
134. Bharat Aluminium Company limited, (BALCO)
Aluminium Sadan
Core - 6, Scope Office Complex, Lodi Road,
New Delhi-110 003
135. Vandana Vidyut Limited,
Vandana Bhawan, M.G.Road,
Raipur-492001 Chhattisgarh
136. Lanco Amarkantak Power Limited,
Plot No. 397, Phase-III,
Udyog Vihar, Gurgaon-122016
137. Chhattisgarh State Power Trading Company Limited, Raipur
Daganiya, Raipur, Chhattisgarh-492 013
138. REC Transmission Projects Company limited,
ECE House, 3rd Floor,
Annexe-II, 28A, KG Marg
New Delhi-110001
139. New Delhi Municipal Council,
Shantipath Road, Moti Bagh,
Near National Railway Museum,
New Delhi-110023
140. Paschimachal Vidyut Vitran Nigam Ltd,
Urja Bhawan, Victoria Park,
Meerut-250001 Uttar Pradesh
141. Poorvanchal Vidyut Vitran Nigam Ltd,
DLW Bhikharipur, Varanasi – 221004
142. Dakshinanchal Vidyut Vitran Nigam Ltd,
Urja Bhavan, Agra - Delhi Bypass Road,
Sikandra, Agra-282007,
Uttar Pradesh



143. Madhyanchal Vidyut Vitran Nigam Ltd.,
Head Office 4-A,
Gokhale Marg,
Lucknow- 226001
144. Kanpur Electricity Supply Company Ltd.,
14/71, Civil Lines,
Kanpur-208001
145. Maithan Power Limited
MA-5, Gogna Colony,
Maithan Dam Post Office,
District: Dhanbad, Jharkhand-828 207
146. Adani Power
Mundra Achalraj, Opp. Mayor Bungalow,
Law Garden, Ahmedabad-380 006,
147. Ad Hydro Power Limited
Bhilwara Towers, A-12,
Sector-1, Noida-201 301
148. Electricity Wing of Engineering Department
Union Territory of Chandigarh,
Electricity OP Circle, UT – Chandigarh
149. PFC Consulting Limited,
First Floor, "Ürjanidhi",
1, Barakhamba Lane,
Connaught Place
New Delhi-110001
150. IL &FS Tamil Nadu Power Company Limited,
4th Floor, 1st Street, Subba Rao Avenue,
College Road,
Chennai, Tamil Nadu-600006
151. PTC (Budhil), PTC India Limited
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,
New Delhi-110 066.
152. PTC (Everest), PTC India Limited,
2nd Floor, NBCC Tower, 15, Bhikaji Cama Place,
New Delhi-110 066
153. Rajasthan DISCOMS Power Procurement Centre,
Shed No 5/5, Vidyut Bhawan,
Jaipur, Rajasthan (India)



154. Northern Power Distribution Company of Telangana Limited,
#2-5-31/2, Vidyut Bhawan, Nakkalgutta,
Hanamkonda, Warangal-506001
155. Southern Power Distribution Company of Telangana Limited,
#6-1-50, Mint Compound, Hyderabad-500063, Telangana
156. South Bihar Power Distribution Company Limited,
2nd Floor, Vidyut Bhawan, Bailey Road,
Patna-800 001
157. North Bihar Power Distribution Company Limited,
2 nd Floor, Vidyut Bhawan, Bailey Road,
Patna-800 001
158. Himachal Sorang Power Private Limited,
901 B, 9th Floor, Time Tower, M. G. Road,
Gurgaon - 122 009
159. Lanco Anpara Power limited,
Plot no. 397, Udyog Vihar, Phase 3,
Gurgaon – 122 016
160. Lanco Budhil Hydro Power Pvt. Ltd.
Plot no. 397, Udyog Vihar, Phase 3,
Gurgaon – 122 016
161. Power Grid Corporation of India Limited
HVDC Dadri and HVDC Rihand,
“Saudamini”, Plot No. 2, Sector 29,
Near IFFCO Chowk, Gurgaon - 122 001
162. Jaiprakash Power Ventures Limited,
Sector -128, Noida - 201 304

....Respondents

ORDER

In terms of Section 79(1)(c) and (d) of the Electricity Act, 2003 (“the 2003 Act”), the Central Commission has been entrusted with the function to regulate inter-State transmission of electricity. Further, the Commission has been determining tariff of inter-State transmission of electricity in exercise of its power under Section 79(1)(d) read with Section 62(1)(b) of the 2003 Act in accordance with the regulations on terms and conditions of tariff notified by the Central Commission under Section 178



of the 2003 Act. The tariff of the inter-State transmission system discovered through a Tariff Based Competitive Bidding (TBCB) is adopted by the Central Commission under Section 63 of the 2003 Act.

