

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N. Sinha, Member**

Petition No.35/2003

In the matter of

Non-compliance of the orders or directions of the Commission and non-compliance of provisions of Indian Electricity Grid Code (IEGC) by Power Grid Corporation of India Ltd. (PGCIL) as Central Transmission Utility (CTU) operating the Northern Regional Load Despatch Centre, under the proviso of Section 27 of the Electricity Act, 2003 and wrong imposition of UI Charges on NHPC, in respect of Uri HE Project, for the period 21.4.2003 to 18.5.2003.

And in the matter of

National Hydroelectric Power Corporation Ltd.	Petitioner
Versus		
1. Power Grid Corporation of India, New Delhi		
2. Northern Regional Load Despatch Centre, New Delhi		
3. Northern Regional Electricity Board, New Delhi		
4. Central Electricity Authority, New Delhi	Respondents

The following were present:

1. Shri Sachin Datta, NHPC
2. Shri S.K. Agarwal, GM, NHPC
3. Shri Prashant Kaul, CE(T), NHPC
4. Shri Rajeev Hustu CE, NHPC
5. Shri A.K. Srivastava, NHPC
6. Shri Rajendra Prasad, NHPC
7. Shri R.K. Mohanty, NHPC
8. Ms Niti Singh, NHPC
9. Shri R.G. Yadav, ED, PGCIL
10. Shri S.S. Sharma, AGM, PGCIL
11. Shri Rakesh Prasad., PGCIL
12. Shri Y.K. Sehgal, PGCIL
13. Shri Mukesh Khanna, PGCIL
14. Shri V. Mittal, PGCIL
15. Shri Sunil Agrawal, PGCIL
16. Shri Manoj Agrawal, PGCIL

17. Shri Alok Roy, GM, NRLDC
18. Shri V.K. Agrawal, NRLDC
19. Shri S.R. Narasimhan, NRLDC
20. Shri Vivek Pandey, NRLDC
21. Shri Rafi-ud-din, CEA
22. Shri Amarjet Singh, NREB

ORDER
(DATE OF HEARING: 30.9.2003)

The power generated at Uri HEP, owned by the petitioner is evacuated through 400 kV D/C Uri-Wagoora transmission line. Wagoora sub-station is further connected to Ziankote and Pampore sub-stations in Kashmir Valley through 220 kV D/C transmission line. In addition to 132 kV transmission lines from Ziankote and Pampore sub-stations supplying power in the valley, one 220 kV D/C transmission line also emanates from Pampore and connects it to Kishenpur in the Jammu region.

2. During the period from 21.4.2003 to 18.5.2003, evacuation of power from Uri HEP was constrained due to tripping of Uri-Wagoora transmission line and/or Pampore-Kishenpur transmission line. The petitioner has averred that in view of the transmission constraints, the generation schedules of Uri HEP were required to be revised by Respondent No.2 in accordance with the orders of the Commission, the Commission's notification dated 26.3.2001 and the provisions of Indian Electricity Grid Code (IEGC) approved by the Commission. However, the generation schedule was not revised by Respondent No.2. On account of the transmission constraints in evacuation of power, Uri HEP could not generate in

accordance with the schedule prepared, which has resulted in levy of UI Charges of Rs.480.71 lakh on the petitioner by Respondent No.3, based on data provided by Respondent No.2, the details of which furnished by the petitioner are as under:

Period	Amount (Rs. in lakh)
21.4. 2003 to 27.4.2003	157.58824
28.4. 2003 to 4.5.2003	250.47930
5.5. 2003 to 11.5.2003	8.86673
12.5. 2003 to 18.5.2003	63.77750
Total	480.71177

3. The petitioner has submitted that earlier during the period from 19.2.2003 to 25.2.2003, when evacuation of power was constrained due to tripping of Uri-Wagoora 400 kV D/C transmission line, the schedules were revised by Respondent No.2 on its own by making schedule equal to actual generation and therefore, UI charges were not levied on the petitioner for that period. According to the petitioner, Respondent No.1 in its capacity as CTU has failed in its duty plan an adequate system for evacuation of power from Uri HEP. The petitioner has already made payment of Rs.136.66 lakh to Respondent No.2. According to the petitioner, UI charges have been imposed for reasons not attributable to it and on account of willful and deliberate non-compliance of the orders of the Commission, primarily by Respondent No.2. The petitioner is stated to have separately taken up the matter of reconciliation of UI accounts with Respondent No.3, but to no avail. The alleged non-compliance of provisions of IEGC by Respondents No.2 and 3 was also brought to the notice of CEA, Respondent No.4 vide its letter dated 20.6.2003, but no relief was provided.

