

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 195/MP/2018

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

Date of Order: 10th of January, 2019

IN THE MATTER OF

Petition for modification in the Transmission Licence No. 12/Transmission/2010/CERC dated 1st December 2010 granted to "Cross Border Power Transmission Company Limited" for 400 kV D/C Muzaffarpur-Sursand Transmission Line and 2 (two) nos. of 220 kV Line bays at 400 kV Muzaffarpur sub-station.

**AND
IN THE MATTER OF**

Cross Border Power Transmission Company Ltd.
1st Floor, Corporate Office Tower,
Ambience Mall Complex, Ambience Island, NH-8,
Gurgaon122001, Haryana

....Petitioner

VERSUS

Power Grid Corporation of India Ltd
"Saudamini" Plot No. 2, Sector-29
Near IFFCO Chowk,
Gurgaon122001, Haryana

...Respondent

Parties Present:

- 1) Shri I.N Jha, CPTCL
- 2) Shri Navin Kumar Poddar, CPTCL
- 3) Shri Pankaj Sharma, PGCIL

ORDER

The Petitioner, Cross Border Power Transmission Company Limited has filed the present Petition for modification of its inter-State Transmission Licence.



2. By order dated 1.12.2010, Cross Border Power Transmission Company Limited was granted transmission licence in accordance with Central Electricity Regulatory Commission (Procedure, Terms and Conditions of Transmission licence and other related matters) Regulations, 2009 as amended from time to time (hereinafter referred to as the 'Transmission Licence Regulations') for establishing, commissioning, operating and maintaining of the following Transmission System;

(a) Transmission Lines:

Sl. No.	Name (end points location)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)
1.	Muzaffarpur-Sursand (Portion of the line falling in Indian territory)	400 kV to be initially charged at 220 kV	90 Km	D/C Twin Moose

(b) Sub-stations:

Sl. No.	Name (Locations)	Voltage Class (kV)	No. of Bays
1	Bay Extension work at Muzaffarpur Substation of Power Grid	220	2

3. The main objectives of the Petitioner's Company inter alia includes engaging in the business of building, maintaining and operating transmission systems between India and neighbouring countries like Nepal, Bhutan, Bangladesh, Myanmar, Sri Lanka and Pakistan for the purpose of export and import of electricity, transmission of data and other related business. In order to promote cross border trade and transfer of electricity a Joint meeting between the Indian Delegation consisting of officials from Ministry of Power, Government of India, CEA, POWERGRID, IL&FS and PTC India Limited and the Nepalese delegation consisting of officials of Nepal Electricity Authority was held on 17.9.2017 at Kathmandu in which it was unequivocally decided that in order to facilitate



transaction of electricity over power exchange, initially one 400 kV D/C inter-connection between Dhalkebar in Nepal to Muzaffarpur(PG) in India will be implemented and as the Nepal grid was not having a 400 kV system, the line will be initially charged at 220 kV.

4. The Petitioner has submitted as under:

(a) The Petitioner has successfully developed, implemented and commissioned the Transmission System of 400 kV D/C Muzaffarpur--Sursand (Indian portion of 400 kV Muzaffarpur-Dhalkebar cross border line) along with 2 (Two) nos. of 220 kV bays at 400 kV Muzaffarpur Substation of Power grid of Indo-Nepal Cross Border Transmission Line and the transmission line has been declared under commercial operation from 19.2.2016.

(b) The entire transmission capacity of the line is available to Nepal Electricity Authority on payment of Transmission Charges as per the mutually negotiated "Implementation and Transmission Service Agreement (ITSA)" between Nepal Electricity Authority and the Petitioner. The transmission charges are not a part of the ISTS pool.

(c) On 21.10.2014, under the co-operation in cross-border power exchange and trading between India and Nepal through enhanced transmission inter-connections and grid connectivity, an agreement was signed between the Government of India and the Government of Nepal to meet the ever increasing demand of electricity for the socio-economic development and for the mutual benefit of both the countries. Inter alia the following inter-governmental groups to promote and facilitate co-operation in Power sector were constituted:



(i) A Joint Working Group (JWG), co-chaired by Joint Secretaries of the Power/ Energy Ministries of the two countries to promote and facilitate cooperation in the areas identified under the Agreement.

(ii) A Joint Steering Committee (JSC) co-chaired by the Power/ Energy Secretaries of the two countries to review the progress made by the Joint Working Group.

(d) Nepal faces acute power shortages to the extent of 900 MW during the dry season. A part of the demand is met by imports of about 500 MW from India, out of which about 145 MW is through the newly commissioned 400 kV D/C Muzaffarpur-Dhalkebar Transmission Line and remaining power requirement is being met through 132 kV, 33 kV and 11 kV radial inter-connections bordering Bihar and Nepal.

