

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 119/TL/2018**

**Coram:  
Shri P. K. Pujari, Chairperson  
Shri A. K. Singhal, Member  
Dr. M. K. Iyer, Member**

**Date of Order: 27<sup>th</sup> of August, 2018**

**In the matter of**

Application under Section 14 of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 with respect to Transmission License to WR-NR Power Transmission Limited.

**And  
In the matter of**

WR-NR Power Transmission Limited  
B-9, Qutab Institutional Area,  
Katwaria Sarai, New Delhi 110016

.....**Petitioner**

**Vs.**

1. Uttar Pradesh Power Corporation Limited  
14<sup>th</sup> Floor, Shakti Bhawan Extension,  
14- Ashok Marg, Lucknow
2. Chhattisgarh State Power Distribution Company Limited  
4<sup>th</sup> Floor, Sewa Bhawan,  
Dangania, Raipur- 492013
3. Goa Electricity Department  
Electricity Department, Government of Goa  
3<sup>rd</sup> Floor, Vidyut Bhavan, Tiswadi, Goa- 403001
4. Maharashtra State Electricity Distribution Company Limited  
5<sup>th</sup> Floor, Prakashgad, Bandra (E),  
Mumbai- 400051



5. Electricity Department, Daman & Diu  
Kesariya - Diu Road, Gandhipara, Diu,  
Daman and Diu- 362520
6. DNH Power Distribution Corporation Limited  
Vidyut Bhavan, Near Secretariat, Amla, Silvassa,  
Dadra and Nagar Haveli- 396230
7. Gujarat Urja Vikas Nigam Limited  
Sardar Patel Vidyut Bhavan, Race Course, Vadodara  
Gujarat- 390 007
8. M.P. Power Management Company Limited  
Shakti Bhavan, MPSEB Colony, Rampur, Jabalpur,  
Madhya Pradesh- 482008
9. BSES Rajdhani Power Limited  
BSES Bhawan, Nehru Place,  
New Delhi- 110019
10. BSES Yamuna Power Limited  
2nd Floor, Shakti Kiran Bldg., Karkardooma,  
New Delhi- 110092
11. New Delhi Municipal Council  
NDMC, New Delhi- 110001
12. TATA Power Delhi Distribuion Limited  
NDPL House, Hudson Lines, Kingsway Camp,  
Delhi - 110009
13. Power Development Department, Jammu & Kashmir  
Govt. of Jammu & Kashmir, SLDC Building,  
1<sup>st</sup> Floor, Gladani Power House,  
Narwal, Jammu
14. Ajmer Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Panchsheel Nagar, Makarwali Road,  
Ajmer- 305004
15. Jodhpur Vidyut Vitran Nigam Limited  
New Power House, Industrial Area,  
Jodhpur - 342 003
16. Jaipur Vidyut Vitran Nigam Limited  
Vidyut Bhawan, Janpath, Jaipur



Rajasthan- 302005

17. Uttarakhand Power Corporation Limited  
Victoria Cross Vijeyta Gabar Singh Urja Bhawan, Kanwali Road,  
Balliwala Chowk, Dehradun- 248001

18. Electricity Wing of Engineering Department, Union Territory of Chandigarh  
OP Circle, 5<sup>th</sup> Floor,  
New Deluxe Building,  
Sector- 9, Chandigarh

19. Himachal Pradesh State Electricity Board Limited  
Vidyut Bhawan,  
Shimla- 171004

20. Haryana Power Purchase Centre  
Shakti Bhavan Sector - 6,  
Panchkula - 134 109

21. Punjab State Power Corporation Limited  
Thermal Sheds, T 1-A, Patiala

22. Rajasthan Discoms Power Procurement Centre  
Shed No. 5/4, Vidyut Bhawan, Janpath,  
Jyoti Nagar, Jaipur- 302005

23. Rajasthan Urja Vikas Nigam Limited  
Vidyut Bhawan, Jyoti Nagar, Janpath,  
Jaipur – 302005

.....Respondents

1. REC Transmission Projects Company Limited,  
ECE House, 3<sup>rd</sup> Floor, Annexe-II,  
28A, K.G. Marg, New Delhi- 110001

2. Power Grid Corporation of India Limited  
Saudamini, Plot No.2, Sector-29  
Gurgaon, Haryana- 122001

.....Proforma Respondents

**The following were present:**

Shri B. Vamsi, WR-NR PTL  
Shri Mani Kunal, WR-NR PTL  
Ms. Jyoti Prasad, WR-NR PTL



