

**Central Electricity Regulatory Commission  
New Delhi**

**Coram:  
Shri Jishnu Barua  
Shri Arun Goyal, Member**

**File No. L-1/250/2019/CERC**

**Date: 31.07.2024**

**Statement of Reasons**

**In the matter of**

**Central Electricity Regulatory Commission (Sharing of inter-State  
Transmission Charges and Losses) (Second Amendment) Regulations, 2023**

**1. Introduction:**

1.1. The Commission, vide notification dated 17.03.2023, issued the Draft CERC (Sharing of Inter-State Transmission Charges and Losses) (Second Amendment) Regulations, 2023 (hereinafter referred to as the "Draft Second Amendment") along with an Explanatory Memorandum proposing to amend the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as the "Principal Regulations"), seeking comments/ suggestions/ observations from the stakeholders/public.

1.2. Written Comments were received from 19 stakeholders, including Discoms, Transmission Licensees, Generators, Statutory bodies, and Associations. A list of stakeholders who submitted written comments is attached as **Appendix-I**. The Public Hearing on the Draft Second Amendment was conducted on 01.05.2023, wherein 05 stakeholders made their presentations. A list of stakeholders who made their presentations/ oral submissions during the public hearing is attached as **Appendix II**. The detailed comments and presentations made during the Public hearing are available on the website of the Commission at [www.cercind.gov.in](http://www.cercind.gov.in).

1.3. After due consideration of the comments/ suggestions/ objections received, the Commission has finalized the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) (Second Amendment) Regulations, 2023, notified on 20.10.2023 and effective from 1.11.2023 (hereinafter 'Second Amendment Regulations').

1.4. The proposed amendments and the reasons for the Commission's decisions are given in the succeeding paragraphs. While an attempt has been made to consider all the comments/suggestions received, the names of all the stakeholders may not appear in the deliberations.

## 2. Amendment to Regulation 2:

2.1. A new sub-clause (i-i) was proposed to be added after sub-clause (i) of Clause (1) of Regulation 2 of the Principal Regulations:

*"(i-i) 'Deemed COD' means the (a) COD of the transmission system approved by the Commission in terms of proviso (ii) of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or (b) deemed COD of the transmission system declared by the transmission licensee, in terms of Transmission Service Agreement under Tariff Based Competitive Bidding."*

## 2.2. Comments have been received from PGCIL, CTUIL, and MSEDCL.

2.2.1 PGCIL and CTUIL have suggested modifying the clause as below:

"(i-i) 'Deemed COD' means the (a) COD of the transmission system **or an element thereof**, approved by the Commission in terms of proviso (ii) of Clause (3) of Regulation 4 of the Tariff Regulations, 2014 or Clause (2) of Regulation 5 of the Tariff Regulations, 2019 or (b) deemed COD of the transmission system **or an element thereof**, declared by the transmission licensee, in terms of Transmission Service Agreement under Tariff Based Competitive Bidding. "

2.2.2 MSEDCL has suggested that the deemed COD of the Transmission system declared by the transmission licensee as per the terms and conditions of the TSA under TBCB may also be verified by respective Load Dispatch Centre such as NLDC/RLDC/SLDC before declaring the same as deemed CoD. It would be appropriate for a third party to verify the same and give its consent before getting

approval from the Commission.

### **2.3. Analysis and decision:**

2.3.1 In view of PGCIL and CTUIL's suggestions, the words 'element thereof' have been added to the definition of deemed COD.

2.3.2 With regard to the suggestion for the verification of the declaration of the deemed COD by a third party in the TBCB mode, it is clarified that in terms of the CERC (Indian Electricity Grid Code) Regulations, 2023, the transmission licensee may declare deemed COD of the ISTS in accordance with the provisions of the Transmission Service Agreement after obtaining (a) a certificate from the CTU to the effect that the transmission system is complete as per the specifications of the bidding guidelines and applicable CEA Standards and (b) no load charging certificate from the respective RLDC, where no load charging is possible. In view of the above, sufficient checks have already been included under the Grid Code before the declaration of deemed COD by a transmission licensee.

