

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.160/MP/2022

Subject : Petition under Sections 79(1)(c), 79(1)(d) and 79(1)(k) of the Electricity Act, 2003 read with Regulation 4 of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 for giving prior intimation of undertaking the telecommunication business by the Petitioners in compliance with the Commission's letter dated 4.5.2022.

Date of Hearing : 14.2.2023

Coram : Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member

Petitioners : Khargone Transmission Limited (KTL) and 3 Ors.

Respondents : Madhya Pradesh Power Management Co. Ltd. (MPPMCL) and 19 Ors.

Parties Present : Shri Deep Rao Palepu, Advocate, KTL
Shri Arjun Agarwal, Advocate, KTL
Shri Aryaman Saxena, KTL
Shri Ravi Sharma, Advocate, MPPMCL
Shri Siddharth Sharma, CTUIL
Shri Ranjeet Singh Rajput, CTUIL
Ms. Sangeeta Sarkar, CTUIL
Shri S. Gupta, CTUIL

Record of Proceedings

At the outset, learned counsel for the Respondent, MPPMCL submitted that that the Petitioners have filed the additional details as called for by the Commission vide Record of Proceedings for the hearing dated 25.11.2022 only on the evening of 10.2.2023 and hence, the Respondent may be permitted some additional time to examine such details and to file its response thereon, if any. The learned counsel for the Petitioners submitted that the additional details have been filed by the Petitioner in respect to the certain queries raised by the Commission vide the aforesaid Record of Proceedings and as such the Respondents have no role thereon. He added that in the said Record of Proceedings as such no time was permitted to the Respondents to comment upon the additional details to be filed by the Petitioner and in any case, if the Respondents have comments thereon, they may be permitted to file but the matter may be proceeded further.

2. The learned counsel for the Petitioners further referred to the affidavit dated 9.2.2023 and reiterated the submissions made therein in respect to the queries

raised vide Record of Proceedings for the hearing dated 25.11.2022. The learned counsel also pointed out that in the said affidavit, at paragraph 23, the Petitioner have, without prejudice, have as an alternative also stated that in the event the Commission is not considering the matter as 'telecommunication', the Commission may approve the proposed business model as 'business other than telecommunication business' or 'other business' as provided under Regulation 5(1)(b) of the Revenue Sharing Regulations and in such case, the business to be approved by the Commission would be the business of permitting the Petitioners to grant access of spare OPGW cables to Sterlite Interlinks Limited (SIL) for offering long-distance data transfer solutions to communication service providers.

3. After hearing the learned counsel for the Petitioners, the Commission noted that while the Petitioners, vide affidavit dated 9.2.2023, have alternatively suggested to consider their proposed business model as business of permitting the Petitioners to grant access of spare OPGW cables to SIL for offering long-distance data transfer solution to communication service providers, the Petitioners have as such not provided the various details/aspects including the derived/estimated revenue considering its proposed business model as above.

4. Accordingly, the Commission directed the Petitioners to provide the following details /information on affidavit within three weeks:

(a) What will be the revenue derived or estimated to be derived by the Petitioners from proposed telecommunication business in a given financial year and how the same shall be shared by the Petitioners with the Long-Term Customers with clear illustrations along with underlying assumptions and justifications for estimated revenue.

(b) How the Petitioners themselves are entering into the telecommunication business as per the Revenue Sharing Regulations. The detailed business model along with roles and responsibilities of each of the entities may be submitted.

(c) The Petitioners have proposed that if the proposed business is not considered as 'telecommunication business', the same may be considered as 'business other than telecommunication business' or 'other business' as provided under the Regulation 5(1)(b) of the Revenue Sharing Regulations. In such a case, the Petitioners to submit the following:

- (i) Proposed new business model and detailed modalities for carrying out 'other business'.
- (ii) Whether the proposed business shall be undertaken by a separate SPV or the transmission licensees owning the transmission lines.
- (iii) Estimated revenue to be derived from proposed other business along with underlying assumptions and justifications for estimated revenue.
- (iv) Specify revenue sharing mechanism for the 'other business' model proposed by the Petitioners.

5. The Respondents may file their comments on the submissions of the Petitioners on the above issues, if any, within two weeks with copy to the Petitioners who may file their response thereon within two weeks thereafter.

6. The Petition shall be listed for hearing on 25.4.2023.

By order of the Commission

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