

**CENTRAL ELECTRICITY REGULATORY COMMISSION
Core 3, Scope Complex, Lodi Road, New Delhi 110 003
(Tele No.24364911 Fax no.24360010)**

07.11.2007

PRESS RELEASE

**TRANSMISSION CHARGES TO BE REDUCED FOR USE OF
TRANSMISSION ASSETS FOR TELECOM BUSINESS**

The Central Electricity Regulatory Commission (CERC) has proposed a revenue sharing mechanism for use of transmission assets by POWERGRID and other inter-State transmission licensees for telecom business such as by laying and leasing of optical fibre communication cables over their transmission towers. In the draft Regulation issued for public comments, CERC has proposed that the transmission owner shall share revenue at the rate of Rs.3,000/- per year per km of the right of way utilised for laying one optical fibre cable over the transmission towers. Length of the right of way for communication as existing on 1st April shall be considered for calculation of revenue sharable for the period 1st April to 30th September and that existing on 1st October for the period from 1st October to 31st March of the relevant financial year. It may be noted that the Commission has adopted a normative formula for revenue sharing because it is simple to apply and obviates the necessity of getting into the actual profit and loss account of the company's telecom business.

The revenue calculated by applying the specified rate shall be utilised towards reduction of transmission charges payable by the beneficiaries of those assets in proportion to the transmission charges payable by them to the transmission owner and shall be adjusted on monthly basis for the bills of the respective month.

In order to safeguard the interest of transmission beneficiaries, the Commission has stipulated following conditions for carrying out other business by the transmission owners:

- (1) The transmission owner shall ensure that the transmission business does not subsidise the other business.
- (2) The transmission owner shall not in any way encumber its transmission assets to support the other business.
- (3) The transmission owner shall ensure that the utilisation of its assets for the other business shall not in any manner adversely affect its performance or obligations in the transmission business.

The draft regulations on `Sharing of Revenue Derived from Utilisation of Transmission Assets' are available in the website <http://cercind.gov.in>. Comments and suggestions of the stake holders are invited by 23rd November, 2007. The Regulation shall be finalised after taking into account the views received by the Commission.

*Ravinder
Chief (Engg.)
Mob:9868302946*