

# CENTRAL ELECTRICITY REGULATORY COMMISSION

## Record of Proceedings

### PETITION NO. 27/2008

Sub: Application for grant of transmission licence for Western Region System Strengthening Scheme-II (Project-B) to Western Region Transmission (Maharashtra) Pvt. Ltd.

### PETITION NO. 28/2008

Sub: Application for grant of transmission licence for Western Region System Strengthening Scheme-II (Project-C) to Western Region Transmission (Gujarat) Pvt. Ltd.

Date of hearing : 29.7.2008

Coram : Dr. Pramod Deo, Chairperson  
Shri Bhanu Bhushan, Member, and  
Shri R.Krishnamoorthy, Member

Applicants : Western Region Transmission (Maharashtra) Pvt. Ltd  
Western Region Transmission (Gujarat) Pvt. Ltd

Respondents : Power Grid Corporation of India Limited, Gurgaon  
Maharashtra State Electricity Distribution Company Limited, Mumbai  
Gujarat Urja Vikas Nigam Ltd., Vadodra  
Madhya Pradesh Power Transmission Company Ltd., Jabalpur  
Chhattisgarh State Electricity Board, Raipur  
Electricity Department, Govt. of Goa, Panaji  
Electricity Department, Admn. of Daman and Diu, Daman  
Electricity Department, Dadra and Nagar Haveli, Silvassa  
Madhya Pradesh Audyogik Kendra Vikas Nigam Ltd., Indore  
Central Electricity Authority, New Delhi  
Western Regional Power Committee, Mumbai

Parties present : Shri Amit Kapoor, Advocate for applicants  
Shri Venkatesh, Advocate for applicants  
Shri Alok Roy for applicants  
Shri L.N.Mishra for applicants  
Shri Vijay Kumar, PGCIL

The Commission by its separate orders dated 27.6.2008 in these petitions directed as under:

“15. Based on the material on record and above discussion, we are *prima facie* of the view that applicant can be issued licence for construction and maintenance of the transmission lines associated with the project and given in first para above. We, therefore, direct that a public notice under clause (a) of sub-section (5) of Section 15 of the Act be published to invite suggestions or objections to grant of transmission licence aforesaid. The objections or suggestion, if any, be filed by any person before the Commission.”

2. In response to the public notice, Shir R. Rath under letter dated 22.7.2008 filed suggestions in Petition No. 27/2008. The applicant by its affidavit dated 28.7.2008 filed reply. These documents have been taken on record.

3. The learned counsel for the applicants referred to the affidavits filed on 28.7.2008 in both the applications wherein the applicants emphasized the difficulty arising out of non-signing of Power Transmission Agreements (PTAs) by the beneficiaries. The learned counsel for the applicants submitted that in spite of the decision to convert mode of implementation of the projects from BOOT to BOO, having been taken in the Ministry of Power and concurred to by the Commission, the beneficiaries were not willing to sign the PTAs structured on the changed basis. He apprehended that even if the licence was granted, it would be very difficult to achieve financial closure and implement the projects without the beneficiaries signing PTAs. In this regard, he referred to para 2 of the affidavit filed on 28.7.2008 highlighting calendar of events and pointed out that despite elapse of about one year of informing the beneficiaries that RPTL was selected as IPTC to implement the projects, they had not signed PTAs, though the applicants had signed implementation agreements with PGCIL.

4. In response to a query by Commission, the learned counsel stated that changes made in the PTA were mainly on two issues, namely, change from BOOT to BOO basis and payment security mechanism (PSM) based on the Khurana Committee recommendations. The representative of the applicants stated that certain other changes were also proposed to be made based on commercial considerations. The Commission specifically asked the applicants as to whether changes suggested to the PTA were beyond those required to structure the PTA based on BOO basis and PSM in accordance with recommendations of the Khurana Committee. The representative of the PGCIL replied in the affirmative. The representative of the applicants stated that amendments were suggested by the beneficiaries as well as the applicants. It was further stated that the views of the parties were converging through commercial negotiations on the changes in the PTA other than those involving change of structure and PSM. The representative of the applicants stated that the issue of change over to BOO basis and PSM as per the Khurana Committee recommendations was beyond the scope of commercial negotiations.

5. None of the beneficiaries was present. The Commission decided to adjourn these applications to give another opportunity to the beneficiaries to hear their views.

6. These applications will be listed on 12.8.2008.

Sd/-  
( K.S.Dhingra)  
Chief (Legal)