

**Appellate Tribunal for Electricity  
(Appellate Jurisdiction)**

**Appeal No. 110 of 2010**

**Dated: 19<sup>th</sup> April, 2012**

**Present: Hon'ble Mr. Justice M. Karpaga Vinayagam, Chairperson  
Hon'ble Mr. Rakesh Nath, Technical Member**

**In the matter of:**

**Orissa Power Transmission Corporation Limited  
Janpat, Bhubaneswar, Orissa**

**.... Appellant(s)**

**Versus**

- 1. Orissa Electricity Regulatory Commission  
Bidyut Niyamak Bhawan, Unit-VIII  
Bhubaneswar -751012, Orissa** **.... Respondent(s)**
- 2. Western Electricity Supply Company of Orissa Limited  
Regd. Office – Plot No.N/22, IRC Village, Nayapalli  
Bhubaneswar – 751015, Orissa**
- 3. North Eastern Electricity Supply Company of Orissa Ltd.  
Regd. Office Plot No.N/22, IRC Village  
Nayapalli  
Bhubaneswar – 751015, Orissa**
- 4. Southern Electricity Supply Company of Orissa Ltd.  
Regd. Office Plot No.N/22, IRC Village  
Nayapalli  
Bhubaneswar – 751015, Orissa**
- 5. Central Electricity Supply Utility of Orissa (CESU)  
Regd. Office – 2<sup>nd</sup> Floor, IDCO Tower  
Janptah  
Bhubaneswar – 751 022, Orissa**

**Counsel for the Appellant(s):**

**Mr. R.K. Mehta  
Mr. Antaryami Upadhyay  
Mr. David A.**

**Mr. Lakhi Singh**  
**Ms. Marie Riba**

**Counsel for the Respondent(s):** **Mr. Rutwik Panda**  
**Mr. Buddy A. Ranganadhan**  
**Mr. Hasan Murtaza**  
**Mr. Saswat Patnaik**  
**Mr. Shiv Kr. Suri**

### **JUDGEMENT**

#### **MR. RAKESH NATH, TECHNICAL MEMBER**

This Appeal has been filed by Orissa Power Transmission Corporation Limited against the order dated 20.03.2010 passed by the Orissa Electricity Regulatory Commission (“State Commission”) determining the Annual Revenue Requirement and Transmission Tariff of the Appellant for the FY 2010-11.

2. The Appellant is a wholly owned company of the Government of Orissa and a transmission licensee.

3. The Appellant has challenged the disallowance under the following heads:

- i) Employees Cost;
- ii) Terminal Benefits;
- iii) Repair and Maintenance (R&M) Expenses;
- iv) Administration and General (A&G) Expenses;

- v) Interest on Loan;
- vi) Depreciation and Special Appropriation;
- vii) Pass through Expenses;
- viii) Contingency Reserve; and
- ix) Misc. Receipts.

4. Ld. Counsel for the Appellant has made the following submissions on the above issues:

4.1 Employees Cost:

- i) The State Commission has allowed the arrears of salary and pension on account of the 6<sup>th</sup> Pay Commission in three equal instalments for a period of three years from the FY 2010-11 to FY 2012-13. The amount allowed for the FY 2010-11 was Rs. 49.04 crores. However, in accordance with the decision taken by the Government of Orissa, the Appellant had disbursed the arrears in two instalments, i.e. Rs.58.85 crores (40%) in the FY 2009-10 and Rs.88.28 crores (60%) in the FY 2010-11. The State Commission was, therefore, not justified in allowing the 6<sup>th</sup> Pay Commission arrears in a staggered manner over three years. Accordingly, the Appellant is entitled to carrying cost on account of deferment of recovery of the arrears in the ARR.

- ii) The present rate of DA approved by the Government of India is 45% with effect from 01.07.2010. The DA rate was 27% at the time of filing of the ARR application during November, 2009. On the basis of the anticipated rise of 3% in each dose of DA, the annual average DA for 2010-11 was evaluated by the State Commission at 33%. Thus, the State Commission incorrectly disallowed Rs.14.61 crores under the head of Dearness Allowance.