### **3. Amendment to Regulation 11:**

3.1. The words "to these regulations" were proposed to be substituted with words "and sub-clause (b) of Clause (12) of Regulation 13 of these regulations," in Clause (3) of Regulation 11 of the Principal Regulations.

### **3.2. Comments have been received from PGCIL and MSEDCL.**

3.2.1 **PGCIL** has suggested that the transmission charges collected for T-GNA and T-GNA<sub>RE</sub> be reimbursed to DICs after adjustment of waiver of transmission charges for RE Power as per subclause (d) of Clause (2) of Annexure-III of these regulations and the mismatch charges as per subclause (c) of Clause (12) of Regulation 13 of these regulations. PGCIL has also suggested including the hierarchy or order in which the above two adjustments will be made.

3.2.3 **MSEDCL** has suggested that **the** Interstate transmission licensee, in case of delay in actual power flow, shall not be paid from the amount of Transmission charges for T-GNA and T-GNA<sub>RE</sub> that are being reimbursed to the drawee DICs. Adjustment may lead to less receipt of the amount by the drawee DICs.

### **3.3. Analysis and decision:**

3.3.1 In view of the suggestions of PGCIL, the hierarchy in which the adjustment shall be made has been included in Regulation 11. It is clarified that the transmission charges collected for T-GNA and T-GNARE shall be reimbursed to DICs after adjustment of waiver of transmission charges for RE Power followed by the mismatch charges.

3.3.2 It is clarified that the transmission charges in case of mismatch are primarily to be paid from the Transmission Deviation charges collected through the Regional Transmission Deviation Account (RTDA) under Clause (3) of Regulation 12, and only if there is any shortfall in the RTDA account, the same shall be paid from the transmission charges collected for T-GNA and T-GNARE under Clause (3) of Regulation 11 of the Principle Regulations. In addition to the above, the delayed inter-State Transmission Licensee shall also pay the mismatch charges to the RTDA account.

### **4. Amendment to Regulation 13 (3):**

4.1. The words “is delayed” in the main provision of Clause (3) of Regulation 13 of the Principal Regulations was proposed to be substituted with words “has not achieved COD”:

#### **4.2. Comments have been received from Sterlite Power Transmission and MSEDCL.**

4.2.1 **MSEDCL** has suggested that in case other inter-state transmission licensees or any generating company is responsible for a delay in actual power flow, no adjustment from the transmission deviation charges collected shall be made as the same is being reimbursed to the DICs.

4.2.2 **Sterlite** has suggested that since the TSA provides for the payment of transmission charges by the LTTCs, appropriate provisions may be incorporated to allow the TSP to recover tariffs by the TSP under the POC mechanism and the Con-BG-II of the generating company encashed to recuperate the POC Pool instead of the proposed bilateral billing by the TSP. The clause may be modified accordingly.

### **4.3. Analysis and decision:**

**4.3.1** It is clarified that the transmission charges on account of the mismatch in the commercial operation of the inter-connecting transmission assets are not being added to the Yearly transmission charges to be billed to DICs. The inter-State Transmission Licensee of the delayed transmission assets is required to pay the transmission charges for the mismatch period to the RTDA account till it achieves its COD. It is clarified that charges collected in the Regional Transmission Deviation Account (RTDA) and T-GNA are additional charges that are reimbursed back to the DICs in case of surplus, if any, after adjustment of mismatch charges.

**4.3.2** The suggestions of Sterlite are beyond the scope of the Second Amendment.

### **5. Amendment to Regulation 13 (12):**

**5.1. Clause (12) of Regulation 13 of the Principal Regulations was proposed to be substituted as under:**

*“(12) For the cases other than those covered Clauses (3), (6) or (9) of Regulation 13 of these regulations, the YTC for the inter-State transmission system approved or declared as deemed COD shall be treated as follows:*

- a)** *The inter-State transmission licensee shall be paid 20% of YTC of its inter-State transmission system for a period of six (6) months from date of deemed COD or till commencement of actual power flow, whichever is earlier.*
- b)** *The inter-State transmission licensee shall be paid 100% of YTC of its inter-State transmission system from seventh (7<sup>th</sup>) month till commencement of actual power flow, in case actual power flow does not commence within a period of 6 months from date of deemed COD.*
- c)** *The charges under sub clauses (a) and (b) of this Clause shall be disbursed from charges collected under third bill in terms of Clause (3) of Regulation 12 of these regulations:*