## ORDER

The Petitioner, WR-NR Power Transmission Limited has filed the present petition under Section 14 of the Electricity Act, 2003 (hereinafter referred to as "the Act") read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for Grant of Transmission License and other related matters) Regulations, 2009 to establish Transmission System for "NEW WR-NR 765 kV Inter-Regional corridor" (hereinafter referred to as "Transmission System") on Build, Own, Operate and Maintain (BOOM) basis comprising the following elements:

Scheme/ Transmission Works	Completion Target
<b>New WR-NR 765 kV Inter-Regional Corridor</b>	
765 kV Vindhyanchal Pooling Station- Varanasi D/C line	40 months
<b>Note:</b>	
i. POWERGRID will provide 2 nos. 765 kV line bays at Vindhyanchal 765/400 kV PS for termination of Vindhyanchal Pooling Station – Varanasi 765 kV D/c line.	
ii. POWERGRID will provide 2 nos. 765 kV GIS line bays at Varanasi 765/400 kV GIS Substation along with 2 nos. 1x330 MVAR line reactor for termination of Vindhyanchal PS – Varanasi 765 kV D/c line.	

2. The Petitioner, vide its affidavit dated 11.6.2018, has informed that the name of the company has been changed from WR-NR Power Transmission Limited to Powergrid Varanasi Transmission System Limited with effect from 5.6.2018. The certificate of change of name from WR-NR Power Transmission Limited to Powergrid Varanasi Transmission System Limited dated 5.6.2018 issued by Registrar of Companies, Delhi has been placed on record. Accordingly, the name of the Petitioner has been changed to Powergrid Varanasi Transmission System Limited on the record of the Commission.



3. Based on the competitive bidding carried out by REC Transmission Projects Company Limited (hereinafter referred to as RECTPCL) in accordance with the Guidelines issued by Ministry of Power, Govt. of India under Section 63 of the Act, M/s Power Grid Corporation of India Limited emerged as the successful bidder with the lowest levelized transmission charges of ₹ 927.33 million/annum.

4. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “the Transmission Licence Regulations”) *prima facie* proposed to grant licence to the Petitioner. Relevant para of our order dated 16.7.2018 is extracted as under:

“18. We have considered the submissions of the Petitioner and UPPCL and perused documents on record. UPPCL in its reply has raised the procedural issues which have been dealt with in this order. The proviso to para 2.4 of the RfP provides that "if for any reason attributable to the BPC, the said activities are not completed by the Selected Bidder within the above period of ten (10) days as mentioned in this clause, such period of 10 days shall be extended, on a day to day basis till the end of the Bid validity period". Though Lol was issued on 1.3.2018, BPC, vide its letters dated 12.3.2018 and 23.3.2018, in terms of clauses 2.4, 2.5 and 2.6 of RfP extended the date upto 6.4.2018 for completion of all activities by the successful bidder. The selected bidder furnished the Contract Performance Guarantee to the Long Term Transmission Customers of the project for an amount of Rs. 30.38 crore and has acquired hundred percent equity-holding in the applicant company on 27.3.2018 after execution of the Share Purchase Agreement. The TSP on behalf of the selected bidder filed the application for adoption of tariff on 6.4.2018. Considering the material on record, we are *prima-facie* of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission system as described in para 1 of this order. We, therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestions, if any, be filed by any person before the Commission by 3.8.2018.”



5. A public notice under Section 15 (5) of the Act was published on 21.7.2018 in all editions of Hindustan Times and Dainik Jagran (Hindi). No suggestions/objections have been received from the members of the public in response to the public notice.

6. The Petitioner, vide order dated 16.7.2018, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken in obtaining statutory clearances required under RfP and the TSA or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its affidavit dated 26.7.2018 has submitted that the transmission project is governed by the pre-signed TSA dated 27.3.2018 and all the terms of the TSA including Article 16 of the TSA are integral part of the TSA and are binding on the signatories of the agreement. The Petitioner has submitted that in terms of the TSA, it would implement the project as per the provisions of the Article 16.4 of the TSA which is extracted as under:

"16.4. Parties to Perform Obligation: Notwithstanding the existence of any Dispute and difference referred to the Appropriate Commission or the Arbitration Tribunal as provided in Article 16.3 and save as the Appropriate Commission or the Arbitration Tribunal may otherwise direct by a final or interim order, the Parties hereto shall continue to perform their respective obligations (which are not in dispute) under this Agreement."