4.2 Terminal Benefits:

The State Commission allowed a sum of Rs.140.20 crores only towards the terminal benefits as against the claim of the Appellant for Rs.589.45 crores. The State Commission did not accept the report of the Actuary appointed by the Appellant and appointed M/s. Darashaw & Company as Actuary. The report of M/s. Darashaw & Company was considered by the State Commission in the Tariff Order for the FY 2011-12. According to the Appellant, the State Commission should have accepted the report of the Actuary appointed by the Appellant. The Ld. Counsel for the Appellant has submitted that since the report of M/s. Darashaw & Company has been accepted by the State Commission in the Tariff Order for the FY 2011-12, this issue may be left open to be considered in Appeal No. 186 of 2011 arising out of the said Tariff Order for the FY

2011-12, after copies of report of both the Actuaries are placed on record.

4.3 Repair & Maintenance Expenses:-

The State has allowed a sum of Rs.60 crores for Repair & Maintenance Expenses against the claim of the Appellant of Rs.98.14 crores. The State Commission ought to have allowed the amount claimed by the Appellant to undertake replacement of old, defective/obsolete equipments that have outlived their useful economic life and upgrade the equipments in the existing system.

4.4 Administrative and General (A&G) Expenses:

The State Commission has allowed a sum of Rs.15.14 crores towards A&G expenses against the claim of the Appellant for Rs.26.99 crores. The claim of the Appellant towards A&G expenses on the basis of 6% escalation of the audited figure of the previous year ought to be allowed.

4.5 Interest on Loan:

- i) As regards the State Government loan, the moratorium on debt service has been kept in abeyance by State Government. Therefore, the claim of the Appellant under this head would not survive.

- ii) The Appellant had claimed a sum of Rs.38.39 crores towards interest on new long term infrastructure loan. The State Commission has incorrectly disallowed the entire amount of interest on long term loan on the ground that the receipt of loan amount during the FY 2010-11 was uncertain. The projection towards interest on loan capital was based on facts and evidential documents and, therefore, the State Commission should have allowed the same.

4.6 Depreciation and Special Appropriation:

In the ARR petition the Appellant had claimed a sum of Rs.153.31 crores towards depreciation and Rs.18.33 crores as Special Appropriation i.e., the difference between total repayment of loan amount (principal) for the FY 2010-11 and depreciation (Rs.171.64 crores – Rs.153.31 crores). By the impugned order, the State Commission has reduce the figure of Rs.171.64 crores to Rs.144.26 crores after deducting Rs.20 crores towards Government Bonds and Rs.7.28 crores towards infrastructure loan. The State Commission allowed Rs.115.97 crores towards Depreciation (Rs.76.6 crores) and Special Appropriation (Rs. 39.37 crores) . The State Commission has not allowed the balance amount of Rs.28.29 crores on the ground that the Appellant had a balance of Rs.24.77

crores as per the Cash Flow Statement by the end of January, 2010. The State Commission should have appreciated that the Appellant has inherited massive ageing transmission assets and hence it is crucial for the Appellant to meet its debt service obligation only through the depreciation which falls short for meeting its principal servicing obligation and accordingly should have allowed a sum of Rs.28.29 crores towards special appropriation.

4.7 Pass Through Expenses and truing up:

The Appellant had claimed Rs.74.46 crores towards pass through expenses on the ground of past losses upto the FY 2007-08. The State Commission has erroneously disallowed the claim on the ground that on the basis of truing up for the FY 2006-07 to 2008-09 showing a surplus of Rs.92.55 crores. The State Commission has erred in coming to the conclusion that there is a surplus of Rs.92.55 crores with the Appellant in the truing up exercise. The State Commission while truing up had disallowed expenses under the heads like Employees cost including Terminal Benefits, A&G, Depreciation etc. as per the audited accounts for the period from FY 2006-07 to 2008-09, resulting in the alleged surplus position. Thus, the State Commission was not justified in disallowing the Pass through Expenses amounting to Rs. 74.46 crores.

4.8 Contingency Reserves:

According to the law, Contingency reserve has to be created @ 0.5% on Gross Block upto maximum of 5% of Gross Block. The State Commission should have allowed contingency reserve as per the claim of the Appellant.

4.9 Miscellaneous Receipts:

The State Commission had taken a sum of Rs.48.30 crores on account of Miscellaneous Receipts based on the Cash Flow Statement of the Appellant for the period April, 2009 to January, 2010, which also included income from supervision charges, short term open access charges and other receipts. Estimating the miscellaneous receipts from inter-state wheeling based on the Cash Flow Statement for the FY 2009-10 by the State Commission was incorrect. According to the CAG audit, actual figure comes to Rs.25.50 crores. Thus the balance of Rs.23 crores needs to be allowed in the ARR.

