

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram :

1. Dr. Pramod Deo, Chairperson.
2. Rakesh Nath, Member Ex-officio
3. R. Krishnamoorthy, Member
4. S. Jayaraman, Member
5. V.S. Verma, Member

In the matter of Central Electricity Regulatory Commission (Grant Of Connectivity, Long-Term Access And Medium-Term Open Access To The Inter-State Transmission And Related Matters) Regulations, 2009

**STATEMENT OF REASONS
(Date of hearing 31.03.2009)**

In exercise of powers conferred under Section 178 of Electricity Act, 2003 (“the Act”), the Commission made draft regulations on grant of connectivity, long-term access and medium term open access to the inter-state transmission and related matters, and had invited suggestions and comments from the stakeholders on the draft regulations through a public notice dated 2.3.2009. Suggestions and comments have been received on the draft regulations from the stakeholders listed in the Annexure attached to this statement of reasons. Commission has also held a hearing on 31.02.2009. Our decisions on the suggestions and comments received and submissions made during hearing are discussed in the succeeding paragraphs.

General Comments and Suggestions

1. The Power Grid Corporation of India Limited (PGCIL) has suggested that the ‘Connectivity to the grid’, ‘Grant of long-term access and medium term access’ may be dealt with separately and that, the issues like UI, limits on import/export, reliability participation, contingency plan, metering, scheduling and accounting jurisdiction of SLDC or RLDC etc may be addressed in a new regulation called ‘Criteria for Connectivity’.

2. With regard to the first suggestion of PGCIL, it may be appreciated that various aspects of grant of connectivity, medium term open access and long term access are dealt separately in these regulations. A separate Clause (No. 8) dealing with “Grant of Connectivity” lays down the procedural requirements of making of an application; processing of applications; and other conditions with regard to “Grant of Connectivity”. Similarly, Chapters 4, 5, 6 and 7 exclusively deal with Long Term and Medium Term Open Access. Regulations 9, 10 and 11 specify the criteria for grant of Long Term and Medium Term Open Access; processing of applications and relative priority; Inter-face meters. Regulation 12 specifies the manner of making applications for seeking grant of Long term Access. Regulations 13 to 18 lay down various requirements to be fulfilled for grant of Long term Access; Renewal; Relinquishment of rights, etc. Regulations 19 to 24 lay down various procedural as well as substantial provisions with regard to grant of Medium term Open Access. Regulations 25 to 32 deals with Curtailment; Transmission Charges; CTU’s Detailed procedures; Fees and Charges; Redressal Mechanism, etc., with regard to Long Term access and Medium Term Open Access. In view of the above, ‘Grant of Connectivity’ and ‘Grant of Long-Term Access and Medium Term Open Access’ have been dealt with separately in the regulations.

3. With regard to the second suggestion of PGCIL of dealing with the issues like UI, limits on import/export, reliability participation, contingency plan, metering, scheduling and accounting jurisdiction of SLDC or RLDC etc may be addressed in a new regulation called ‘Criteria for Connectivity”, these aspects are already covered in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007 , IEGC and CERC’s UI regulations.

4. It has been suggested by RPTL that access may be classified based on firmness of access rather than on duration. In this regard, it needs to be appreciated that the degree of firmness emanates from the nature and type of open access and its duration. Various types of access such as short term,

medium term and long term are envisaged in the increasing order of firmness. As such, the concern of RPTL has already been addressed.

5. It has been suggested by CSERC that a monitoring mechanism may be devised so that misuse of ISTS by any user for undue financial gains can be prevented. We appreciate the concern of CSERC but are of the view that any aspect of gaming or misuse of ISTS are subject matter of real time grid operation which are adequately addressed through various provisions of monitoring by SLDCs/RLDCs and penalties in separate UI regulation and IEGC. The present regulation which deals with grant of connectivity to the grid and provide for medium term open access and long term access should cover aspects facilitating such connectivity, open access or the access alone.