(e) Nepal has seen a consistent growth in power demand by around 8% per annum and it is anticipated that in the near future Nepal's import from India may exceed 800 MW during winter months.

(f) The operation of 400 kV D/C Muzaffarpur- Dhalkebar cross border transmission line at its rated voltage of 400 kV (the line is currently operating at 132 kV) was discussed by the 'Joint Steering Committee' ('JSC') in the 5th meeting held on 17.4.2018 wherein it was informed that 400 kV sub-station at Dhalkebar under the scope of Nepal side is expected to be completed by December, 2019.



(g) In the above meeting, JSC noted that the Petitioner had already implemented the 400 kV Muzaffarpur--Dhalkebar line and it was decided that the additional 2 Nos. of 400 kV line bays at 400 kV Muzaffarpur Sub-station of PGCIL, of the Indian side may be implemented by the Petitioner only under the existing ITSA.

(h) The decision was followed by Nepal Electricity Authority letter Ref. 074-075/MDS-957 dated 26th April 2018 informing the Petitioner that Nepal Electricity Authority has awarded the work of 400 kV Dhalkebar Substation and it is expected to be completed by the end of December, 2019. NEA requested the Petitioner, CPTC to complete the 400 kV bay works at Muzaffarpur substation in the time frame matching the above schedule for commissioning of the line at rated voltage of 400 kV by 1.1.2020. The target completion of 2 Nos. 400 kV bays at 400 kV Muzaffarpur has been specified as December, 2019.

(i) Considering the criticality of the timely completion of the line, the Petitioner is seeking the modification of Transmission Licence to incorporate the following 2 nos. 400 kV bays (New) in addition to the already existing 2 nos. 220 kV bays at 400 kV Muzaffarpur Substation;

(a) Transmission Lines:

Sl. No.	Name (end points location)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)	Remarks
1	Muzaffarpur-Sursand	400 kV	90 Km	D/C Twin Moose	Under operation

(b) Sub-stations: (Modified)



Sl. No.	Name (Locations)	Voltage Class (kV)	No. of bays	Remarks
1.	Bay Extension work at Muzaffarpur Substation of Power Grid	400	2	New
2.	Bay Extension work	220	2	Existing

5. Notice was issued to the Respondent to file its reply. No reply has been filed by the Respondent.

6. The Petitioner has served a copy of the application on the Central Transmission Utility (CTU) on 14.5.2018 as required under Section 15(3) of the Act and Regulation 7(6) of the Transmission Licence Regulations. CTU in its letter dated 23.5.2018 has recommended for grant of transmission licence to the Petitioner for incorporation of 2 nos 400 kV line bays at Muzaffarpur (POWERGRID) sub-station . Relevant portion of the said letter dated 23.5.2018 is extracted as under:

“This has reference to the application filed by M/s Cross Border Power Transmission Company Limited (CPTC) for modification in the transmission licence no. 12/Transmission/2010/CERC dated 1.12.2010. The application covers implementation of 2 no. 400 kV lines bays at Muzaffarpur (POWERGRID) S/s in place of 2 no. 220 kV bays by M/s CPTC for 400 kV operation of Muzaffarpur (India)- Dhalkebar (Nepal) 400 kV D/c line (presently operated at 132 kV).

The applicant vide licence no. 12/Transmission/2010/CERC dated 1.12.2010 was granted transmission license by Hon'ble CERC for implementation of Muzaffarpur-Sursand (India portion of Muzaffarpur- Dhalkebar cross-border line) 400 kV D/c line (to be initially operated at 220 kV) along with 2 no. 220 kV line bays at Muzaffarpur (POWERGRID) S/s. The line has been completed, however, in view of non-readiness of 220 kV level at Dhalkebar end, the line is being operated at 132 kV instead of originally planned 220 kV operation.

As per the 5th meeting of Joint Working Group (JWG) and Joint Steering Committee (JSC) on India-Nepal Cooperation in Power Sector held on 16.4.2018 and 17.4.20189 respectively, the 220 kV and 400 kV levels at Dhalkebar end are expected to be completed by May, 2018 and Dec, 2019 respectively. Further, it



was decided in the meetings that for 400 kV operation of Muzaffarpur- Dhalkebar line, 2 no. 400 kV line bays at Muzaffarpur (POWERGRID) are to be implemented by M/s CPTC as per the existing Implementation & Transmission Service Agreement (ITSA) between M/s CPTC and Nepal Electricity Authority (NEA).