5. On the above issues, the Ld. Counsel for the Respondent Nos. 2, 3 and 4 and the State Commission made submissions supporting the findings of the State Commission. Based on the rival contentions of the parties, the following questions would arise for our consideration:



- i) Whether the State Commission has erred in disallowing the payment of arrears on account of 6<sup>th</sup> Pay Commission report and increase in DA without considering actual payment schedule as per the directions of the State Government?
- ii) Whether the State Commission should have allowed the Terminal Benefits according to the report of the Actuary appointed by the Appellant?
- iii) Whether the State Commission should have allowed the Repair and Maintenance expenses realistically keeping in view that the transmission equipment of the Appellant is ageing?
- iv) Whether the State Commission has erred in not allowing the A&G expenses realistically as per the claim of the Appellant?
- v) Whether the State Commission has erred in not allowing any interest on new long term infrastructure loans?
- vi) Whether the State Commission has erred in not allowing the depreciation and Special Appropriation to cover the

repayment of loan, without appreciating that the allowed depreciation falls short of the loan repayment obligation?

- vii) Whether the State Commission has erred in not allowing the Pass Through Expenses on account of past losses upto the FY 2007-08?
  - viii) Whether the State Commission should have allowed the Contingency Reserve as claimed by the Appellant?
  - ix) Has the State Commission erred in working out the Miscellaneous Receipts on the basis of Cash Flow Statement for the previous year?
6. Let us examine the first issue regarding payment of arrears on account of 6<sup>th</sup> Pay Commission report and increase in DA to be considered in the Employees Cost.
- 6.1 According to the Appellant, the payment of arrears on account of the 6<sup>th</sup> Pay Commission report and increase in DA should be allowed as per the actual payment during the FY 2009-10 and the FY 2010-11 and accordingly the Appellant was entitled to carrying cost.

6.2 The State Commission in its counter affidavit has submitted that the State Commission had recognized the entire arrear payment of Rs.147.13 crores as proposed by the Appellant, but the same was allowed in a staggered manner over three years from FY 2010-11 to FY 2012-13 to reduce the burden on the consumers. Regarding payment of DA, the State Commission has submitted that the DA was allowed keeping in view the latest notification of Government of Odisha at the time of finalizing the ARR for the FY 2010-11 which was 27% and accordingly DA @ 33% was allowed keeping in view the past trend of increase in DA. However, the actual DA paid as per the audited accounts would be considered in the true up exercise.

6.3 We notice from the counter affidavit of the State Commission that the State Commission had considered the issue regarding the arrears of the 6<sup>th</sup> Pay Commission report in the Tariff Order for the FY 2009-10. The relevant extract of the order is reproduced below:

*“229. Regarding proposed implementation of award of 6<sup>th</sup> Pay Commission for OPTCL, the Commission feels that it would not be prudent to provide the arrear amount in FY 2009- 10 at one go, as it would lead to a sizeable increase in ARR resulting in a cascading effect in the tariff. While Commission is of the opinion that employee should not be deprived of their genuine and legitimate claims at the same time direct OPTCL to submit a detailed calculation of enhanced salary to the Commission employee-wise for scrutiny. The Commission may decide thereafter to allow the arrear payment to the employees in a staggered manner over a period of few years.”*

Thus, the State Commission felt that the employees should not be deprived of their legitimate claim of arrears on account of the 6<sup>th</sup> Pay Commission report and the State Commission would decide to allow the same in a staggered manner over a period of few years after the Appellant submitted a detailed calculation for the scrutiny of the State Commission.

6.4 The Ld. Counsel for the Appellant has submitted that the arrears on account of the 6<sup>th</sup> Pay Commission report have been paid in two instalments during the FY 2009-10 and the FY 2010-11 for Rs.58.85 crores (40%) and 88.28 crores (60%) respectively as per the order of the State Government. Thus, we feel that the payment of arrears should be allowed by the State Commission as per the actual disbursement along with the carrying cost during the true up. The State Commission should also consider the actual payment of DA during the FY 2010-11 in the true-up.