6. As per PTC and CSERC all types of access should be termed as “open Access”. However, keeping in view the definition of open access in the Electricity Act 2003, the Commission is of the view that only the use of existing system would come under ‘open access’ considering the fact that medium term access will be granted based on existing and already planned system without any augmentation, the Commission agrees that medium term access also qualifies as ‘open access’. Nevertheless, through this regulation, the Commission has created a framework for non-discriminatory access for long-term access as well, which could be done either using the existing transmission system or augmentation of the same to accommodate the power flow on account of long term access

7. PTC has suggested that one more category namely “Intermediate-term access” may be included. OPGENCO has commented that there is no provision for OA for open access period exceeding 3 years but not exceeding 12 years. Spice Energy, OPGCL and TNEB, have also questioned as to how the gap would be bridged in view of the definition of Medium term access being for maximum period of 3 years whereas long-term access is for a minimum period of 12 years. HSHPA has suggested that medium term access should be from 3 months to 10

years. As per NDPL and RPTL, medium term access should be from 3 months to 12 years. As per RIL medium term access should be extended to 7 years to be in line with Government of India guidelines for procurement of power. As per CSPTCL medium term should be restricted to 2 years. As per MSEDCL the period up to 1 year should be considered as short-term access.

8. The Commission has specified a period of more than 3 months and up to 3 year for medium term open access without any augmentation of transmission system having due regard to available transmission capacity. A period of 12 years and more is specified for Long term access with or without system augmentation with due regard to repayment obligation of the investors. It may not be desirable to provide open access for any intermediate period because this would discourage any entity in seeking long term access which is necessary to create additional redundancies and margins in the transmission system to further facilitate short term and medium term open access. As such, any entity desirous of open access for the period between 3 years to 12 years may opt for medium term open access and renew the same every three years or may go for long term access for 12 years and opt for early exit option after paying necessary charges as per terms of the regulation any time before completion of open access period of 12 years.

9. As per PTC, in certain cases, the CTU changes the point of connectivity after grant of Open Access. This results in additional costs to the generators. PTC has further pointed out that in certain cases the generator coming first is required to bear the entire transmission charges when additional transmission capacity has been created in the transmission system planned for the upstream generating projects.

10. In our view the present regulation provides for fixing the point of connection which would be formalised through a Connection Agreement. Any change would be possible only through mutual consent.

11. CSPTCL has submitted that transmission lines are built looking into the requirement of existing beneficiaries for transmission of power over a long period of time where load growth & seasonal variations have been envisaged. This needs to be clearly mentioned in the Regulations.

12. Planning for augmentation of Transmission system for transmission access has been linked to long term access applications only and not medium term and short term access. In order to facilitate orderly planning by CTU and CEA, all the applications of long term open access would be considered six monthly twice a year, so as to facilitate bunching of projects coming together during those six months through transmission system planning. Transmission charges could then be shared proportionately depending on the line capacity allocated between the generators, on whose account the transmission system is being augmented.

13. Regulation 1 specifies the short title viz., “Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access to the inter-State Transmission and related matters) Regulations, 2009” and its date of commencement.

14. PGCIL stated that the regulations clearly state its scope as limited to use of surplus capacity in case of grant of Medium Term Access. Even though no augmentation in transmission system is required, it is different from Short-Term Open Access. In case of Medium Term Access, as system studies are conducted from planning perspective, there may be a need for a dedicated transmission system upto the connection point and the intent could be to convert medium term into long-term access in future. Accordingly, the term “Open Access” is not used even for Medium Term Access. It has been suggested that it may be clarified that Long Term and Medium Term Access are different from Short-Term Access; hence CERC (Open Access in inter-State transmission system) Regulations,

2008 are not applicable for Grant of connectivity, long-term access and medium term access of inter-State transmission system. As per Spice Energy and CSERC all types of access should be covered in one regulation.

15. It is clarified that both medium term open access and short term open access use the available margins in the inter-state transmission capacity and hence no transmission system would be augmented for either of these two types of open access. The only difference between the two is the duration of these two types of open access and the different nodal agency approving the open access. Medium term open access can be sought up to a minimum of 5 months in advance, whereas short term open access can be sought up to a maximum of 3 months in advance. Therefore, medium term open access, by nature of its longer duration, has been given a higher priority than short term open access. Similarly, during curtailment of open access on account of transmission bottlenecks, short term open access transactions would be curtailed first and then the medium term open access transaction.

16. RIL is of the view that the independent functioning of SLDC needs to be ensured for success of open access. Whereas we appreciate this point, it does not come within the purview of this Commission. It is understood that the Government of India is already taking steps in this direction. However, for inter-State open access transaction, a generator or consumer embedded in a State, these Regulations mention a time line by which the SLDC should give its decision for concurrence to facilitate inter-state flow of power.

