

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 323/TL/2022

Coram:

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

Date of order: 27th January, 2023

In the matter of

Application under Sections 14, 15, 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 seeking Transmission Licence for Khandukhal Rampura Transmission Limited.

And

In the matter of

Khandukhal Rampura Transmission Limited,
2nd Floor, Niryat Bhawan,
Rao Tularam Marg, Vasant Vihar,
Opp. Army Hospital & Referral,
New Delhi 110057

Vs.

1. Chief Executive Officer,
PFC Consulting Limited
9th Floor, A-Wing, Statesman House,
Connaught Place, New Delhi – 110001

2. Central Transmission Utility of India Limited,
Saudamini, Plot no.2, Sector -29,
Gurgaon 122001, Haryana

... Respondents

Parties present:

Ms. Abiha Zaidi, Advocate, KRTL
Shri Shyam Sunder Goyal, CTUIL
Ms. Ankita Singh, CTUIL



Shri Swapnil Verma, CTUIL
Shri Siddharth Sharma, CTUIL
Shri Ranjeet Singh, CTUIL
Shri Sanjay Nayak, PFCCL
Ms. Nirmala Meena, PFCCL

ORDER

The Petitioner, Khandukhal Rampura Transmission Limited, has filed the present Petition for grant of transmission licence under Section 14, Section 15 and Section 79(1)(e) of the Electricity Act, 2003 (hereinafter referred to as “the Act”) read with the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2009 (hereinafter referred to as “Transmission Licence Regulations”) to establish Inter-State Transmission System for “400 kV Khandukhal (Srinagar) - Rampura (Kashipur) D/c line” (hereinafter referred to as “Project”) on Build, Own, Operate and Transfer (BOOT) basis comprising of the following elements:

| Transmission System for 400 kV Khandukhal (Srinagar) - Rampura (Kashipur) D/C Line | | |
|---|---|---|
| S. No. | Name of Transmission Element | Scheduled COD in months from Effective Date |
| 1. | 400 kV D/C Khandukhal (Srinagar)-Rampura (Kashipur) line (Twin HTLS*) | |
| 2. | 1x80MVAR switchable line reactor at Rampura (Kashipur) end on each circuit of Khandukhal (Srinagar) - Rampura (Kashipur) line <ul style="list-style-type: none">• Switching equipment for 420 kV 80 MVAR switchable line reactor-2 nos. | Matching time frame of commissioning of Vishnugad Pipalkoti HEP (29.10.2024) of THDC or Tapovan Vishnugad |



| | | |
|----|--|---|
| | <ul style="list-style-type: none"> • 420 kV, 80 MVA Switchable line reactor- 2 nos. | HEP (30.09.2024) of NTPC, whichever is earlier i.e. 30.09.2024. |
| 3. | 1 no. of 400 kV line bay at Rampura (Kashipur) S/s <ul style="list-style-type: none"> • 400 kV line bay -1 no. | |
| 4. | Upgradation of existing 400kV bays at Khandukhal (Srinagar) <ul style="list-style-type: none"> • Upgradation works for 400 kV line bays -2 nos. | |
| 5. | Upgradation of existing 1 no. of 400 kV diameter comprising line bay and ICT bay along with associated Tie Bay at Rampura (Kashipur) <ul style="list-style-type: none"> • Upgradation works for 400 kV line bay-1 no. • Upgradation works for 400 kV ICT bay-1 no. • Upgradation of Tie Bay-1 no. | |
| | | |

**With minimum capacity of 2100 MVA on each circuit at nominal voltage.*

Note:

(i) PTCUL to provide space for 400kV bays at Rampura (Kashipur) along with the space for switchable line reactors.

2. Based on the competitive bidding carried out by PFC Consulting Limited (hereinafter referred to as “PFCCL”) in its capacity as the Bid Process Coordinator (BPC) in accordance with the Guidelines issued by Ministry of Power, Government of India under Section 63 of the Act, Megha Engineering and Infrastructures Limited (MEIL) was declared the successful bidder with the lowest quoted annual transmission charges of Rs. 587.20 million per annum.

