

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 544/MP/2020  
along with IA No.54/2020**

- Subject : Petition Regulations 4 and 10 of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 read with Regulations 111, 112 and 113 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for giving prior intimation of undertaking telecommunication business by the Petitioner and for determination of revenue sharing mechanism.
- Date of Hearing : 15.4.2021
- Coram : Shri P. K. Pujari, Chairperson  
Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member
- Petitioner : Sterlite Power Grid Ventures Limited (SPGVL)
- Respondents : Madhya Pradesh Power Management Company Limited (MPPMCL) and 27 Ors.
- Parties Present : Shri Jafar Alam, Advocate, SPGVL  
Shri Deep Rao Palepu, Advocate, SPGVL  
Ms. Harneet Kaur, Advocate, SPGVL  
Shri T.A.N. Reddy, SPGVL  
Shri Anindya Khare, MPPMCL

**Record of Proceedings**

Case was called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the present Petition has been filed, *inter-alia*, for prior intimation to the Commission for carrying out the proposed business model and for approval and adoption of the proposed business model and the revenue sharing mechanism in terms of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, (in short, 'Revenue Sharing Regulations'). Learned counsel further submitted the following:

(a) The present Petition has been filed by the Petitioner, in the capacity of the holding company of its four Special Purpose Vehicle ('SPV') companies which have been granted transmission licences by the Commission. The Petitioner has been duly authorised by the said SPVs to file the present Petition on their behalf.

(b) Other businesses which the Petitioner's SPVs intend to undertake include (i) right of use of vacant fibres of existing OPGW fibre assets that are ready or are being deployed over existing transmission lines, (ii) licensing of vacant spaces on transmission towers for mounting of telecom antenna and associated equipment,

(iii) licensing of vacant spaces at the land of sub-station to deploy/ house telecom equipment, and (iv) right to deploy OPGW fibre cables, whereby certain fibre cables may be used by the Petitioner/ SPVs for SCADA while remaining may be utilised by eligible entities.

(c) Vide Record of Proceedings for the hearing dated 20.8.2020, the Petitioner was directed to furnish certain additional details/ information, which have been submitted vide affidavit dated 30.8.2020.

(d) The Petitioner's SPVs are not desirous of undertaking telecom business by themselves and will merely be licensing spaces and unutilised fibre to other registered and regulated telecom entities ('eligible entities'). The Petitioner will not construct telecom assets or maintain them or provide telecom services of any nature whatsoever.

(e) The Commission in its order 28.5.2019 in Petition No. 180/MP/2017 had already considered similar proposal of PGCIL. However, unlike PGCIL's proposal, the Petitioner's SPVs would not be providing for drawing of power by such eligible entities and it would be for them to arrange their power requirements.

(f) At present, the Petitioner has proposed to share 10% of its gross revenue from such other businesses in a given financial year with the long term transmission customers. However, the Petitioner has also sought liberty to approach the Commission, in case 10% revenue share is not viable since the proposed business model is unique and unprecedented and is contingent upon response to be shown by the existing market players in the telecom segment.

(g) The Petitioner company, SPGVL now stands amalgamated with Sterlite Power Transmission Limited. Thus, the Petitioner may be permitted to file an additional affidavit in this regard.

(h) The Petitioner has also filed IA No.54/2020 seeking interim directions for implementing the proposed business model for sharing of potential passive infrastructure assets with the interested eligible entities for utilization of transmission assets during the pending of the present Petition. However, at present, the Petitioner is not pressing for the said IA. 54/2020.

3. The representative of the Respondent, MPPMCL submitted that the Respondent has already filed its reply to the Petition and has nothing further to add.

4. In response to the specific query of the Commission as to whether the various activities proposed by the Petitioner in the vacant space/ land are permissible under the applicable rules/ regulations and the conditions, if any, imposed by the concerned authorities while allotting/ leasing the land, learned counsel for the Petitioner submitted that reply to the aforesaid query has already been filed by the Petitioner vide its affidavit dated 30.8.2020. It was submitted that the land for the sub-stations for all four SPVs has been acquired through private negotiations and has not been allotted or leased out by the Government. It was also submitted that none of the land so purchased, carry with them any separate restrictions or limitation and thus, licensing of such vacant space/ land to eligible entities for telecom use as per the proposed business model will not violate any laws, rules or regulations.

5. In response to the Commission's observation that since the Petitioner is only concerned with the licensing of the space and not with the end usage or placing of telecom equipment by the licensees, it is not clear as to who will be responsible for

complying with the various safety and security standards, learned counsel for the Petitioner submitted that the usage of the vacant space by the licensees shall be restricted and that the Petitioner has also filed the draft licence agreements in this regard. It was also submitted by the learned counsel for the Petitioner that the proposed businesses will pose no risk whatsoever to the transmission assets and that installation of telecom equipment shall be done only after conducting extensive tests and studies *inter alia* related to the safety and security of the transmission assets.

6. Based on the request of learned counsel for the Petitioner, the Commission permitted the Petitioner to file additional affidavit as prayed for to bring on record the amalgamation of the Petitioner company with Sterlite Power Transmission Limited within a week from the issuance of ROP.

7. After hearing the learned counsels for the parties, the matter was reserved for order.

**By order of the Commission**

**Sd/-  
(T.D. Pant)  
Joint Chief (Law)**