4. In the above background, the petitioner has filed the petition with the following prayers:

(a) To proceed against the respondents No.1 and 2 for violation of directions of the Commission, on the issue of revision of schedule in case of transmission constraints, and pass appropriate order holding the respondents No.1 and 2 liable to pay the penalty under Section 45 of the Electricity Regulatory Commissions Act, 1998 (since repealed) read with Section 142 of the Electricity Act, 2003, for each contravention of the direction or orders and their continuance till direction or orders are complied with; the amount of penalty recovered from the respondents No. 1 and 2 should not be passed on to or recoverable from the beneficiaries.

(b) To pass appropriate order/direction, directing the respondents No.1 and 2 to comply with the orders of the Commission and accordingly to revise the schedule during the period of transmission constraints, between 21.4.2003 to 18.5.2003.

(c) To issue appropriate order/direction to the respondents No.1 and 2 to provide the revised data to respondent No.3 for preparation of revised UI account for the period 21.4.2003 to 18.5.2003 and direct for payment of UI charges due to the petitioner, on account of revision of the UI

account, along with interest @ 0.05% per day from the due date of preparation of original UI accounts to the date till the payment is made.

- (d) To issue appropriate order/direction directing respondents No.1 and 2 to revise the schedule, as per the directions already issued, during the period of transmission constraints, in future and to provide correct data for preparation of UI account to respondent No.3
- (e) To issue appropriate order/direction in favour of the petitioner, not to make the balance payment to the respondents No.1 and 2 of UI amount based upon the UI accounts already issued by respondent No.3 for the period from 21.4.2003 to 18.5.2003, till the disposal of the present petition.
- (f) To issue appropriate order/direction to respondents No.1 and 2 to return the amount of Rs.136.65970 lakh paid by the petitioner along with interest @ 0.05% per day from the date of receipt by Respondent No.2 till the amount is refunded.
- (g) To issue appropriate order/direction to respondents No.1, 2 and 3 to make payments to the petitioner of an amount of Rs.5 lakh towards the cost of litigation of this petition, including filing fees etc.

5. Respondent No.2 has filed its reply in which the allegations against Respondent No.1, in its capacity as CTU have been denied. Respondent No.2 has not denied that the petitioner could not generate in accordance with schedule because of the system's transmission constraints. It is stated that there were frequent trippings of 220 kV Kishenpur-Pampore D/C transmission line on 26.4.2003 and thereafter, the details of which have been furnished in its affidavit. Respondent No.2 has accepted that due to the transmission constraints in certain parts of J&K during the period from 21.4.2003 to 18.5.2003, there was loss of generation at Uri HEP. It is averred that in the Schedule Status Report the changes in generation level at Uri HEP due to transmission constraints were duly certified with the remarks to replace the schedules with actual generation as recorded by Special Energy Meters. Respondent No.3, however, while preparing UI accounts did not take this aspect into consideration. The sum and substance of the averment is that the petitioner's grievance arises out of the actions of Respondent No.3 because it did not take cognisance of the remarks given in Weekly Status Reports.

6. Respondent No.2 has further submitted that because of the coordinated efforts by Respondent No.2 by involving J&KSLDC, it became possible to maximise generation at Uri HEP, thereby minimising the spillage of water and maintaining supply of power in the valley. It is submitted that frequent tripping of Uri HEP and loss of power supply in Kashmir Valley could also be attributed to constant level of generation maintained at the station without considering the

loading level of 220 kV Pampore Circuit II in the face of outage of Circuit I. It is further stated that in real time it was not practical to revise the schedule from time to time in view of the continuously varying load pattern in the Valley. According to Respondent No.2, a conservative generation schedule would have resulted in spillage of water at Uri and any increase in generation at the station by the petitioner against such a conservative schedule would have earned him unintended UI charges. According to Respondent No.2, under the law it has been entrusted with the responsibility of ensuring integrated operation of power system in Northern Region. Its actions during the period were guided by the sole objective of achieving integrity, economy and efficiency of the system.

7. Respondent No.3 has submitted that in accordance with the directions of the Commission, its notification dated 26.3.2001 as also the provisions of IEGC, Respondent No.2 was required to prepare the day-ahead schedules taking into consideration the transmission constraints already known and revise/moderate the schedule in case the transmission constraint occurred on the operating day. Respondent No.2, however, did not revise or moderate the schedule despite knowledge of occurrence of the transmission constraints. It is further stated that it could not act based on the remarks contained in the Schedule Status Report because it would have amounted to ex post facto adjustment or replacement of the generation schedule with actual generation, which was beyond its authority. According to Respondent No.3, replacing high generation schedule for Uri HEP with lower actual generation retrospectively would have made the beneficiaries

liable for UI charges on the ground of over-drawal since these beneficiaries had already drawn power based on the schedule originally prepared by Respondent No.2

8. The petitioner along with its rejoinder has placed on record a copy of letter dated 19.8.2003 written by Respondent No.4, which absolves Respondent No.2 of the charge of willful disobedience of provisions of IEGC. It is stated that non-compliance of the provisions of IEGC by Respondent No.2 was due to communication constraints though there was a need to moderate the generation schedule of Uri HEP after occurrence of transmission constraints.

