

PCKL/DDP-1/ADP-4/2019-20/ 3660-66

Dated: 30 OCT 2019

To,
The Secretary,
Central Electricity Regulatory Commission,
3rd and 4th Floor, Chanderlok building, 36, Janpath,
New Delhi- 110001.

Sir,

Sub: Submission of Comments/Views on the Draft CERC (Sharing of Revenue derived from utilisation of transmission assets for other business) Regulations, 2019.

PCKL, on behalf of the Distribution Companies of Karnataka, would like to furnish the views/comments on the proposed Draft CERC (Sharing of Revenue derived from utilisation of transmission assets for other business) Regulations, 2019 as shown in the Annexure.

Yours faithfully,

Pranavul (30/10)
Additional Director (Projects)
PCKL, Bengaluru.

Copy to:

1. The Managing Director, BESCOM/MESCOM/CESC Mysore/HESCOM/GESCOM for information.
2. PS to Chairman, PCKL and ACS, Energy Department, GoK for placing before the ACS, Energy Department, GoK.
3. OC/MF.

As Existing	To be Amended	Remarks
<p>5(a) For Telecommunication Business: In case the transmission licensee engages in telecommunication business, an amount equal to 10% of the gross revenue from such business in a given financial year shall be shared with the Long Term Customers.</p>	<p>5(a) For Telecommunication Business: In case the transmission licensee engages in telecommunication business, <u>sharing of revenue shall be in the ratio of 50:50 of the net revenue, after deduction of all direct and indirect costs</u> with the Long Term Customers.</p>	<p>The Hon'ble Commission after taking into consideration the opinions/views/comments/suggestion, reports of the committee and due discussions with stakeholders has issued an order for sharing 50:50 of net revenue with long term customers. in petition no.180/MP/2017 dated 28.05.2019.</p>
<p>6. Reduction in Transmission Charges:(1) The revenue to be shared by the transmission licensee in accordance with these regulations shall be utilised towards reduction of transmission charges payable by the Long Term Customers of the transmission assets utilised for Other Business in proportion to the transmission charges payable by them to the transmission licensee and shall be adjusted in the monthly bills.</p> <p>(2) For this purpose, in any financial year, the revenue of previous financial year shall be considered to arrive at monthly adjustment in the transmission charges.</p>	<p>6. Reduction in Transmission Charges:(1) The revenue to be shared by the transmission licensee in accordance with these regulations shall be utilised towards reduction of transmission charges payable by the Long Term Customers of the transmission assets utilised for Other Business in proportion to the transmission charges payable by them to the transmission licensee and shall be adjusted in the monthly bills. <u>The amount of telecom business, so reduced from the transmission charges shall be separately indicated in the monthly bill.</u></p> <p>(2) For this purpose, in any financial year, the revenue of previous financial year shall be considered to arrive at monthly adjustment in the transmission charges.</p>	<p>This will indicate the long term customers on the revenue they have earned month on month through telecom business carried out by the transmission licensee.</p>

8(4) In case the transmission licensee intends to form a subsidiary company, as defined under Companies Act, 2013, for engaging in Other Business utilizing the transmission assets, the transmission licensee shall file a petition for prior approval of the Commission.

8(4) The transmission licensee shall carry out the work through its own company without intending to form a subsidiary company.

Forming a subsidiary company may increase the expenses of the company which may not be compensated by the telecom business, as the telecom business is having huge competition resulting in reduction of revenue.

The long term customers should not be burdened by the transmission licensee in any form resulting from its increased expenditures due to other business.