

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

- 1. Shri Bhanu Bhushan, Member**
- 2. Shri R. Krishnamoorthy, Member**

**Review Petition No.105/2007
In
Petition No 68/2007**

In the matter of

Direction to CTU for grant of long-term open access on the existing ER-WR corridor, i.e. 400 kV Raipur-Rourekela transmission line including 220 kV Korba Budhipadar transmission line for transfer of 400 MW power from DVC stations at Mejia and Chandrapur.

And in the matter of

Power Grid Corporation of India Ltd., New Delhi **Review Applicant**

Vs

1. M. P. Power Trading Company Limited
2. Member-Secretary, Western Regional Power Committee, Mumbai

... Respondents

The following were present:

1. Shri R.N. Nayak, PGCIL
2. Shri Y.K. Sehgal, PGCIL
3. Shri Subir Sen, PGCIL
4. Shri P.C. Pankaj, PGCIL
5. Shri U. K. Tyagi, PGCIL
6. Shri Prashant Sharma, PGCIL
7. Shri V.V. Sharma, PGCIL
8. Shri S.S. Sen, PGCIL

ORDER
(DATE OF HEARING: 13.9.2007)

MPPTCL, Respondent No 1 herein had filed Petition No. 68/2007 praying for direction to Power Grid Corporation of India Ltd, (hereinafter referred to as “the review applicant”) to grant long-term open access on the existing ER-WR corridor i.e. 400 kV D/C Raipur-Rourkela transmission line and three circuits of 220 kV Korba-Budhipadar transmission line for transfer of 400 MW power from DVC generating stations at Mejia and Chandrapura in ER. After hearing the parties, the Commission vide order dated 15.6.2007, inter alia, directed that the review applicant shall provide long-term open access of 400 MW to the petitioner for transfer of electricity from DVC generating stations on the existing ER-WR links from July, 2007 to December, 2007, on 400 kV D/C Ranchi-Sipat transmission line from December, 2007 up to the commissioning of new 400 kV D/C Rourkela-Raipur transmission line and on the later line thereafter. The instant petition seeks to review the aforesaid order.

2. At the outset the review applicant has stated that open access was granted to Respondent No 1 herein on the existing ER-WR corridor for transfer of 400 MW power from Mejia and Chandrapur generating stations of DVC in ER with effect from 1.7.2007. They have added that contrary to the submissions during the proceedings in Petition No. 68/2007, MPPTCL sought deferment of commencement of open access to 1.11.2007/1.1.2008 The review applicant has further made the following submissions:

(a) Due consideration was not given to the submissions of its representative during the hearing on 29.5.2007.

(b) There are factual inaccuracies in paras 3 and 4 of the order with regard the proceedings of TCC meeting of WR dated 23.2.2007 and further action by the parties thereon.

(c) Action by Member Secretary, WRPC was not strictly in conformity with the provisions of Clause 35 of the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 (hereinafter referred to as “the regulations”).

(d) Considering the long gestation period of transmission projects, it would be appropriate if applications for long-term open access are filed 3 to 4 years before the actual transaction. Applications made at shorter notices may be entertained for short-term open access.

3. Review Applicant has urged the following grounds in support of its prayer for review:

(a) Long-term open access may be provided only for those transactions which were visualized at the time of planning the transmission facilities. Any margin could be utilized only for short-term open access. This basic principle is not honoured in the order.

(b) In conformity with the report of Working Group on Power for 11th Plan of Government of India, there is a need to provide high reliability and security margins of the order of 25-30% of the transmission capacities on the existing ER-WR corridors. This aspect has not been taken into account in the impugned order.

(c) Peculiarities of Indian grids in terms of being loose power pools, floating frequency, flexibility to deviate from the schedules, absence of primary and secondary response, inadequate safety nets, etc. are not taken note of in the order.

(d) Frequent changes in ISGS allocations by the Central Government, have a bearing on network loadings and might affect the reliability and security margins as well.

4. The review application was heard on 13.9.2007 when the representative highlighted the difficulties in the planning of the transmission system due to delay in information regarding upcoming generation projects. During the hearing, the petitioner was directed to file the under mentioned information/details. As the requisite information/details were not filed for considerable time, the petitioner was directed vide our order dated 14.1.2008, to file the same by 25.1.2008:

(a) Suggestions of review applicant for streamlining the process of granting approval for connectivity to ISTS.

(b) A list of commitments already made by the review applicant for long-term open access on the ER-WR corridor, indicating therein any conditionalities which the Commission may specify in the present case.

(c) Status regarding the deferment of commencement of long-term open access sought by Respondent No. 1 herein from 1.7.2007 to 1.11.2007/1.1.2008.

(d) Status of 400 kV D/C Ranchi-Sipat transmission line which was expected to be commissioned in December 2007.

5. The above information/details have been filed by the review applicant on 25.1.2008 under affidavit. Having heard the review applicant and perused the pleadings, we proceed to dispose of the matter.

6. At the outset, it is seen that the review applicant has endeavoured to re-argue its case under the guise of review. The grounds urged by the review applicant do not conform to the requirements of Code of Civil Procedure, Order 47. Nevertheless we proceed to examine the merit of the grounds urged by the review applicant.