7. The Petitioner has submitted that the time over-run and cost over-run shall be claimed by the Petitioner in accordance with the applicable provisions of the TSA read with the provisions of the Electricity Act, 2003, bidding documents and the Regulations of the Commission.

8. In our order dated 16.7.2018, the following provisions of the TSA with regard to quality control and workmanship were taken note of:

(a) As per Article 5.1.1 of the TSA, the TSP at its own cost and expense, shall



be responsible for designing, constructing, erecting, completing and commissioning each element of the project by Scheduled COD in accordance with the various regulations of the Central Electricity

(b) Article 5.4 of the TSA provides that the TSP shall ensure that the project is designed, built and completed in a good workmanlike manner using sound engineering and construction practices and using only materials and equipment that are new and of international utility grade quality such that the useful life of the project will be till the expiry date.

(c) The design, construction and testing of all equipment, facilities, components and systems of the project shall be in accordance with Indian Standards and Codes issued by Bureau of India Standards.

Accordingly, the Petitioner was directed to submit the information with regard to quality control mechanism available or to be put in place to ensure the compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA.

9. The Petitioner, vide its affidavit dated 26.7.2018, has submitted that in terms of the TSA, the applicant would implement the project as per the provisions of the Article 5 dealing with construction of the project. The Petitioner has submitted that the provisions of the TSA including those related to quality control during construction of the project are binding on the parties. The Petitioner has submitted that it is a wholly owned subsidiary of Powergrid and follows the same quality standards and practices as are being followed by Powergrid.



10. We have considered the submission of the Petitioner. In the TSA, there is provision for the lead procurer to designate at least three employees for inspection of the progress of the project. Further, the Petitioner is required to give a monthly progress report to the lead procurer and the CEA about the project and its execution. The TSA also vests a responsibility in the CEA to carry out random inspection of the project as and when deemed necessary. We consider it necessary to request CEA to devise a mechanism for random inspection of the project every three months to ensure that the project is not only being executed as per the schedule, but the quality of equipment and workmanship of the project conforms to the Technical Standards and Grid Standards notified by CEA and IS Specifications. In case of slippage in execution of the project within the timeline specified in the TSA or any non-conformance to the Grid Standards/Technical Standards/IS Specifications. CEA is requested to promptly bring the same to the notice of the Commission so that appropriate direction can be issued to the licensee for compliance.

11. As regard the grant of transmission licence, Clauses (15) and (16) of Regulation 7 of Transmission Licence Regulations provide as under:

“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reasons.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity to the applicant, the Central Transmission Utility, the Long-term customers, or the person who has filed suggestions and objections, or any other person:





Provided further that the applicant shall always be given a reasonable opportunity of being heard before rejecting the application.”

12. In our order dated 16.7.2018, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. We are satisfied that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject transmission system mentioned at para 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, Powergrid Varanasi Transmission Limited, to establish the transmission system for “NEW WR-NR 765 kV Inter-Regional Corridor” on Build, Own, Operate and Maintain basis as per the details given in para 1 above.

13. The grant of transmission licence to the Petitioner (hereinafter referred to as the ‘licensee’) is subject to the fulfillment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof and the terms and condition of the TSA during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the licensee may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with



Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The licensee shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.

(h) The licensee shall provide non-discriminatory open access to its transmission system for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time or any subsequent re-enactment thereof;

(i) The licensee shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;

(j) The licensee shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and

(l) The licensee shall ensure execution of the project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA.

(m) The licensee shall as far as practicable coordinate with the licensee (including deemed licensee) executing the upstream or downstream transmission projects and the Central Electricity Authority for ensuring execution of the project in a matching timeline.

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance Regulations, Transmission Service Agreement or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

14. Central Electricity Authority shall monitor the execution of the project and bring to the notice of the Commission any lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Act and Transmission Licence Regulations.

15. A copy of this order shall be sent to CEA for information and necessary action.

16. Petition No. 119/TL/2018 is disposed of in terms of the above.

**Sd/-**  
**(Dr. M. K. Iyer)**  
**Member**

**sd/-**  
**(A. K. Singhal)**  
**Member**

**sd/-**  
**(P. K. Pujari)**  
**Chairperson**