*Provided that in case of shortfall in collection under third bill to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from charges collected under T-GNA in terms of Clause (3) of Regulation 11 of these regulations: Provided further that in case of shortfall in charges collected under T-GNA to meet the requirement of payment under sub-clauses (a) and (b) of this Regulation, the balance shall be paid from Deviation and Ancillary Service Pool Account under DSM Regulations.*

- d) *In case an inter-State transmission licensee is responsible for the delay (for any reason including the reason attributable to Force Majeure events) in commencement of power flow in the inter-State transmission system of another inter-State transmission licensee which has achieved deemed COD, inter-State transmission licensee of the delayed inter-State transmission system shall pay 20% of YTC of its transmission system OR 20% of YTC of the transmission system which has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD.*
- e) *In case an intra-State transmission licensee is responsible for the delay (for any reason including the reason attributable to Force Majeure events) in commencement of power flow in the inter-State transmission system of an inter-State transmission licensee which has achieved deemed COD, intra-State transmission licensee of the delayed intra-State transmission system shall pay 20% of YTC of the inter-State transmission system which has achieved deemed COD, till its delayed intra-State transmission system achieves COD.*
- f) *The billing and collection for the charges in terms of sub-clauses (d) and (e) of this Clause shall be made in accordance with Clause (3) of Regulation 15 of these regulations.*
- g) *The charges collected as per sub-clause (f) of this Clause shall be reimbursed in terms of Clause (3) of Regulation 12 of these regulations.*
- h) *In case of inter-State transmission system under Tariff based Competitive Bidding, the first year of the contract shall commence from the date when such transmission licensee starts receiving 100% of YTC under sub-clause (b) of this Clause or under Regulation 5 to 8 of these regulations*

**5.2. Comments have been received from AGEL, ATL, BYPL, CTUIL, EPTA, Grid-India, MSEDCL, NHPC, NTPC, PCKL, PGCIL, SRPC, Sterlite, TANGEDCO, WBSEDCL and Sh. Nadeem Ahmed Khan.**

**5.2.1 AGEL** has suggested that the proposed draft seems to be contrary to the MoP direction issued on 15.01.2021 under section 107 of the Electricity Act, which directs that as soon as the COD of any element of the ISTS system is declared, corresponding recovery is required to be included in the pool irrespective of the readiness of associated generation or upstream or downstream transmission elements.

**5.2.2 ATL** has suggested that the obligations of the TSP are clearly defined in the TSA, and once the TSP has completed its obligations, as per TSA, then the TSP has full right to claim the tariff defined under the TSA, and in case of delay, LD should be imposed as per the provisions of TSA. In terms of the proposed amendment,

TSP will be denied its revenue recovery of 80% of YTC from the date it achieves deemed CoD, and the same will be recovered at the end of the project as the revenue stream gets extended. Such a delay in revenue recovery for 35 years will cause a loss in terms of NPV of such 80% revenue. Accordingly, it is proposed to allow 100% revenue recovery from the date of Deemed CoD as per the TSA.

**5.2.3** CTUIL has suggested that as per the provisions of TSA, TSP is entitled to receive full YTC after declaring deemed COD, whereas, as per the draft amendment, TSP is entitled to only 20% of YTC for the first Six (6) months. Further, as per the TSA, the LD is payable by the defaulting TBCB TSP in case of delay in its project. The Commission may incorporate clarification on the applicability of both LD and transmission charges payable by defaulting TBCB in case of delay in its project. In case **the transmission licensees are under RTM**, CTUIL may be allowed to provisionally bill YTC @ 18% of the indicative cost of elements involved. Upon finalization of the tariff of RTM projects, an adjustment bill may be raised by CTU, and in the case **of TBCB, if the bifurcation of element-wise tariff is not available**, CTUIL may be allowed to use indicative cost to arrive at the proportionate transmission charges to be billed for element involved.

