

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. Shri Ashok Basu, Chairman
2. Shri G.S. Rajamani, Member
3. Shri K.N.Sinha, Member

Review Petition No.117/2002

**in
Petition No.9/2000**

And in the matter of

Review of the Commission's order dated 19.6.2002 in Petition No. 9/2000 in the matter of approval of transmission tariff for 220 kV S/C Budhipadar-Korba transmission line and associated bays in Western and Eastern Regions

And in the matter of

Power Grid Corporation of India Ltd.

... **Petitioner**

Vs

1. Madhya Pradesh State Electricity Board & others
2. Bihar state Electricity Board
3. West Bengal State Electricity Board
4. Grid Corporation of Orissa Ltd.,
5. Damodar Valley Corporation
6. Power Dept., Govt. of Sikkim, Gangtok
7. Jharkhand State Electricity Board
8. Gujarat State Electricity Board

.... **Respondents**

The following were present:

1. Shri Umesh Chandra, ED, PGCIL
2. Shri S.S. Sharma, AGM, PGCIL
3. Shri C. Kannan, PGCIL
4. Shri Prashant Sharma, PGCIL
5. Shri D. Khandelwal, SE, MPSEB
6. Shri M. Prasad, RE, BSEB

**ORDER
(DATE OF HEARING 7.3.2003)**

The petitioner PGCIL through this application seeks review of order dated 19.6.2002 in Petition No. 9/2000 (hereinafter referred to as "the impugned order").

2. The Commission vide the impugned order had approved tariff for 220 kV S/C Budhipadar-Korba line with associated bays, an inter-regional link. The transmission system has been built for transfer of surplus power from Eastern Region to Western Region. The Commission in para 20 of the impugned order directed that the transmission charges would be shared by the constituents of Eastern and Western Regions in the following proportion:

- “(i) $\frac{1}{2}$ by MPSEB (Respondent No.1) from the date of commercial operation of the assets, till the date of constitution of State of Chhattisgarh. The liability on this account between MPSEB and Chhattisgarh State Electricity Board (CSEB) (Respondent No.8) shall be shared in accordance with the Notification No. 238 dated 12.4.2001 issued by Ministry of Power, Govt. of India. After constitution of State of Chhattisgarh, $\frac{1}{2}$ of the transmission charges shall be shared by MPSEB and CSEB in proportion of energy transmitted,
- (ii) $\frac{1}{3}^{\text{rd}}$ by constituents of Eastern Region jointly (Respondent No.2 to 7), and
- (iii) $\frac{1}{6}^{\text{th}}$ by Gujarat Electricity Board (Respondent No.9)”

3. In para 24 of the impugned order, the Commission further directed that the transmission tariff for Eastern Region as approved, would be included in the regional transmission tariff of that region and would be shared by regional beneficiaries in accordance with para 7 of the notification dated 16.12.1997.

4. According to the petitioner, direction contained in para 24 of the impugned order would imply that fixed monthly transmission charges of 220 kV S/C Budhipadar-Korba transmission line should be borne by all the beneficiaries of the Eastern Region, which include the state utilities from the other regions allocated power from the Central Generating Stations in the Eastern Region. However, in view of the specific directions

contained in para 20 of the said order and reproduced above, it has been contended by the petitioner that there is inconsistency with para 24 and that for this reason, Respondent No.1, MPSEB was not sharing the fixed monthly transmission charges for the Eastern Region and had not honoured the bills raised by the petitioner. Therefore, through the process of review and by placing reliance on Ministry of Power notification dated 3.3.1998, the petitioner has prayed for

- (i) A direction to beneficiaries of Western Region and Eastern Region to share the transmission charges as per para 24 of the order dated 19.6.2002 and also to clear the arrears for the past billing.
- (ii) A further clarification that in all cases in future total fixed monthly transmission charges of the exporting region would also include fixed monthly transmission charges of the inter-regional transmission system and proportionate applicable share on account of fixed monthly transmission charges on inter-regional transmission links.

5. Replies to the review application have been filed by Respondent No.1, MPSEB, Respondent No.2, BSEB and Respondent No.3, WBSEB. BSEB and WBSEB, two state utilities in the Eastern Region, have generally supported the case of the petitioner that 1/3rd of the total transmission charges for 220 kV S/C Budhipadar-Korba transmission line apportioned to Eastern Region should be shared by all the beneficiaries of Eastern Region, which include the constituents of Western Region and other regions as well. On the contrary, MPSEB has contended that its payment liability has to be limited to ½ of the total transmission charges for this line based on the direction contained in para 20 of the impugned order and it cannot be saddled with additional transmission charges by sharing a portion of 1/3rd of the transmission charges apportioned to Eastern Region. According to MPSEB, the contents of para 24 of the impugned order read with para 20

thereof make the position abundantly clear. According to MPSEB, sharing of 1/3rd transmission charges of Eastern Region has to be limited to the constituents of that Region only.

6. Ministry of Power in its notification dated 3.3.1998 had laid down the principles for sharing of transmission charges of the inter-regional assets. The said notification dated 3.3.1998 provided as under:

“The sharing of monthly transmission charges for the inter-regional lines including HVDC systems, utilised for power exchange between one region to other contiguous region shall be as follows:

- a) One third(1/3rd) by the beneficiaries of one region
- b) One third (1/3rd) by the beneficiaries of the other region
- c) Remaining one third (1/3rd) as per use, i.e. the beneficiaries of the importing contiguous region which have received the power as per the commitment”.

7. However, these principles were not adopted by the Commission while directing sharing of the transmission charges for 200 kV S/C Budhipadar-Korba transmission line because of the peculiar facts and circumstances of the case. The Eastern Region constituents in 88th EREB meeting held on 15.4.1998 had agreed to share 1/3rd cost of 220 kV Budhipadar-Korba transmission line. Similarly, Respondent No. 1, MPEB, the predecessor of Respondent No 1, in 108th WREB meeting held on 14.10.1998 had also agreed to share 50% of the transmission charges for this line. Respondent No.8, GEB is also allocated surplus power from the Central Generating Stations in the Eastern Region. Keeping these facts in view and in departure from the principles contained in the notification dated 3.3.1998, the Commission ordered sharing of the transmission

charges by the different state utilities. The position in this regard has been made clear in Para 20 of the impugned order. Para 24 of the impugned order when read in conjunction with Para 20 thereof, which specifically decides the liability of transmission charges for each of the utilities, leaves no room for doubt that the word “beneficiaries” used in Para 24 of the order refers to Respondents No. 2 to 7 only, who are the constituents of the Eastern Region. When so read, there is no inconsistency between Paras 20 and 24 of the impugned order. Under these circumstances, the question of review of order dated 19.6.2002 should not arise.

8. The petitioner has prayed for certain other directions as noted at para 4 above. As the prayers made do not directly arise out of the impugned order dated 19.6.2002, sought to be reviewed, no directions in the present proceedings are considered necessary. The petitioner is at liberty to approach the Commission for appropriate relief on these matters in accordance with law through a separate petition.

9. Accordingly, the review petition No. 117/2002 stands disposed of, with no order as to costs.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(G.S. RAJAMANI)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 4th April, 2003