17. TNEB has commented that it is presumed that the existing beneficiaries of Power Grid are not covered in these regulations. It is clarified that the existing beneficiaries are long term access customers. They are already connected to the grid and transmission for them has already been planned on the basis of which the existing transmission system has been built. Hence they need not make an application for grant of connectivity or long-term access for availing power from

existing Central Generating Stations. However, they still have to abide by the CEA (Technical Standards for Connectivity to the Grid) as mentioned in these Regulations,

Regulation 2: Definitions

18. Regulation 2 specifies the definitions of certain words and expressions that have been used in the regulations.

19. As per PGCIL, Spice Energy and PTC the definition of “connectivity” needs to be included. The Commission agrees to the same. Accordingly, a new definition has been inserted and reads as under -

“Connectivity” for a generating station, including a captive generating plant, a bulk consumer or an inter-state transmission licensee means the state of getting connected to the inter-State transmission system;”

20. However, it may not be desirable and practicable to allow connectivity to small generator /captive generators and small consumers to the interstate transmission system. Commission has therefore, decided to provide grid connectivity to the generating stations of installed capacity of 250 MW and above, captive generators who has exportable capacity of 250 MW and above and bulk consumers having connected load of 100 MW and above. This has been incorporated in the definition of applicant for grid connectivity.

21. As per PTC the terms ‘Generating Station’ and ‘State entity’ may be defined. HSHPA has recommended that the definition of ‘Intra-State entity’ needs to be introduced.

22. In our view, the term ‘Generating Station’ has been defined in Section 2(30) of the Act hence there is no need to reproduce the same in these regulations. It has already been mentioned in these regulations that words and

expressions that have been defined in the Act will have the meanings ascribed thereto and as assigned to them in the Act. Regarding the term 'State entity,' the term 'Intra-State entity' has been added that reads as under:

“intra-State entity” means a person whose metering and energy accounting is done by the State Load Despatch Centre or by any other authorized State utility;”

23. As per CSERC and Spice Energy, the definition of long-term customer should be harmonized in all regulations. We agree with the suggestion made. “Long term transmission customer” has been defined in the CERC regulation for Terms and Conditions of tariff 2009. The Open Access regulations for inter-State transmission, 2008 also contain a definition of “Long term customers”. These are at slight variance with the regulations for grant of connectivity, long term access and medium term open access. A new definition has been given for long term customers here, since medium term open access has also now been carved out. Since this definition has come out in the later regulations, the definitions in the other Regulations would be modified accordingly.

24. As per POWERGRID the normal transmission tariff stream is for 25-30 years, so for reduced period a special tariff stream is required. In this regard, 25 years has been considered in accordance with the period for which a licence is issued to the licensee for inter state transmission system. It is seen that the net present value of the tariff stream for the first 12 years is about 85% of the net present value of tariff stream for 25 years. It is also unlikely that the assets will remain unutilized thereafter. As such, a special tariff stream may not be necessary. We appreciate that the recovery of full tariff to the transmission licensee needs to be assured. The penalty provisions for premature withdrawal of long term open access take care of recovery of tariff in the event of termination of any long term access. Balance transmission charges, if any, shall be borne by

the other long term customers of the line or other open access customers granted open access subsequently.

25. Referring to the definition of 'long term access', NDPL and PTC have stated that the life of hydro stations is 35 years. Since, there is no preference for renewal; the maximum period for long-term access may be increased to 35 years. In this regard, the Commission has now decided to provide for automatic extension of long term access on written request of the entity concerned in Regulation 15 (Renewal of Term for Long Term Access) without the necessity of having to submit another formal application.

26. As per PTC the definition of "applicant" may be included. We find this in order. Hence, a suitable definition of the term 'Applicant' has been added so as to clarify who can apply for connectivity and who can apply for medium term open access and long term access. A definition of 'stranded transmission capacity' has also been added to bring clarity.

27. As per NTPC a line should be considered 'dedicated' only when such use is established. When many generators are likely to use that line, it should not be considered as dedicated line. In our opinion the term 'dedicated transmission line' is already defined in the Act and shall be construed accordingly.

Regulation 3: Scope

28. OPGCL has stated that it is not clear whether application for connectivity as well as long-term/medium term access is to be submitted separately or together.

29. We are of the view that a generating station, including captive generating plant or a bulk consumer can not apply for long term access or medium term

open access without applying for connectivity. It is not necessary to submit application for open access or access along with application for connectivity. However a person may apply for connectivity and long-term open access or medium-term open access simultaneously in order to save time.