**5.2.4** **EPTA and Sterlite** have suggested that for all cases where there is a delay in commissioning by a transmission licensee, the non-defaulting inter-connecting licensee ought to be permitted to recover 100% transmission charges from the PoC pool/Fund with effect from its deemed COD until the date of its actual commissioning. Even with a recovery of 60% of the YTC for the first 6 months, a **transmission** licensee is bound to be out of pocket and unable to service its debt obligations. Any imposition of liability to pay transmission charges on the delaying entity, where the delay is, in fact, attributable to events accepted as force majeure events by the competent authority, is extremely unfair and penal in nature. There is no legal embargo on recovery of transmission charges from the beneficiaries before the transmission line is operational.

**5.2.5** **PGCIL** has suggested considering 50% of YTC under subclause (a), as the debt repayment in initial years is very high. Considering debt to be 70 % of Capital cost, debt servicing itself is 40%-50% of YTC in initial years, depending upon the

debt deployed and rate of interest. Operation and maintenance (including employee costs) are over and above debt servicing for all projects.

Therefore,

- a) IDC as part of the capital cost is already subject to prudence check in the RTM project; therefore, instead of 20 % YTC, actual IDC may be allowed, or otherwise, 50% YTC may be allowed.
- b) In TBCB projects, 50 % YTC may be allowed.

**5.2.6 NHPC** has suggested that while dealing with a mismatch in COD of the generating station and transmission licensee, the liability of the generating station should be reduced from what has been proposed.

**5.2.7 NTPC** has suggested that the proposed methodology/amendment is creating a discrepancy in terms of treatment of the delay of the generator and delay of the Transmission licensee. If the delay is on the part of the generator, it is required to pay 100% of the YTC, while if the transmission licensee gets delayed, is required to pay only 20% of the YTC. Therefore, parity may be provided in the treatment of delay, and in the case of delay on the part of generators, they may also be required to pay similar to what a transmission licensee is required to pay.

Further, nothing has been mentioned in the draft amendment for the cases when more than one transmission licensee or both transmission licensee and generating station have also not achieved the COD. Principal Regulation 2020 deals with such cases under Regulation 13(12)(c). Therefore, in order to deal with the above cases, existing clause 13 (12) (c) of the principal Regulation 2020 may be retained.

**5.2.8 Grid-India** has suggested that in case of a shortfall in the collection under the third bill (i.e., RTDA), YTC should be paid first from charges collected under provisions of T-GNA. In case of any further shortfall, it should be paid from the charges collected under the third bill and T-GNA provisions during subsequent months instead of sourcing it from the Deviation and Ancillary Service Pool Account. Further, the intent and purpose of the DSM pool fund and RLDC fees and charges are entirely different from the purpose of payment of transmission charges for deemed COD cases. Accordingly, the DSM pool should not be linked to the Transmission charges/RTDA pool, and these two should be kept separate.



**5.2.9 BYPL** has suggested that the DISCOMs have no role with respect to execution and commissioning of transmission lines and associated transmission lines. Therefore, charges should not be levied on DISCOM.

**5.2.10 MSEDCL has** observed that the proposed mechanism would ultimately result in an additional burden on the DICs for the balance of 80% of YTC, even if the transmission system is not put to use. Further, a defaulting entity, if its YTC is much less than the YTC of another transmission licensee, which has achieved SCOD or has been approved deemed COD by the Commission, may not be serious about the delay. Therefore, the defaulting entity responsible for delay should bear 100% of transmission charges till actual power flows through the transmission system / the system is put to use, as per existing regulations.

**5.2.11 PCKL** has pointed out that the draft Regulation is silent on the payment of tariff in case the generating station has achieved CoD but Transmission - Transmission and Transmission - Upstream / Downstream connecting Transmission System of the STU has not achieved CoD. PCKL has suggested that the charges payable by the transmission licensee shall be the fixed charges and energy charges of the generating company as determined by the CERC or as per the tariff discovered through competitive bidding. In the case of a tariff determined under section 62, only debt repayment and O&M costs should be considered.

