

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No.160/MP/2022**

- Subject : Petition under Sections 79(1)(c), 79(1)(d) and 79(1)(k) of the Electricity Act, 2003 read with Regulation 4 of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 for giving prior intimation of undertaking the telecommunication business by the Petitioners in compliance with the Commission's letter dated 4.5.2022.
- Date of Hearing : **31.7.2023**
- Coram : Shri Jishnu Barua, Chairperson  
Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Petitioner : Khargone Transmission Limited (KTL) and 3 Ors.
- Respondents : Madhya Pradesh Power Management Co. Ltd. and 19 Ors.
- Parties Present : Shri M. G. Ramachandran, Sr. Advocate, KTL  
Shri Deep Rao Palepu, Advocate, KTL  
Shri Arjun Agarwal, Advocate, KTL  
Shri Ravi Sharma, Advocate, MPPMCL

**Record of Proceedings**

Learned senior counsel for the Petitioners submitted that the Petitioners are, *inter alia*, seeking the approval of revenue sharing with regard to the utilization of spare pairs of optical fibre (OPGW) available on the transmission assets of the Petitioners for data transfer by the Telecommunication Service Providers (TSPs). Learned senior counsel further circulated a note of submissions, which mainly stated as under:

(a) Pursuant to the directions of the Commission vide Record of Proceedings for the hearing dated 25.4.2023, the Petitioners had undertaken the study by engaging KPMG on the OPGW dark fibre leasing rate mechanism, *inter-alia*, considering the transmission/OPGW network of various STUs, the bidding process undertaken by various STUs, the consequent price discovery, etc.

(b) KPMG, in its report, has considered the situation in eight States and determined the per unit utilization rate of Rs.14,250/- per fibre pair per km per annum as the national weighted average of the OPGW leasing floor price as the benchmark price to be considered for the monetization of the Petitioner's spare OPGW capacity.

(c) However, it is necessary to factor in certain differentiating aspects while applying the above benchmark price to the OPGW in the transmission network of



the Petitioners and other similarly placed service providers. For instance, in the case of STU network being considered for bulk leasing, it is unlikely that any TSP would offer to utilize all 21 pairs of OPGW and also the entire circuit kms of STU's transmission lines. They may take only 2 (two) OPGW pairs, and that too for a very limited distance. Similarly, STUs' ability and flexibility to offer an aggregate of over 1000 km of OPGW network in non-contiguous stretches based on the needs of TSP are not at all available to the Petitioners herein.

(d) Considering the inherent differences between STUs' networks and the Petitioners' transmission assets, the price for the present projections may initially be decided based on 2 fibre pairs as per the benchmark of Rs. 14,250/- per fibre pair per km per annum. Based on the actual workings of the proposed business over a period of time, the Commission may undertake a review thereof.

(e) The Petitioners may also be permitted to file their notes of submissions in the matter.

2. Learned counsel for the Respondent No.1, MPPMCL mainly submitted as under:

(a) For the bulk leasing of OPGW as proposed by the Petitioners, the OPGW monetization ratio considered by the Petitioners (4%- 6%) appears to be quite lower than the average monetization ratio (approx. 20%).

(b) The leasing rate of fibre pairs suggested by the Petitioners also appears to be on the lower side. In MPPTCL's case itself, the floor rate for leasing spare OPGW had been Rs. 16,500/- per fibre pair per km per annum.

(c) Earlier, the Petitioners had proposed to share 100% of revenue with LTTCs. However, vide their affidavit dated 12.7.2023, the Petitioners propose to share only 70% of the revenue with LTTCs.

3. Considering the submissions made by the learned senior counsel and learned counsel for the parties, the Commission permitted the Petitioners to file their note of submissions within a week.

4. Subject to the above, the Commission reserved the matter for order.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**