30. Regulation 3 has been modified accordingly to reflect the same.

Regulation 4: Nodal Agency

31. The draft regulation provided that the nodal agency for grant of connectivity, long-term access and medium-term open access to the inter-State transmission system shall be the Central Transmission Utility. The same is retained in the regulation.

Regulation 5: Filing of Application:

32. Regulation 5 (numbered as Regulation 7 in the earlier draft) provides the mechanism for filing of applications for the grant of connectivity as well as long-term access and medium term open access. The Commission has decided that an application for connectivity is not required to be made by any transmission licensee, since transmission system planning is carried out in a coordinated manner by the Central Transmission Utility and the Central Electricity Authority. The regulation has been modified accordingly

Regulation 6: Application Fee

33. This regulation (numbered as Regulation 8 in the earlier draft) specifies the amount of application fees payable for (i) grant of connectivity; (ii) Medium term Open Access; and (iii) Long Term Access, having regard to the quantum of power to be injected into ISTS. As per Spice Energy, PTC, IEX, Torrent Power and TNEB, the application fees as specified is on the higher side. As per Spice Energy there should not be any fee for connectivity or should be nominal. As per

POWERGRID the fee is on lower side considering the work involved. As per NDPL application fee should not be dependent on quantum of injection.

34. In our view, the system studies involved in dealing with processing applications for Medium Term open access are relatively simpler and less time consuming as the RLDCs are required to check only the system constraints, whereas stability and other studies would additionally be required for allowing connectivity and long term access. Accordingly, the application fee for Medium Term open access has been kept lower than the fee for the Grant of connectivity and Long Term access for which more elaborate system studies and system planning studies are required to be made. Therefore, application fee for Long Term access and connectivity have been accordingly formulated of the same order. However, the application fees have been reduced for all categories depending upon the quantum of power to be injected in to ISTS or drawn from ISTS.

35. As per HSHA, for renewables, application for capacity less than 25 MW may be introduced. As per MSEDCL generators normally offer much smaller quantity and therefore application fee should be prescribed for smaller quantities say multiples of 100 MW. As per Indiabulls and APTRANSCO, separate category for smaller capacity may be introduced. With respect to the above comments, an additional category of capacity up to 100 MW has been introduced.

9. Regulation 7: Time Frame for processing Applications

36. Regulation 7 (numbered as Regulation 9 in the earlier draft) provides the time limit for processing beginning the last day of the month in which application was received by the nodal agency. As per NDPL, penalty should be specified if CTU fails to comply with this time frame. As per PTC instead of words 'disposed of', the words 'processed' and 'open access granted' may be used. It has been suggested by RPTL that time frame for disposal is on higher side. It has been

suggested by POWERGRID that the time line is tight. It has been suggested by APTRANSCO that the time frame for disposal of application for medium term open access may be increased to 45 days. It has been suggested by APTRANSCO that the time frame for submission of application may also be specified. For example, it may be specified that application for long-term and medium term access should be submitted at least 4 years and 6 months in advance.

37. Taking note of the PTC comments, the word “disposed off” has been replaced with the word “processed”. Further, the timeline for processing application for the medium term open access has been increased to 60 day from 40 days proposed earlier. As regards suggestion to specify time frame for submission of application, the same has already been specified. Further, a timeline of 120 days is provided for processing of application for long term open access not involving augmentation of transmission system. It appears that the concerns of APTRANSCO are that sufficient time should be given after submission of the application for augmentation of transmission system to accommodate the LTOA if needed. The Commission has, therefore, inserted the following clause when augmentation of system is required: _

“Provided also that the exact source of supply or destination of off-take, as the case may be, shall have to be firmed up and accordingly notified to the nodal agency at least 3 years prior to the intended date of availing of long-term access, or such time period estimated by the Central Transmission Utility for augmentation of the transmission system, whichever is lesser, to facilitate such augmentation.”

38. As regard, imposing penalty for not processing the application by the transmission utilities within stipulated time, it may be mentioned that these being subordinate Regulations under the Act have to be complied with. Non-

compliance may result in penalty as prescribed in the Act for violation of provisions of the Act.

