

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 604/MP/2020

- Subject : Application for amendment under Section 18 of the Electricity Act, 2003 of Transmission Licence No. 30/Transmission/2014 /CERC dated 4.9.2014 of NRSS XXXI (A) Transmission Limited granted under Section 14 of the Electricity Act, 2003 and Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009.
- Date of Hearing : 26.3.2021
- Coram : Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member
- Petitioner : Powergrid Kala Amb Transmission Limited (PKTL)
(Formerly known as NRSS XXXI (A) Transmission Limited)
- Respondents : Uttar Pradesh Power Corporation Limited and 25 Ors.
- Parties Present : Ms. Suparna Srivastava, Advocate, CTU
Ms. Soumya Singh, Advocate, CTU
Shri Burra Vamsi Rama Mohan, PKTL
Shri V. C. Sekhar, PKTL

Record of Proceedings

Case was called out for virtual hearing.

2. The representative of the Petitioner submitted that the present Petition has been filed seeking amendment to the transmission licence so as to include '*1×125 MVA, 420 kV Bus Reactor at Kala Amb sub-station*' within the scope of transmission licence granted to the Petitioner by the Commission. It was further submitted that the amendment has been sought pursuant to the Notification of Ministry of Power, Government of India dated 5.3.2019 notifying the implementation of the aforesaid element by the Petitioner under the Regulated Tariff Mechanism (in short 'RTM').
3. Learned counsel for the Respondent, CTU submitted that its recommendation for the amendment to transmission licence has already been sent to the Commission in the month of September 2020.
4. The Commission observed that the Petitioner has been granted transmission licence to establish 'Transmission System for Northern Region System Strengthening Scheme NRSS XXXI Part-A' (in short, 'the Project') pursuant to its selection in the Tariff Based Competitive Bidding ('TBCB') under Section 63 of the Electricity Act, 2003 (in short, 'the Act') and thus, the transmission charges in respect of the Project has been adopted under said Section for the entire life of the Project.

The Commission further observed that by inclusion of the aforesaid element as prayed for in the transmission licence under RTM would entail the tariff determination including the truing-up exercise for such element under Section 62 of the Act and would lead to situation whereby a licensee, under the scope of its licence, will have two different sets of elements/assets i.e. TBCB as well as RTM based elements/assets.

5. The Commission further posed a query as to why should there not be a separate licence for two different sets of elements/ assets rather than a single licence containing TBCB and RTM based elements/assets. The Commission also inquired into the enabling legal framework and the consequent technical/ commercial implications, if any. In response, learned counsel for CTU submitted that in her opinion as such there is no prohibition under the Act and the Regulations framed thereunder that a licence can contain only one set of elements/ assets i.e. either TBCB or RTM and not both of them together. However, the learned counsel sought liberty to file her short response thereon. The representative of the Petitioner submitted that issuance of transmission licence for assets/ elements under Section 14 of the Act is independent of determination of their tariff either under Section 62 or under Section 63 of the Act. It was further submitted that even after issuance of separate licence for RTM based assets/elements, tariff determination under Section 62 would require to be undertaken for the same licensee.

6. After hearing the learned counsel for the CTU and representative of the Petitioner, the Commission directed the Petitioner and CTU to file their responses on the aforesaid observations of the Commission on affidavit within two weeks.

7. The Petition shall be listed for hearing in due course for which separate notice will be issued.

By order of the Commission

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