3. The Commission after considering the application of the Petitioner in the light of the provisions of the Act and the Transmission Licence Regulations, in its order dated



9.1.2023, *prima facie* proposed to grant transmission licence to the Petitioner. Relevant extract of order dated 9.1.2023 is extracted as under:

“23. Considering the material on record, we are prima-facie of the view that the Petitioner satisfies the conditions for grant of inter-State transmission licence under Section 15 of the Act read with Transmission Licence Regulations for construction, operation and maintenance of the transmission system as described in para 1 of this order. 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 suggestions, if any, be filed by any person before the Commission, by 20.1.2023.”

4. A public notice under Sub-section (5) of Section 15 of the Act was published on 19.1.2023 in all editions of the Indian Express (English) and Dainik Jagran (Hindi). No suggestions/ objections have been received from the members of the public in response to the public notice.

5. The Petitioner, vide order dated 9.1.2023, was directed to file an affidavit to the effect that the execution of the transmission project shall not be delayed due to time taken in obtaining statutory clearances required under Request for Proposal (RfP) and/or adjudication of any claim of the Petitioner arising under the TSA. In response, the Petitioner vide its submission dated 17.1.2023 has submitted that it shall endeavour that the Project is implemented within the time schedule as provided in the Transmission Service Agreement and the licensee shall not approach the Commission for extension of time for execution of the Project or for increase in the transmission charges over and above what is permissible under the provisions of the TSA. It has been further submitted by the Petitioner that the execution of the Project shall not be delayed due to time taken in obtaining statutory



clearances required under the RfP and/ or adjudication of any claim of the Petitioner arising under the TSA.

6. In the order dated 9.1.2023, the following provisions of the TSA with regard to quality control and workmanship were taken note of:

(a) As per Article 5.1.1 of the TSA, the TSP at its own cost and expense, shall be responsible for designing, constructing, erecting, testing and commissioning each element of the Project by Scheduled COD in accordance with the regulations and other applicable Laws specified in Article 4.1 of TSA.

(b) Article 5.4 of the TSA provides that the TSP shall ensure that the Project is designed, built and completed in a good workmanship using sound engineering and construction practices, and using only materials and equipment that are new and manufactured as per the MQP and following approved FQP for erection, testing & commissioning and complying with Indian /International Standards such that, the useful life of the Project will be at least thirty five (35) years from the COD of the Project. The TSP shall ensure that all major sub-station equipment / components (e.g. transformers, reactors, Circuit Breakers, Instrument Transformers (IT), Surge Arresters (SA), Protection relays, clamps and connectors, etc.), equipment in terminal stations of HVDC installations including Thyristor/ IGBT valves, Converter Transformers, smoothing reactors, Transformer bushings and wall bushings, GIS bus ducts, towers and gantry structures and transmission towers or poles and line materials (conductors, earth wire, OPGW, insulator, accessories for conductors, OPGW & earth wires, hardware fittings for



insulators, aviation lights, etc.), facilities and system shall be designed, constructed and tested [type test, routine tests, Factory Acceptance Test (FAT)] in accordance with relevant CEA Regulations and Indian Standards. In case Indian Standards for any particular equipment/ system/ process is not available, IEC/ IEEE or equivalent International Standards and Codes shall be followed.

7. Accordingly, the Petitioner was directed to submit information with regard to quality control mechanism available or to be put in place to ensure compliance of the requirements stipulated in Article 5.1.1 and Article 5.4 of the TSA. The Petitioner, vide its affidavit dated 17.1.2023, has submitted that it has already deployed a separate quality team comprising of qualified engineers and technicians to monitor and inspection of the Project. The elements for the Project mainly Transmission line towers designs are under process and would like to put on record that design vetting will be carried by Central Power Research Institute, Bangalore. The Petitioner has submitted that separate quality assurance and quality control manuals have been put in place. Field quality plan has been developed suitable to the project requirements considering various regulations, prudent utility practices, Indian standards and course, internationally recognize Standard and course and other applicable laws. It has been further submitted that material quality Plan for each materials prepared to ensure quality control and copy of the same has been submitted to CTUIL. The Petitioner has already engaged qualified engineers based on the needs of the Project and will augment the resources time to time for smooth execution of works with the quality. The Petitioner has assured that all the materials and equipment's are new and being constructed and



erected in a good workman like manner using sound construction practices and are new and of internationally utility grade quality materials.

