

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 561/AT/2020**

Subject : Application under Section 63 of the Electricity Act, 2003 for adoption of transmission charges with respect to the transmission system to be established by Vapi-II North Lakhimpur Transmission Limited.

**Petition No. 599/TL/2020**

Subject : Application under Sections 14,15 and 79(1)(e) of the Electricity Act, 2003 read with Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 with respect to grant of transmission licence to Vapi-II North Lakhimpur Transmission Limited

Date of Hearing : 19.3.2021

Coram : Shri P. K. Pujari, Chairperson  
Shri I. S. Jha, Member  
Shri Arun Goyal, Member  
Shri P. K. Singh, Member  
Shri Prakash S. Mhaske, Member (ex-officio)

Petitioner : Vapi-II North Lakhimpur Transmission Limited (VNLTL)

Respondents : Maharashtra State Electricity Distribution Company Limited (MSEDCL) and 15 Ors.

Parties Present : Shri Deep Rao Palepu, Advocate, VNLTL  
Ms. Harneet Kaur, Advocate, VNLTL  
Ms. Suparna Srivastava, Advocate, CTU  
Mr. Tushar Mathur, Advocate, CTU  
Shri TAN Reddy, VNLTL  
Ms. Anisha Chopra, VNLTL  
Shri Pulkit Sharma, VNLTL  
Shri Anindya Khare, MPPMCL  
Shri Manoj Dubey, MPPMCL  
Ms. Jyoti Prasad, CTU  
Shri Bhaskar Wagh, CTU  
Shri Sidhdharth Sharma, CTU

**Record of Proceedings**

Cases were called out for virtual hearing.

2. Learned counsel for the Petitioner submitted that the instant Petitions have been filed for adoption of transmission charges under Section 63 of the Electricity Act, 2003 (in short, 'the Act') and for grant of transmission licence under Sections 14 and

15 of the Act. Learned counsel further submitted that vide Record of Proceeding ('RoP') for the hearing dated 5.3.2021, the Central Transmission Utility (CTU) was directed to file certain information/ details which have been furnished by CTU vide its affidavit dated 12.3.2021.

3. Learned counsel for the CTU submitted that in compliance with the Commission's direction vide RoP for the hearing dated 5.3.2021, CTU has filed an affidavit dated 12.3.2021 containing the details (a) as regards each of the elements of Project in question and the relevant RPC meetings at which the development of such element was approved along with minutes of such meetings, and (b) status of CTU's compliance with its obligation under Central Electricity Regulatory Commission (Planning, Coordination and Development of Economic and Efficient Inter-State Transmission System by Central Transmission Utility and other related matters) Regulations, 2018 (in short, 'the Planning Regulations') with respect to the Project. Learned counsel submitted that in compliance with Regulation 9.2 of the Planning Regulations, CTU has also furnished the relevant documents pertaining to (i) recommendation of scheme by concerned RPC(s), (ii) results of system studies carried out by CTU, (iii) assumption and inputs considered in system studies, (iv) status of upstream/ downstream transmission system, and (v) status of consultation with stakeholders along with comments/ suggestions of stakeholders and its treatment.

4. In response to the Commission's specific observation on the tariff discovered for the Project pursuant to bid process being considerably higher than the levelized tariff worked out as per the Tariff Regulations on the basis of cost data provided by the Cost Committee and the views of the beneficiaries/LTTCs of the Project thereon, learned counsel for the CTU submitted that the agenda of reasonability of cost discovered in the tariff based competitive bidding conducted by the Bid Process Coordinator (BPC) was *inter alia* discussed in the meetings of the National Committee on Transmission (NCT) held on 3.1.2020 and 22.1.2020. It was opined in the said meetings that the levelized tariff for the Project was reflective of the prevailing market price, and has been discovered through a transparent competitive bidding process involving e-reverse auction. The NCT also noted the urgent requirement for implementation of the Petitioner's Project. It was submitted by the learned counsel for the Petitioner that relying on the deliberations and the opinion of the NCT, the Bid Evaluation Committee (BEC) arrived at a conclusion that the tariff was in line with the market conditions and that it decided in its meeting held on 19.2.2020 to issue the Letter of Intent dated 2.3.2020 to the Petitioner. In this regard, a certificate dated 19.2.2020 issued by BEC has been placed on record. It was further submitted by the learned counsel for the Petitioner that the lead LTTC, MSEDCL in its reply dated 23.11.2020 has also recommended for grant of transmission licence to the Petitioner subject to prudence check and has not raised any issue on discovered tariff.

5. Learned counsel for the Respondent, MPPMCL submitted that the Respondent supports the reply filed by MSEDCL.

6. It was observed by the Commission that CTU is required to comply with requisite requirements laid down under the applicable laws and regulations including the Planning Regulations in letter and spirit.

7. After hearing the learned counsel for the Petitioner and the learned counsels for the Respondents, the Commission reserved the matters for order.

**By order of the Commission**

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