

Ref. No: CE/PP/Draft Tariff Regulation/

030479

Date: 04 NOV 2019

To,
Mr. Sanjay Kumar Jha,
Secretary,
Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
36, Janpath, New Delhi – 110 001.

Subject: Comment on Draft Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other business) Regulations, 2019.

Reference: CERC public notice vide no. L-1 /246/2019/CERC dated 25.09.2019

Sir,

This is with reference to CERC's public notice under reference with regard to seeking comments and suggestions of stakeholders on "Draft Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other business) Regulations, 2019". MSEDCL welcomes Hon'ble CERC's steps with positive gestures for involving DISCOMs which is major stakeholder.

In this regards, MSEDCL's comments are as follows:

1) Sharing of Revenue:

Hon. Commission in furtherance to its Order in Petition No. 180/MP/2017 in matter for intimation to engage in other business for optimum utilization of transmission assets by mounting of telecom antennas and mobile communication equipment by tapping the induced power in earth wire has proposed this modification in regulation. While doing so, to derive at quantum of revenue to be shared by transmission licensee, Commission has considered OPGW business as a reference for case study. However, there is no utilization of power/ electricity in OPGW as against in the present telecom Business wherein mounting of telecom antennas and mobile communication equipment by tapping the induced power in earth wire is carried out and further it utilizes DISCOM's power (DISCOMs are already paying for such power). Further, DISCOMs are paying for transmission assets utilized for these businesses through PoC mechanism. Hon'ble CERC in its order dated 28.05.2019 has also mentioned about this as under

"In our view, the proposal of the Petitioner can be seen as a proposal to use the wasted energy already being paid by Discoms for some productive purpose. It is in national interest if loss of energy can be reduced and put to some beneficial use."

As total expenditure is borne by DISCOMs, it is proposed that 50% of the

gross revenue to be passed on to the DISCOMs and 50% of revenue towards supervision charges, etc. to be given to transmission licensee.

2) Advancement in Insulation Technology, feasibility of project and Contractual Disputes:

In its petition, PGCIL has highlighted the power induced in earth wire as transmission losses of the system. However, Commission failed to consider that this induced power may be reduced to minimal level in future due to developments in insulation technology. In that case, sufficient power by tapping earth wire may not be available to such business. In such circumstance, the operation of such telecom network (with whom PGCIL has signed contract) may not be feasible which may create contractual disputes between telecom service provider and PGCIL. The loss arising out of the disputes in future between PGCIL and owners of telecom companies due to any reason, must be borne by PGCIL and no burden should be passed on to the DISCOMs. Further, in case the gross revenue from this business is negative, PGCIL should borne these losses and DISCOMs should not be burdened by such losses.

- 3) Hon. Commission in its Order dated 28.05.2019 in Petition No. 180/MP/2017 has mentioned that "*power to be utilized by PGCIL is neither generated nor resale*" but, use of such induced power by cutting earth wire may be seen as tampering of network, as energy used for other business is neither recorded nor billed under appropriate tariff.
- 4) Hon. Commission in the regulation has segregated Telecommunication Business and Business Other than Telecommunication Business which may widen the scope of utilization of such energy (by tapping earth wire) which is threat to DISCOMs as Hon. Commission in its basic Order dated 28.05.2019 has ruled out that such proposed arrangement is not covered under the functions of distribution licensee. Thus, MSEDCL suggest that as there might be a possibility of commercialization of use of such induced power for institutional gain by providing power to small stalls for light and fan, single phase Ag. Pumps etc., Commission should not allow such businesses.

MSEDCL requests Hon. Commission to kindly consider MSEDCL's comments/suggestions on the Draft CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other business) Regulations, 2019.

Thank you,

Yours faithfully,



(Satish Chavan)

Director (Commercial)
MSEDCL

Copy s.w.rs.to:

Chairman & Managing Director, MSEDCL, HO, Mumbai