The approval of Ministry of Power (MoP) for implementation of 2 no. 400 kV line bays at Muzaffarpur (POWERGRID) substation by M/s CPTC, for 400 kV operation of Muzaffarpur-Dhalkebar cross-border line is not available in the application filed by M/s. CPTC.

Based on the details furnished by M/s CPTC and in line with Section 15 (4) of the Electricity Act, 2003, POWERGRID as CTU recommends grant of transmission license to M/s CPTC for incorporation of 2 no. 400 kV line bays at Muzaffarpur (POWERGRID) substation (for 400 kV operation of Muzaffarpur-Dhalkebar line) in addition to the 2 no. 220 kV line bays for which license was already granted, subject to requisite approval from Ministry of Power (MoP) for implementation of the same by Ms. CPTC.”

7. Central Electricity Authority vide its letter dated 29.5.2018 has accorded approval for the bay extension work at Muzaffarpur substation of POWERGRID for 2 nos. of 400 kV Bays. Relevant portion of the said letter is extracted as under:

“...3. In this connection, it is informed that, as per Section 68(1) of Electricity Act, 2003 prior approval of the Appropriate Government is required for installation of an overhead line above ground. Ministry of Power, vide their letter dated 16.5.2008, had conveyed the prior approval of the Government of India under Section 68(1) of Electricity Act, 2003 to CPTC for implantation of Indian portion of Muzaffarpur—Dhalkebar 400 kV D/C transmission line (initially to be operated at 200kV) between India and Nepal and subsequently extension was granted by MoP vide letter dated 12/2/2006-PG dated 17.06.2011. Therefore, no further approval for 2 Nos. of 400 kV bay extensions at Muzaffarpur substation of POWERGRID is required.”

8. According to the Petitioner, the entire transmission capacity of the line would be available to Nepal Electricity Authority on payment of Transmission Charges as per the mutually negotiated “Implementation and Transmission Service Agreement (ITSA)” between Nepal Electricity Authority and licensee. The Transmission charges are not part of the ISTS pool and are not borne by the ISTS beneficiaries.



9. During the course of hearing on 13.12.2018, the representative of the Petitioner submitted that the Petitioner has complied with all the requirements and requested to modify the transmission licence granted to the Petitioner.

10. We have considered the submissions of the Petitioner and perused documents on record. Central Electricity Authority vide its letter dated 29.5.2018 has granted approval to the Petitioner under Section 68(1) of Electricity Act, 2003 for the bays. CTU vide its letter dated 23.5.2018 has recommended for modification of transmission licence as proposed by the Petitioner. We are *prime facie* of the view that the Petitioner has fulfilled all the conditions and has obtained all the approvals for modification of transmission licence.

11. Since, the Petitioner's company meets the requirements of the Act and the Transmission Licence Regulations for the modification of transmission licence, we direct that transmission licence granted to the Petitioner, namely, Cross Border Power Transmission Company Limited, be amended to undertake the business of modifying, establishing, commissioning, operating and maintaining of the Transmission System as under:

(a) Transmission Line:

Sl. No.	Name (end points location)	Voltage Class (kV)	Length (Km)	Type (S/C or D/C)	Remarks
1	Muzaffarpur-Sursand	400 kV	90 Km	D/C Twin Moose	Under operation



(b) **Sub-stations:**(Modified)

Sl. No.	Name (Locations)	Voltage Class (kV)	No. of bays	Remarks
1.	Bay Extension work at Muzaffarpur Substation of Power Grid	400	2	New
2.	Bay Extension work	220	2	Existing

12. Amendment to the transmission licence of the Petitioner (hereinafter referred to as the “licensee”) is subject to the fulfilment 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 from the date of grant of transmission licence i.e 1.12.2010;

(b) If the useful life of the transmission system extends beyond the period of 25 years, the licensee may make an application, two years before the expiry of initial period, for grant of licence for another term in accordance with the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(c) 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:

(d) 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, 2008, as amended from time to time or any of other



regulations in force. 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 licence;

(e) 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 subsection (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(f) 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 Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, as amended from time to time;

(g) 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;



(h) 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 Order in Petition No.31 of 2010 specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time.

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

13. A copy of this order be sent to the Central Government in Ministry of Power and CEA in terms of sub-section (7) of Section 15 of the Electricity Act, 2003 for their information and record.

14. We direct that necessary endorsement be made on the licence issued to the Petitioner with regard to amendment to the transmission licence.

15. The Sharing of transmission charges shall be governed as per agreement entered into between the Petitioner and Nepal Electricity Authority.

16. Petition No. 195/MP/2018 is disposed of in terms of the above.

sd/-
(Dr. M.K. Iyer)
Member

sd/-
(P. K. Pujari)
Chairperson