7. The second issue is regarding the Terminal Benefits.

7.2 This issue has been decided by this Tribunal in its judgment dated 11.04.2012 in Appeal no.90 of 2009 filed by the Appellant challenging the Tariff Order for the FY 2009-10. The relevant finding is reproduced *below*:

***“12.1. Terminal Benefits:- As the Actuary Reports disputed by the Appellant is not before us in this Appeal we are not in a position to give any finding on this issue. As suggested by the Appellant, the Tribunal may consider this issue in the Appeal filed by the Appellant challenging the Tariff Order for the FY 2011-12. Thus this issue would not survive as far as this Appeal is concerned.”***

Accordingly, this issue may be considered in the Appeal filed by the Appellant against the Tariff Order for the FY 2011-12. This issue does not survive in the present Appeal.

8. The third issue is regarding Repair & Maintenance expenses.
  - 8.1 According to the Appellant, the State Commission should have allowed Rs.98.14 crores for Repair and Maintenance expenses as per its claim.
  - 8.2 The State Commission in its reply has stated that the Repair and Maintenance of Rs.60 crores was allowed keeping in view the past trends of actual expenditure under this head. Further the actual Repair and Maintenance expenditure for the FY 2010-11 as per the audited accounts was only Rs.28.32 crores, which is much less than that approved by the State Commission.

8.3 In view of the above submissions of the State Commission we find that there is no substance in the contention of the Appellant and the same is rejected.

9. The fourth issue is regarding Administrative and General expenses.

9.1 According to the Appellant the State Commission should have been allowed Rs.26.99 crores towards the Administrative and General expenses as per its claim.

9.2 According to the State Commission, the Administrative and General expenses are controllable in nature and, therefore, the Commission was justified to factors in inflation (WPI) over the base figure of the previous year and approve an amount of Rs.15.14 crores for the FY 2010-11. The base figure adopted by the State Commission was the approved figure for the previous year as the detailed break up of the audited data was not available.

9.3 According to the Ld. Counsel for the Respondent nos. 2, 3 and 4, in the absence of the audited accounts for the FY 2008-09, the State Commission correctly allowed an escalation of 5.5% (WPI) over the approved account of Rs.14.35 crores for the FY 2009-10. Further, the Appellant has always failed to submit the audited accounts in time before the finalization of the ARR.

- 9.4 In view of the above, we do not find any infirmity in the approach of the State Commission in deciding the Administrative and General expenses in the impugned order. However, the State Commission shall consider the actual Administrative and General expenses as per the audited accounts during the true up for the FY 2010-11.
10. The fifth issue is regarding interest on new long term infrastructure loans.
- 10.1 According to the Appellant, the State Commission should have allowed the interest on loan of Rs.38.39 crores estimated on the basis of the facts and the documents.
- 10.2 According to the State Commission, the interest on new long term loan was disallowed as the receipt of loan amount for the FY 2010-11 was uncertain.
- 10.3 In view of the above, the State Commission is directed to consider the actual interest on the loan taken by the Appellant on the new projects capitalized during the FY 2010-11 in the true up.

11. The sixth issue is regarding depreciation and Special Appropriation.
- 11.1 According to the Ld. Counsel for the Appellant the State Commission should have allowed the depreciation as per its claim to cover its loan repayment liability.
- 11.2 The State Commission in its counter affidavit has relied on its findings in the impugned order. Further, the State Commission has stated that the Appellant had a surplus cash balance of Rs.49.41 crores as per its Cash Flow Statement for the period April, 2009 to November, 2009 which included a sum of Rs.24.17 crores of loan availed from Rural Electrification Corporation. The balance account of Rs.25.24 crores, which was revised to Rs.24.77 crores by the end of January, 2010 by the Appellant at the time of hearing, was adequate to meet its debt repayment obligation.
- 11.3 According to Ld. Counsel for the Respondent nos. 2 to 4, this Tribunal in its judgment dated 08.11.2010 in Appeal nos. 58 and 59 of 2007 has disallowed the principal repayment of loan in the ARR.
- 11.4 We find that the State Commission in the impugned order has computed the depreciation according to the Central Commission's



Regulations, 2009. We notice that the Central Commission has dispensed with the Advance Against Depreciation provided in the 2004 Regulations to cover up the debt repayment in a situation where the depreciation is inadequate and instead has allowed the depreciation at higher rates. The total depreciation computed by the State Commission for the FY 2010-11 as per the CERC Regulations is Rs.127.67crores as against the figure of Rs.76.70 crores as per the pre-92 rate of depreciation as per the Government of India notification dated. 31.01.1992. Accordingly, the State Commission has allowed the depreciation as under :