**5.2.12 SRPC** has suggested that even if one or some elements are commissioned (despite being implemented by one transmission licensee), 20% YTC up to 6 months from deemed CoD and 100% YTC from the 7th month is to be payable from the transmission deviation charges collected from the DICs. Further, with these provisions, DICs may not get their full reimbursement as some amount may be paid towards the YTC for the elements that have achieved deemed CoD. As such, these provisions are indirectly impacting the DISCOMs/Consumers.

It is not clear whether the YTC of the transmission element as in 13(12)(a) and 13(12)(b) shall be paid from the respective region's pool account only. It is also not clear when there is a deficit in the pool account of the respective region, whether the funds from the surplus pool account regions would be considered for this purpose as DSM Regulations envisage using the surplus amount available in the Deviation and Ancillary Service Pool Accounts of other regions for settlement of payment under deviation & ancillary charges only. It is suggested that no payments should be made from Deviation and Ancillary Service Pool Accounts of the Regions for Transmission Charges.

Further, when the YTC of a delayed inter-State transmission system may be far lower than the YTC of the transmission system that has achieved deemed COD, the purpose, as mentioned in the Explanatory Memorandum may not be fulfilled. Hence, the condition of lower YTC may be removed as in the case of the intra-State transmission licensee of its delayed intra-State transmission system as in 13(12) (e).

**5.2.13 TANGEDCO** has suggested that the law mandates to not load the beneficiaries unless the asset is put to use. The direction under Section 107 of MoP is arbitrary and against the public interest and also contrary to the provisions under various regulations and also against the provisions of the Act and law laid down by the Hon'ble Supreme Court. There is no justification given in the EM for relieving the defaulting entity from payment of transmission charges liability of the transmission entity, approved based on deemed COD, cannot be recovered from the beneficiaries as per the law. Clause (b) of Regulation 13 allows the transmission tariff of the transmission licensee to be paid from the pool. The charges collected under the third bill are the legitimate income for the beneficiaries and is recovered from the DICs on account of deviation. Disbursing the revenue earned by the DICs to the Licensees whose deemed COD is declared is unlawful and against the public interest. Further, there is no reason to defer the commencement of the life period of the transmission asset when the deemed COD is declared.

**5.2.14 WBSEDCL** has suggested that the pool accounts are linked to the operational performance of the DICs/ Beneficiaries for adherence to strict grid discipline. So, it may not be used for such payment described under subclause (c) of clause (12) of the Sharing Regulations. Further, it is proposed that beyond 6 months of delay in COD, the Transmission licensee who is responsible for the delay should pay 100% of the YTC of the transmission system till it achieves COD.

**5.2.15 Sh. Nadeem Ahmed Khan** has suggested that draft Regulation 13(12)(c) effectively proposes to pass on the YTC [under subclause (a) and (b) of Regulation 13(12)] to DICs. This does not seem to be in line with the Explanatory Memorandum dated 24.03.2023 [more specifically, para 1.11(b)]. It has been an accepted principle that a defaulting entity bears the financial burden arising out of such default. Therefore, the proposed amendment may be reviewed and aligned with the objective where the defaulting entity is to pay YTC in full.

## **6.2 Analysis and Decision:**

**6.2.1** We observe that conflicting comments have been received on the proposal. The distribution licensees have opposed the amendments, stating that the defaulting transmission licensee should bear the full transmission charges and that the DICs should not be burdened with the transmission charges due to mismatch, including any payment from RTDA or T-GNA. At the same time, transmission licensees have suggested allowing them 100% transmission charges from the pool and no charges to be levied on defaulting licensees if it is delayed due to force majeure.

**6.2.2** We have carefully perused the comments. The reasons for proposing the amendment were brought out in the EM to Draft Second Amendment as follows:

*1.11 It is observed that inter-connecting transmission system should be planned with matching dates so that there should not be any mismatch at planning stage itself.*

*However, during execution, a transmission system may get delayed due to various reasons including Force Majeure reasons. A transmission system may need to declare deemed COD due to delay in commencement of power flow due to delay of another transmission licensee. Keeping in view of the Hon'ble Supreme Court directions as well as MOP suggestions, following aspects have been considered while proposing the amendment:*