8. Case was called out for hearing on 24.1.2023. It was submitted by the learned counsel for the Petitioner that as per order dated 9.1.2023, the Petitioner has submitted the information called for. He further submitted that in response to public notice published by the Commission, no objection has been received.

9. The representative of CTUIL submitted that in terms of Record of Proceeding for the hearing dated 22.12.2022, CTUIL has clarified the detailed scope of works under the “Upgradation works” for Element 4 & Element 5 as per the provisions of the RfP and TSA and the Petitioner has agreed with the same. In response, learned counsel for the Petitioner submitted that the Petitioner has no objection to the clarification submitted by CTUIL

10. As regards grant of transmission licence, Clauses (15) and (16) of Regulation 7 of Transmission Licence Regulations provide as under:

“(15) The Commission may after consideration of the further suggestions and objections, if any, received in response to the public notice as aforesaid, grant licence as nearly as practicable in Form-III attached to these regulations or for reasons to be recorded in writing, reject the application if such application is not in accordance with the provisions of the Act, the rules or regulations made thereunder or any other law for the time being in force or for any other valid reason.

(16) The Commission may, before granting licence or rejecting the application, provide an opportunity of hearing to the applicant, the Central Transmission Utility, the long-term customers, or the person who has filed suggestions and objections, or any other person: Provided further that the applicant shall always



be given a reasonable opportunity of being heard before rejecting the application.”

11. In our order dated 9.1.2023, we had proposed to grant transmission licence to the Petitioner company and directed for issue of public notice. In response to the public notice, no suggestions/objections have been received. CTUIL in its letter dated 30.11.2022 has recommended for grant of transmission licence to the Petitioner. We find that the Petitioner company meets the requirements of the Act and the Transmission Licence Regulations for grant of transmission licence for the subject Transmission System mentioned at paragraph 1 of this order. Accordingly, we direct that transmission licence be granted to the Petitioner, 'Khandukhal Rampura Transmission Limited', to establish Inter-State Transmission System "400 kV Khandukhal (Srinagar) - Rampura (Kashipur) D/c line" "on Build, Own, Operate and Transfer (BOOT) basis as per the details given in paragraph 1 above.

12. The grant of transmission licence to the Petitioner (hereinafter referred to as "the licensee") is subject to the fulfilment of the following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years from the date of issue;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof and the terms and condition of the TSA during the period of subsistence of the licence.



(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the Project, the licensee may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13(2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The licensee shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The licensee shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The licensee shall comply with the directions of the National Load Despatch Centre under Section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of Section 28 or sub-section (1) of Section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;



(g) The licensee shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State transmission licensees) Regulations, 2012 or subsequent enactment thereof;

(h) The licensee shall provide non-discriminatory open access to its Transmission System for use by any other licensee, including a distribution licensee or an electricity trader, or generating company or any other person in accordance with the Act; the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008; the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009; the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010, as amended from time to time or any subsequent re-enactments thereof; and the Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022.;

(i) The licensee shall not undertake any other business for optimum utilization of the Transmission System without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for other business) Regulations, 2020;



(j) The licensee shall remain bound by provisions of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2020 as amended from time to time;

(k) The licensee shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time;

(l) The licensee shall ensure execution of the Project within timeline specified in the Schedule 3 of the TSA and as per the Technical Standards and Grid Standards of CEA prescribed in Article 5.1.1 and Article 5.4 of the TSA;

(m) The licensee shall coordinate with the licensees (including deemed licensees) executing the upstream or downstream transmission projects, the Central Electricity Authority and CTUIL for ensuring smooth execution and commissioning of the Project; and

(n) The licensee shall submit all such report or information as may be required under Transmission Licence Regulations, Standard of Performance Regulations, Transmission Service Agreement or any other regulation of the Commission or as per the directions of the Commission as may be issued from time to time.

13. CTUIL / its appointed Independent Engineer and Central Electricity Authority shall monitor the execution of the Project and bring to the notice of the Commission any



lapse on the part of the licensee to meet the schedule for further appropriate action in accordance with the provisions of the Transmission Service Agreement executed between the licensee & Nodal Agency, the Act and the Transmission Licence Regulations.

14. Let an extract copy of this order be sent to CTUIL and CEA for information and necessary action.

15. Petition No. 323/TL/2022 is allowed in terms of the above.

sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