*“325. The Commission approves the following for FY 2010-11.*

**Table – 53**

<i>Depreciation for FY 2010-11</i>	<i>Rs.76.60 crore</i>
<i>Special appropriation for FY 2010-11 for repayment of debt</i>	<i>Rs.50.97 crore</i>
<b>Total</b>	<b>Rs.127.67 crore</b>
<i>Less excess allowed during FY 2009-10</i>	<i>Rs.11.69 crore</i>
<i>Balance to be considered in the ARR for FY 2010-11</i>	<i>Rs.115.97 crore”</i>

Thus the State Commission has already allowed depreciation at a higher rate as per CERC Regulations, 2009.

11.5 As regards the Special Appropriation, the State Commission has given the following findings:

***“Special Appropriation***

326. *OPTCL has claimed Rs.18.33 crore towards special appropriation to be provided in the ARR for FY 2010-11.*

.....

327. *The figures have been scrutinized and found that the repayment liability proposed by the licensee includes an amount of Rs.20 crore towards Govt. bond and Rs.7.28 crore towards infrastructure loan. The Commission had disallowed payment of interest on Govt. loan and infrastructure loan. Hence, the projected repayment of Rs.171.64 crore would work out to Rs.144.26 crore (Rs.171.64 cr. – Rs.20.00 cr. – Rs.7.28 cr.). The Commission in the above para allowed depreciation including special appropriation amounting Rs.115.97 crore which is ideal to meet the debt service obligation of OPTCL given the fact that OPTCL has already a surplus cash balance of Rs.24.77 crore (Rs.48.94 cr. – Rs.24.17 cr. loan taken from REC) by end of Jan. 2010.*

328. *Hence, the Commission is not inclined to allow the special appropriation of Rs.18.33 crore claimed by the licensee to meet the debt obligation.”*

Thus the State Commission has disallowed Special Appropriation to meet the debt obligation in view of the cash balance of Rs.24.7 crores available with the Appellant at the end of January, 2010.

11.6 Thus, it is seen that the State Commission has given a detailed finding on the depreciation and Special Appropriation. We do not find any infirmity in the findings of the State Commission. This Tribunal in its judgment dated 08.11.2010 in Appeal NO.58 and 59 of 2007 has also held that the booking of principal repayment of

loan to revenue requirement is wrong and against the fundamental accounting principles.

11.7 Accordingly this issue is decided against the Appellant.

12. The seventh issue is regarding Pass through Expenses on account of past losses upto the FY 2007-08.

12.1 According to the Appellant, the State Commission has erred in disallowing the pass through expenses on the basis of the alleged surplus.

12.2 According to the reply filed by the State Commission, the Appellant had posted a surplus of Rs.60.95 crores as per the truing up exercise upto the FY 2008-09.

12.3 According to Ld. Counsel for the Respondent nos.2, 3 and 4, the State Commission had undertaken the truing up exercise upto the FY 2007-08 and found that there is surplus profit earned by the Appellant. The Appellant had computed the amount upto 2007-08 without considering the audited figures of the FY 2008-09. Thus, there is no justification in allowing Rs.74.46 crores as pass through expenses.

12.4 We find that the State Commission has dealt with the issue in paragraphs 338 and 339 of the impugned order in detail. We notice that the State Commission has computed the surplus of the Appellant for FY 2006-07, 2007-08 and FY 2008-09 as Rs. 19.91 crores, Rs.11.69 crores and Rs.60.95 crores respectively and accordingly correctly disallowed the claim of pass through of Rs.74.46 crores.

12.5 We do not find any infirmity, in the finding on this issue. Accordingly, this issue is decided against the Appellant.

13. The eighth issue is regarding Contingency Reserve.

13.1 According to the Appellant, the State Commission should have allowed the Contingency Reserve as per its claim of Rs.15.36 crores.

13.2 We find that the State Commission has given a detailed explanation for disallowing the Contingency Reserve in paragraphs 331 to 333 of the impugned order.