9. The petitioner, at the hearing did not press the alleged failure of Respondent No.1 in its role of planning of the transmission system. As such, we are not recording any finding on this issue.

10. We have heard the representatives of the parties and carefully perused the records. As provided in Para 7.5(7) of IEGC, while finalising generation schedules for inter-state generating stations, RLDC shall ensure that these are operationally reasonable. Para 7.5(12) further lays down that while finalising the drawal and despatch schedules, RLDC shall check that the resulting power flows do not give rise to any transmission constraints. In case any impermissible constraints are foreseen, RLDC shall moderate the schedules to the required extent under intimation to the concerned constituents. According to Para 7.5(13) of IEGC, on

completion of operating day by 2400 hrs., the schedule finally implemented during the day taking into account all before-the-fact changes in despatch schedule of generating station and drawal schedule of the states, shall be issued by RLDC. This schedule shall be the datum for commercial accounting. The average ex-bus capability for each ISGS shall also be worked out based on all before-the-fact advice to RLDC.

11. Clause 3.13 (vi) of the notification dated 26.3.2001 provides that RLDC is required to prepare the economically optimal generation schedules and drawal schedules and communicate the same to generator and the beneficiaries. Further, RLDC is also empowered to formulate procedure for meeting contingencies both in the long run and in the short run (Daily Scheduling). Clause 3.13(xii) of the notification dated 26.3.2001 further lays down that in the event of bottleneck in evacuation of power due to any constraint, outage, failure or limitation in the transmission system associated with switchyard and sub-stations owned by CTU (as certified by RLDC) necessitating reduction in generation, RLDC shall revise the schedules which shall become effective from 4th time block, counting the time block in which bottleneck for evacuation of power has taken place to be the first one. Also, during the first, second and third time block of such an event, scheduled generation of the station shall be deemed to have been revised equal to actual generation and also the scheduled drawals of the beneficiaries shall be deemed to have been revised to be equal to their actual drawals. As provided in Clause 3.13 (xv), if at any point of time, RLDC observes that there is need for

revision of the schedules in the interest of better system operation, it may do so on its own and in such cases, the revised schedules shall become effect from 4th time block, counting the time block in which the revised schedule is issued by RLDC to be first one.

12. The different provisions of IEGC, as also that of the notification dated 26.3.2001 referred to above, enjoined upon Respondent No.2 to take into account the transmission constraints on account of transmission lines belonging to Respondent No.1 and those belonging to the State Utility, while finalising the generation schedule of Uri HEP and drawal schedule of the beneficiaries to the extent these transmission constraints were known before hand. The schedules needed to be revised by Respondent No.2 in case of transmission constraints occurring during the course of the day. The inability of Respondent No.2 to prepare or revise the schedules by considering the transmission constraints about which there is no dispute, has resulted in less generation at Uri HEP because of evacuation problems and consequently imposition of UI charge on the petitioner. The provisions of IEGC and also the Commission's notification dated 26.3.2001, have not been followed by Respondent No.2 while deciding the schedules.

13. We have, however, considered the contents of letter dated 19.8.2003, from Respondent No.4 to petitioner. We are satisfied that no malafides can be attributed to Respondent No.2 in the whole process and it does not seem to have acted with any ill-will while deciding the generation schedule of Uri HEP. The

whole affair seems to be the result of certain limitations on its part, as pointed out by Respondent No.4. On considering the totality of the facts and circumstances, we direct that the actual generation at Uri HEP during the period from 21.4.2003 to 18.5.2003 when it could not generate as per its declared capacity shall be taken as the scheduled generation. The beneficiaries of Northern Region who drew power bonafide based on the drawal schedule prepared by Respondent No.2 might be deemed to have overdrawn from the generating station based on the generation schedule prepared by Respondent No.2. In order to relieve such beneficiaries of their liability to pay UI charges, we direct that in their case also, actual drawal shall be considered their scheduled drawal to the extent that their actual drawal does not exceed the originally scheduled drawal. In the light of the directions, Respondent No.2 shall furnish afresh data for the relevant period to Respondent No.3 and fresh UI account shall be prepared by Respondent No.3. The payment of Rs.136.66 lakh already made by the petitioner shall be adjusted against the revised UI Account and shall be refunded if the petitioner is not liable to pay UI charges.

13. We have been informed that Respondent No.2 has circulated some procedure in July 2003 by virtue of provisions of Clause 3.13(vi) of the notification dated 26.3.2001 to meet the contingencies of long-run and short-run scheduling. We are not expressing any opinion on any of the provisions of the procedure so formulated. If any party has a grievance, it may approach the Commission for

appropriate relief in accordance with the procedure prescribed by the Commission.

14. Needless to say the provisions of IEGC and the Commission's notification dated 26.3.2001 shall be scrupulously followed by all concerned in future.

15. With this order, Petition No. 35/2003 stands disposed of.

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 6th November 2003