(a) Review applicant has urged that a link should be used only for the purpose for which it was planned. We are unable to agree. We are strongly of the view that there should be no objection to use a transmission system for any other purpose without prejudice to the specific purpose for which it was conceived and constructed.

Such an approach will be in the interest of the sector and also in conformity with the spirit of “open access”. We also note this contention of the review applicant is only a reiteration of what was stated during the original proceedings in Petition No. 68/2007. It needs no emphasis that the transmission lines have not been constructed to be kept idle. They must be put to the optimum use giving due primacy to the specific purpose for which conceived and built, subject only to the condition that the user pays the transmission charges as applicable.

(b) As regards the contention regarding reliability margins, we would like to impress upon the review applicant that keeping conservative reliability margins and reserving capacity for future (i.e. keeping it idling today when it can be gainfully utilized for transmitting more power) is not acceptable in the present context of huge unfulfilled demand.

(c) As regards the submissions of the review applicant at para 3 (c) above, we consider them far fetched as all the issues raised therein are taken care of in IEGC and ABT.

(d) The issues regarding changes in allocations from ISGS is presumptuous because fresh allocations can be made only with due regard to the availability of transmission capacity and after accounting for existing allocations.

7. The review applicant has vide its affidavit dated 25.1.2008 made some additional submissions relating to the case. The submissions and our views thereon as under:

(a) The review applicant has mentioned that subsequent to the order, a large number of applications for long-term open access (LTOA) are being received. We wish to reiterate that non-discriminatory open access does not mean indiscriminate open access in excess of the available capacity. In the instant case, the Commission allowed LTOA to MPPTCL because enough capacity was available on the existing ER-WR corridor after allowing for the existing long-term commitments for utilization of the same. It is noted that in the affidavit dated 25.1.2008, while listing commitments against capacity of the lines, the review applicant has taken into account only 400 kV D/C Raipur-Rourkela line (Capacity of 1400 MW) but 220 kV D/C Korba-Budhipadar line (owned by OPTCL and CSEB) and 220 kV S/C Korba-Budipadar (owned by Powergrid) which together have capacity of 450 MW have not been considered. Thus, existing capacity works out to 1850 MW. Against this, the present LTOA commitment is only 244 MW (allocation from Central Stations in ER). There should thus be no problem in accommodating 400 MW from DVC to MPPTCL. Future LTOA presently identified are 140 MW (Chitrapur) from September 2009, 200 MW (Farakka-III) from November 2009 and 140 MW (KVK Neelachal) from December 2009. All these would add up to 1124 MW only, and should not pose any problem. By that time, 400 kV D/C Ranchi-Sipat and the second 400 kV D/C Rourkela-Raipur lines would also have been commissioned, to provide requisite redundancy. The above mentioned existing lines were meant to transfer surplus power of ER to WR. LTOA to MPPTCL fits well in this category of usage. Whether power is scheduled to MPPTCL on the basis of LTOA or to other beneficiaries through open access (short-term) or as UI, the net effect is additional power flow to WR.

(b) As regards the conditionalities suggested by the review applicant, we observe that the same are not in line with existing regulations. Further, since LTOA to Respondent No 1 hereinabove can very well be accommodated in the existing and planned capacity, there is no necessity to impose any conditionality.

(c) The review applicant has also contended that as other WR constituents are paying transmission charges as long-term customers, allowing long-term access only to Respondent No 1 would not be fair. This submission, we are constrained to observe, is based on incorrect understanding of the tariff regulations. In accordance with these regulations, pro-rata transmission charges are payable for using inter-regional links for transferring allocations from the Central generating stations or power flow pursuant to long-term contract. Out of the balance capacity, RLDC may decide to keep certain margin as reserve margin. The remaining capacity is available for use by open access (short-term) customers. After accounting for revenue from open access customers and long-term use (including for allocation from CGS), the un-recovered charges are to be recovered in the ratio of 50:50 from long-term customers of the two regional transmission systems up to 31.3.2008, and fully from downstream region thereafter. Thus, utilizing the transmission capacity for long-term use is better than keeping it unused from the view point of beneficiaries of the two regions.

(d) The review applicant has suggested that the regulation on LTOA may continue and be modified based on the experience for the last few years. We wish to clarify that the provisions relating to LTOA contained in the Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2004 have been kept operational and the process of new regulations for aspects relating to long-term access shall be initiated in due course.

8. In the course of offering suggestions for streamlining the process of granting approval for connectivity to ISTS, the review applicant has

highlighted the need for timely applications for LTOA so that adequate time would be available for identifying system strengthening requirement. It has also illustrated several instances of large size generation capacity developers seeking LTOA for a small portion of the total capacity. We do consider these as genuine problems faced by the review applicant. However, these are not germane to the present issue. These issues, which are generic in nature, need to be addressed separately.

9. The review applicant has sought deferment of LTOA based on the revised request of MPPTCL. The review applicant should have started billing Respondent No. 1 from July, 2007. If this has not been done, so far, we direct that billing may now be done from the dates now projected by Respondent No. 1.

10. Review Petition No. 105/2007 in Petition No 68/2007 is disposed of in terms of our above order

Sd/-
(R KRISHNAMOORTHY)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

New Delhi, dated 13th May 2008