2. In exercise of the power vested under Section 63 of the 2003 Act, Central Government has notified the “Tariff Based Competitive Bidding Guidelines for Transmission Services” vide notification dated 17.4.2006 which have been amended from time to time (hereinafter referred to as “Guidelines”). In terms of the said Guidelines, the Transmission Service Providers (TSPs), identified through Tariff Based Competitive Bidding (TBCB) process, have to enter into “Transmission Service Agreement” (TSA) with the Long Term Transmission Customers (LTTCs). Article 12 of the Model TSA notified by the Ministry of Power provides for grant of relief in the form of adjustment of tariff to the TSPs or to the LTTCs on account of “Change in Law”. Article 12 of the Model TSA notified by the Ministry of Power provides as under:-

“12.1 Change in Law

12.1.1 Chang in Law means the occurrence of any of the following after the date, which is seven (7) days prior to the Bid Deadline resulting into any additional recurring/non-recurring expenditure by the TSP or any income to the TSP:

- the enactment, coming into effect, adoption, promulgation, amendment, modification or repeal (without re-enactment or consolidation) in India, of any Law, including rules and regulations framed pursuant to such Law;
- a change in the interpretation or application of any Law by any Indian Governmental Instrumentality having the legal power to interpret or apply such Law, or any Competent Court of Law;
- the imposition of a requirement for obtaining any Consents, Clearances and Permits which was not required earlier;
- a change in the terms and conditions prescribed for obtaining any Consents, Clearances and Permits or the inclusion of any new terms or conditions for obtaining such Consents, Clearances and Permits;
- any change in the licensing regulations of the Appropriate Commission, under which the Transmission License for the Project was granted if made applicable by such Appropriate Commission to the TSP;



- any change in the Acquisition Price; or
- any change in tax or introduction of any tax made applicable for providing Transmission Service by the TSP as per the terms of this Agreement.”

3. The Model TSA has been adopted in all cases of the inter-State transmission system whose tariff has been discovered through competitive bidding. In terms of the TSAs, the Commission is required to determine the impact of various events of “Change in Law” on tariff and grant appropriate relief. Further, in terms of Section 79(1)(f) of the 2003 Act and Article 16 of the TSA, the Commission has the power to adjudicate any dispute between the TSPs and the LTTCs with regard to “Change in Law”. The Commission in exercise of its power under Section 79(1)(f) of the 2003 Act read with the relevant provisions of the TSAs has allowed expenditures incurred by the TSPs in certain cases which fulfil the requirement of “Change in Law” events under the TSAs.

4. The Parliament has enacted the following Acts in order to introduce a unified indirect tax structure in the form of Goods and Services Tax (GST) which has replaced various Central and State level taxes:

- (a) Central Goods and Services Tax, Act, 2017
- (b) Integrated Goods and Services Tax Act, 2017
- (c) Union Territories Goods and Services Act, 2017
- (d) Goods and Services Tax (Compensation to States) Act, 2017

The respective State Legislatures have enacted the States Goods and Services Act, 2017.

5. These Acts have come into effect from 1.7.2017. Therefore, the taxes and duties which were admissible under “Change in Law” provisions of the TSA have



been replaced by either Central GST or State GST. In addition, certain existing taxes have been abolished and certain new taxes have been introduced leading to variation in the taxes and duties that are required to be paid by the TSPs.

6. In terms of the above Acts, the following taxes have been merged either in Central GST or State GST:

(A) Central GST

- (a) Central Excise Duty
- (b) Additional Duties of Customs (commonly known as CVD)
- (c) Special Additional Duty of Customs (SAD)
- (d) Service Tax
- (e) Central Surcharges and Cesses so far as they relate to supply of goods and services

(B) State GST

- (a) State VAT
- (b) Central Sales Tax
- (c) State Surcharges and Cesses so far as they relate to supply of goods and services

7. Further, as per the Press Release of Ministry of Finance, Government of India dated 7.6.2017, certain taxes have been abolished through the Taxation Laws Amendment, Act, 2017. The taxes which are relevant for the electricity sector, particularly related to transmission are enumerated below:-

- (a) Education Cess on Excisable Goods introduced through the Finance (2) Act, 2004.
- (b) Secondary and Higher Education Cess on Excisable Goods introduced through the Finance Act, 2007.
- (c) Swachh Bharat Cess introduced through the Finance Act, 2015.



(d) Infrastructure Cess and Krishi Kalyan Cess introduced through the Finance Act, 2016.

8. In respect of the projects where “cut off date” which is seven (7) days prior to the Bid Deadline, fall on or before 30.6.2017, the Acts mentioned in para 4 above may be considered as “change in law” in terms of the TSA, if they result in any additional recurring/non-recurring expenditure or income from the business of transmission of electricity of the concerned TSP. In order to facilitate the settlement of the dues arising on account of “Change in Law”, the Commission has initiated this *suo-motu* proceedings with regard to the principles to be adopted for allowing “Change in Law” occurring on or after 1.7.2017.

9. The TSPs are directed to provide the following details on affidavit, for each TSA for ISTA through TBCB with an advance copy to their beneficiaries by 25.1.2018 and the beneficiaries may submit their reply to the information, if any, by 5.2.2018.

Srl. No.	Nature of taxes/duties	Rate of tax/duty on the respective cut-off date	Changes in rate of taxes/duties from cut-off date till 30.6.2017 (pre-GST)	Rate of taxes/duties as on 1.7.2017 (GST)	Changes, if any, in taxes/duties since 1.7.2017

10. The petition shall be listed for hearing on 13.2.2018.

sd/-
(M. K. Iyer)
Member

sd/-
(A. S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