*(a) the liabilities are required to be equitable*

*(b) The liability of transmission charges for a system under deemed COD without any power flow, cannot be fastened on distribution licensees who are not getting benefit from the same.*

*(c) The transmission licensee whose transmission system is delayed cannot be denied tariff for a long period of time leading to financial uncertainties.*

*(d) The transmission licensee who is delayed for any reasons including force majeure needs to make all efforts to commission its system at the earliest so that the stranded asset is put to use at the earliest to avoid national wastage. Hence, such delayed licensee cannot be allowed*

*to go scot-free. Hence, liabilities have been proposed for the delayed transmission licensees so that delay in flow of power is minimized.*

- 6.2.3** We observe that a balanced proposal was made to address the requirements of transmission licensees on the one hand and distribution licensees on the other hand. The reasons for levying some percentage of transmission charges on the defaulting transmission licensee were also explained that despite force majeure, utmost efforts must be made to put in place the system on time so that any other transmission system does not remain unutilized. The burden has been reduced from the full YTC of the delayed transmission system to some percentage of YTC.
- 6.2.4** It is clarified that MoP, in its directions vide letter dated 15.01.2021, directs that in the case of the mismatch, the penalties should be equitable. Further, in terms of the Hon'ble Supreme Court's view that the beneficiaries cannot be made liable to pay the transmission charges before the transmission system is made operational, the transmission charges, in case of mismatch, cannot be loaded onto the beneficiaries. Accordingly, the transmission charges of a transmission system cannot be included in the Pool until the date of actual COD.
- 6.2.5** Considering the suggestion of the PGCIL that in the initial years, the debt repayment is very high therefore, the recovery of 50% of YTC may be allowed, we are of the view that instead of 20% as proposed in the draft, the inter-State transmission licensee shall be paid 50% of YTC of its inter-State transmission system for a period of six (6) months from the date of deemed COD or till the commencement of actual power flow, whichever is earlier and shall be paid 100% of YTC of its inter-State transmission system from the seventh (7th) month till the commencement of actual power flow. Similarly, the delayed inter-State transmission licensee shall deposit 50% of YTC of its transmission system OR 50% of YTC of the transmission system that has achieved deemed COD, whichever is lower, till its delayed inter-State transmission system achieves COD. Further, the liability of the delayed inter-State transmission licensee to pay the 50% YTC till the actual COD of its transmission system shall be irrespective of any provisions in the Transmission Service Agreement or any other Agreement in force between the parties.

- 6.2.6** As suggested by some of the stakeholders regarding the applicability of both Liquidated Damages as well as the mismatch charges in case of the delay, it is clarified that if the delayed inter-State transmission licensee is levied liquidated damages for delay in completion of the transmission system in terms of the Transmission Service Agreement, such amount of liquidated damages paid by such inter-State transmission licensee to CTUIL shall be offset to the extent of liability of the delayed inter-State transmission licensees in terms of the second amendment to the Sharing Regulations.
- 6.2.7** With regard to the suggestions of the CTUIL to allow the use of indicative cost to arrive at the proportionate Transmission Charges to be billed for the element involved, we are of the view that in case of the intra-State transmission system where YTC of the delayed intra-State transmission system is not available, CTU shall work out the YTC for such intra-State transmission system, based on the indicative capital cost of similar configuration in the inter-State transmission system.
- 6.2.8** With regard to the suggestions of some of the Discoms that the provisions regarding reimbursement of transmission charges from the Regional Transmission Deviation Account (RTDA) are indirectly impacting the Discoms, it is clarified that this mechanism has been devised in the regulations to ensure cash flow to the inter-State transmission licensee which has commissioned its transmission assets but which cannot be put to use on account of delay in commissioning of the inter-connecting transmission assets. Simultaneously, the transmission licensee of the delayed transmission assets continues to carry the liability to pay the transmission charges for the mismatch period to the RTDA account till the declaration of COD of its transmission assets. On recovery of the transmission charges from the licensee of the delayed transmission assets, the same are reimbursed to the DICs, Moreover, the devised mechanism does not impose any extra liability on the DICs in the form of enhanced Yearly transmission charges. In the Commission's view, the devised mechanism accords equitable treatment to all parties and promotes regulatory certainty by ensuring timely cash flow.

