

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

- 1. Shri Ashok Basu, Chairman**
- 2. Shri K.N. Sinha, Member**
- 3. Shri Bhanu Bhushan, Member**
- 4. Shri A.H. Jung, Member**

**Petition No. 54/2005
(Suo motu)**

In the matter of

Engagement in the business of telecommunication by the Central Transmission Utility.

ORDER

In accordance with Section 41 of the Electricity Act, 2003, (the Act), a transmission licensee may with prior intimation to the Commission engage in any business for optimum utilization of its assets and a proportion of the revenues derived from such business shall, as may be specified by the Commission, be utilized for reducing its charges for transmission and wheeling. The transmission licensee is mandated to maintain separate accounts for each such business undertaking to ensure that transmission business neither subsidizes in any way such business undertaking nor encumbers its transmission assets in any way to support such business.

2. Under second proviso to Section 14 of the Act, Power Grid Corporation of India Ltd. in its capacity as the Central Transmission Utility is deemed to be a transmission licensee and is therefore, governed by Section 41 of the Act.

3. It has been represented at the hearings before the Commission by some beneficiaries of the transmission assets owned by the Central

Transmission Utility, that the Central Transmission Utility has diversified its business and is engaged in the business of telecommunication using the assets of transmission business. It has been projected by them that no part of the revenues derived by the Central Transmission Utility from the business of telecommunication is being utilized for reducing the transmission and wheeling charges.

4. The Central Transmission Utility is directed to place the complete facts in this regard on record before the Commission through an appropriate affidavit. The information to be placed on record shall necessarily include the details regarding the telecommunication business being undertaken and the revenues earned therefrom. It should also be stated whether the transmission business subsidises the business of telecommunication or the telecommunication business encumbers upon the transmission assets belonging to the Central Transmission Utility. The affidavit shall be filed latest by 30.6.2005.

**Sd/-
(A.H. JUNG)
MEMBER**

**Sd/-
(BHANU BHUSHAN)
MEMBER**

**Sd/-
(K.N. SINHA)
MEMBER**

**Sd/0-
(ASHOK BASU)
CHAIRMAN**

New Delhi dated the 27th May 2005