

# CENTRAL ELECTRICITY REGULATORY COMMISSION

## Record of Proceedings

### PETITION No. 31/2010

Sub: Application for grant of transmission licence to Cross Border Power Transmission Company Ltd.

Date of hearing : 8.7.2010.

Coram : Dr. Pramod Deo, Chairperson  
Shri V.S.Verma, Member

Petitioner : Cross Border Power Transmission Company Ltd.,  
Gurgaon

Respondents : PTC India Ltd, New Delhi  
Power Grid Corporation Ltd., Gurgaon

Parties Present : Shri V.L.Dua, CBPTCL  
Shri S.C.Mishra, CBPTCL  
Shri Vijay Kumar, PGCIL

The application has been made by Cross Border Power Transmission Company Ltd., under Section 15 of the Electricity Act, 2009 read with provisions of Regulation 6(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of the Transmission Licence and other related matters) Regulations, 2009 for grant of transmission licence to undertake the business to establish, commission, operate and maintain 400 kV D/C Muzaffarpur -Sursand section of 400 kV D/C Indo-Nepal cross Border transmission line from Muzaffarpur (India) to Dhalkebar (Nepal).

2. The applicant has submitted that through this transmission system, power will be exported by PTC to Nepal Electricity Authority (NEA) on commercial basis during initial five year and subsequently, NEA has agreed for making surplus power available for export to India through this link, with the development of hydro projects by various IPPs in Nepal. NEA has signed an MOU with IL&FS for implementation of cross border transmission line and MoA was also signed between IL&FS, NEA and PTC on 29.2.2008 for inter-connection between Nepal and India and exchange of Power. Central Government vide its letter dated

23.5.2008 has accorded approval under Section 68 of the Electricity Act, 2003 for implementation of the project.

3. The representative of the applicant submitted that at present, the equity of CPTC is held by IL&FS through its wholly owned subsidiary. PGCIL and SJVNL have confirmed to subscribe 26% of equity and have initialed the draft Shareholder's Agreement (SHA). Out of present equity of Rs. 5 lakh, PGCIL and SJVNL have remitted an amount of Rs. 1.30 lakh each towards their respective share of 26%. He further submitted that formal SHA would be signed after the signing of Transmission Service Agreement (TSA) by NEA and it would submit the copy of signed SHA thereafter. The Commission directed the applicant to submit the copy of the formal agreement.

4. The representative of the applicant further submitted that the copy of the application was served on the respondents as well as Central Transmission Utility (CTU). He further mentioned that CTU vide its letter dated 25.3.2010 has recommended to the Commission to grant transmission licence to the applicant under Section 14 of the Electricity Act, 2003.

5. It is noted that as per Regulation 7 (4) of the Central Electricity Regulatory Commission ( Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009, the applicant is required to serve copy of the application on each of the long-term customers of the project before the making the application for grant of transmission licence. However, the applicant in Form I of the application has mentioned Nepal Electricity Authority as the identified long-term customer, though the copy of application has not been served on the Nepal Electricity Authority. In reply to a query of the Commission who shall be liable to bear the charges in case of any default by NEA, the representative of the applicant clarified that it is taking this business risk. The Commission directed the applicant to file an affidavit to this effect latest by 23.7.2010.

6. Subject to above, order in the petition was reserved.

Sd/-  
(T. Rout)  
Joint Chief (Law)