- 6.2.9** With regard to the suggestion of the Grid-India and the SRPC, it is clarified that the transmission charges to the transmission licensee, which are ready, shall be disbursed first from transmission deviation charges collected in the RTDA account terms of Clause (3) of Regulation 12 of Principal regulations. If there is a shortfall in the collection to meet the requirement of payment, the balance shall be paid from charges collected under T-GNA and TGNARE in terms of Clause (3) of Regulation 11, and if there is also a shortfall in charges collected under T-GNA and TGNARE, the balance shall be paid from Deviation and Ancillary Service Pool Account under DSM Regulations. Since the entire charges under RTDA and T-GNA are collected and disbursed by CTU, the issue of treatment of shortfall for a particular region does not arise.
- 6.2.10** With regard to the suggestion of the Generators such as NTPC, NHPC, PCKL, and NAL regarding providing equitable treatment of the Generator in terms of the delay of the transmission licensee, it is beyond the scope of the second amendment.
- 6.2.11** With regard to the comments of some of the stakeholders regarding the deferment of the commencement of the life period of the transmission asset for a period of 6 months and non-recovery of full transmission charges till six months, we are of the view that a careful balance needs to be maintained between the transmission licensee's needs for cash flows to meet its basic obligations of debt servicing and O&M expenses and the levying of full transmission charges on DICs for an asset not put to use.. Keeping in view the difficulties expressed by the stakeholders in meeting the basic obligations for a period of 6 months, the payment of 50% of Yearly Transmission Charges has been allowed. Further, 100% of YTC is allowed from the seventh (7th) month till the commencement of actual power flow, in case actual power flow does not commence within a period of 6 months from the date of deemed COD. In that case, the "contract year" for the purpose of payment of transmission charges in terms of the TSA shall start from the date of receipt of 100% transmission charges, which could be either less than 6 months or a maximum of up to 6 months. However, in the meantime, the inter-state transmission licensee shall be able to get a reasonable amount (i.e., 50% of its YTC) to cater to its obligations, which shall be over and above its YTC.

**Sd/  
(Arun Goyal)  
Member**

**Sd/  
(Jishnu Barua)  
Chairperson**

## Appendix-I

### List of Stakeholders who submitted written Comments/Suggestions

Sl. No.	Name of the Stakeholder	Short term used in this document
1	Adani Green Energy Ltd.	AGEL
2	Adani Transmission Ltd.	ATL
3	BSES Yamuna Power Limited	BYPL
4	Captive Power Producers Association	CPPA
5	Central Transmission Utility of India Ltd.	CTUIL
6	Electric Power Transmission Association	EPTA
7	Grid Corporation of Orissa	GRIDCO
8	Grid Corporation of India Ltd.	Grid-India
9	Nangia Andersen LLP	NAL
10	Maharashtra State Electricity Distribution Company Ltd.	MSEDCL
11	NHPC Ltd.	NHPC
12	NTPC Ltd.	NTPC
13	Power Company of Karnataka Limited	PCKL
14	Powergrid Corporation of India Ltd.	PGCIL
15	Southern Region Power Committee	SRPC
16	Sterlite Power Transmission Ltd.	Sterlite
17	Tamilnadu Generation and Distribution Corporation Ltd.	TANGEDCO
18	West Bengal State Electricity Distribution Company Ltd.	WBSEDCL
19	Sh. Nadeem Ahmed Khan	-

## Appendix-II

### List of Stakeholders who made submissions during the Public Hearing

<b>Sl. No.</b>	<b>Name of the Stakeholder</b>	<b>Short Form used in this Document Presentation /Oral Submission</b>	<b>Presentation/ Oral submission</b>
1	Central Transmission Utility of India Ltd.	CTUIL	Presentation
2	Grid Corporation of Orissa	GRIDCO	Presentation
3	NHPC Ltd.	NHPC	Presentation
4	NTPC Ltd.	NTPC	Presentation
5	Powergrid Corporation of India Ltd.	PGCIL	Oral submission
6	Sterlite Power Transmission Ltd.	Sterlite	Presentation