13.3 The findings of the State Commission in the impugned order are summarised as under:

- a) On scrutiny of the audited accounts for the FY 2008-09 the State Commission found that the Appellant had invested Rs.95.75 crores in contingency reserve fund. Out of this, Rs.27.055 crores was invested in the securities of Government of Odisha.
- b) The State Commission has been allowing the contingency reserve to the Appellant in the ARR of the FY 2006-07 to 2009-10 and has allowed a sum totaling to Rs.45.26 crores during this period.
- c) No satisfactory reply has been given by the Appellant about the balance amount of Rs.68.69 crores out of Contingency Reserve till 2008-09 besides Rs.9.08 crores approved for the FY 2009-10.
- d) Hence, the State Commission disallowed the claim of the Appellant towards Contingency Reserve for the FY 2010-11.

13.4 When the Appellant has not furnished any satisfactory reply regarding investments for the balance amount of Rs.77.77 crores (Rs.68.69 crores till the FY 2008-09 + Rs.9.08 crores for the FY 2009-10), there is no justification for claiming additional amount for the FY 2010-11. Thus, we do not find any infirmity with the findings of the State Commission.

13.5 Accordingly, this issue is decided against the Appellant.

14. The ninth issue is regarding Miscellaneous Receipts.

14.1 According to the Ld. Counsel for the Appellant, the State Commission had erroneously overestimated the Miscellaneous Receipts and the same needs to be corrected based on the audited accounts.

14.2 According to the State Commission the Miscellaneous Receipts were estimated based on the latest cash flow statement submitted by the Appellant for the FY 2009-10 upto November, 2009 which was prorated for the whole year and considering the transmission charges towards wheeling to CGPs for the energy of 310 MU approved for the FY 2009-10.

- 14.3 According to Ld. Counsel for the Respondents 2, 3 and 4, the State Commission has correctly estimated the Miscellaneous Receipts. Further, the distribution licensees have drawn more quantity of power than approved by the State Commission and the Appellant would have earned additional revenue on this account.
- 14.4 We have carefully examined the findings of the State Commission given in paragraph 340 of the impugned order. We do not find any infirmity in the methodology adopted by the State Commission. The Ld. Counsel for the Appellant has also not indicated how the Miscellaneous Receipts should have been estimated. However, the actual Miscellaneous Receipts shall be considered by the State Commission while truing up the accounts for the FY 2010-11.
15. We notice that the present Tariff Regulations, 2004 of the State Commission lays down only general principles as per Section 61 of the Act for determination or transmission tariff. We, therefore, direct the State Commission to take immediate steps to formulate specific Tariff Regulations for transmission of electricity, if not done so far.

**16. Summary of our findings:**

- i) Employees Cost: The payment of arrears on account of 6<sup>th</sup> Pay Commission report shall be allowed by the State Commission as per the actual disbursement along with the carrying cost. The actual payment of DA during the FY 2010-11 shall also be considered in the true up of the financials.**
- ii) Terminal Benefits: This issue is to be considered in the Appeal filed by the Appellant against the Tariff Order for the FY 2011-12 as per the findings of this Tribunal in its judgment dated 11.04.2012 in Appeal No.90 of 2009 in the matter between Orissa Power Transmission Corporation Ltd. Vs. Orissa Electricity Regulatory Commission & Ors. Accordingly, this issue does not survive in the present Appeal.**
- iii) Administrative and General Expenses: We do not find any infirmity with the order of the State Commission. However, the actual A&G expenses as per the audited**



**accounts shall be considered by the State Commission in the true up.**

- v) Interest on loan: The State Commission shall consider the actual interest on the loan taken by the Appellant on the projects capitalized during the FY 2010-11 in the true up.**
- vi) Depreciation and Special Appropriation: We do not find any infirmity in findings of the State Commission and reject the contentions of the Appellant.**
- vii) Pass through Expenses: We do not find any substance in the contentions of the Appellant and reject the same.**
- viii) Contingency Reserve: We do not find any infirmity in the findings of the State Commission.**
- ix) Miscellaneous Receipts: We do not find any fault with the methodology adopted by the State Commission in estimation of the Miscellaneous Receipts. However, the State Commission shall consider the actual**

**Miscellaneous Receipts as per the audited accounts in true up exercise.**

- x) The State Commission may take note of our direction in paragraph 15 above in regard to the framing of Specific Regulations for transmission of electricity for the necessary action.**

**17. In view of above, the Appeal is partly allowed to the extent indicated above. No order as to costs.**

**Pronounced in open court on 19<sup>th</sup> day of April, 2012.**

**(Rakesh Nath)  
Technical Member**

**(Justice M. Karpaga Vinayagam)  
Chairperson**

**REPORTABLE/NON-REPORTABLE**

**mk**