Regulation 8: Grant of Connectivity

39. It has been suggested by PGCIL that this regulation may be generalized to cover load serving entities and other transmission licensees. It has been suggested by PGCIL, ED (SO) that a new clause may be added to read as follows - "All Long-term customers and Medium Term Customers shall abide by the provisions of IEGC and CEA regulations on Grid connection conditions". As per NHPC it is not necessary for CGS to construct dedicated line except when project is awarded through competitive bidding. It has been suggested by CSPTCL that connectivity should not be granted by LILO of existing line. It has been suggested by NTPC that the connectivity conditions should also specify allowed limits of injection without access. It has been suggested by Spice Energy that the fresh application fee should not be payable for deviation of more than 10% in the quantum of energy injected. Indiabulls has suggested that deviation of more than 25% should require fresh application. It has been suggested by OPGCL that change in location by a small distance, which does not call for change in connecting substation should not require fresh application. As per OPGCL and RPTL, threshold for deviation should be specified in terms of MW. It has been suggested by PTC that after the term 'generating company', the phrase 'or captive generating plant' may be added. As per Spice Energy the regulation provides that a generating company can execute the dedicate line itself or get it executed through any other agency. The latter part is not clear. It has been suggested by PTC that 'any other agency' may be replaced by 'any other transmission licensee'.

40. Regulation 8 (numbered as Regulation 12 in the earlier draft) dealing with the grant of connectivity has been modified duly taking into account the suggestions/comments of the stakeholders. As discussed earlier, the scope of

this regulation for connectivity has been enlarged to include captive generators and bulk consumers; details required to be submitted; inter-connection study by nodal agency; consultation with agencies involved in inter-state transmission system and other requirements. Since identification of buyers is not an essential input for granting connectivity, the first proviso to the earlier regulation 12(1) has been omitted. Further, it has been provided that mere grant of connectivity shall not entitle an applicant to interchange any power with the grid unless it obtains long-term access, medium-term open access or short-term open access with due regard to system operations.. However, new generating stations are exempted during commissioning activities from this provision. Regulations now provide that material change in location or change in quantum of power by more than 100 MW would require submission of fresh application. Similar, changes in the regulation for long term access has been made.

41. The regulation also provides that an applicant (being a generating station including a captive generating plant or a transmission licensee) may be required by the Central Transmission Utility to construct a dedicated line to the point of connection to enable connectivity to the grid, provided that a thermal generating station of 500 MW and above and a hydro generating station of 250 MW and above, other than a captive generating plant, shall not be required to construct a dedicated line to the point of connection and such stations shall be taken into account for coordinated transmission planning by the Central Transmission Utility and Central Electricity Authority.

42. As regards suggestion of CSPTCL that connectivity should not be granted by LILO of existing line, no reason has been given. We are not in agreement with the same and that many times a line is made LILO for optimum resource utilisation. However, which would be best method of connectivity, would be decided by the CTU.

43. With regard to the suggestion of NTPC, that the connectivity conditions should also specify allowed limits of injection without access. The Regulations

have been changed to specify allowed limits of injection without access only to the extent of allowing load test of the generating unit before being put into commercial operation. Allowing injection without access would not allow the Regional Load Despatch Centre to carry out optimum scheduling. We feel that if this is allowed, the significance of scheduling of power, which is done to see that lines are not getting overloaded, would be lost which would affect the security of the grid. Hence, the suggestion is not accepted.

44. A number of persons have suggested that a fresh application should not be made a requirement for small changes of locations and small variations in injection. We are in agreement with the above suggestion and only material change in location and deviation of injected power greater than 100 MW will require submission of fresh application. Similar change in the regulation for long term access has been made.

45. It has been suggested by TNEB that it should be ensured that dedicated transmission line gets executed in time otherwise capacity created in the main transmission system for this customer shall remain unutilized.

46. In our view, augmentation of the transmission system would not start only on the basis of connectivity. Augmentation of transmission system would be carried out on the basis of long term access. A provision has been made in the Regulations that an applicant can seek for connectivity and long term access or medium term open access simultaneously.

47. A provision has been made in the Regulations to include in the Connection Agreement the time line for phasing of the construction of the transmission system augmentation elements and the generation facilities or the facilities of the bulk consumer so as to match the time lines of the two.

48. Further, even when the dedicated line does not come up in time after being granted open access, the generator or bulk consumers who is building the dedicated line becomes liable to pay the transmission charges from the date the open access has been granted.

Regulation 9: Criteria for Granting Long Term Access and Medium Term Open Access

49. Regulation 9 (numbered as Regulation 4 in the earlier draft) provides for the requirements before long-term access or medium-term open access is considered. Before long-term access is awarded, the Central Transmission Utility shall have due regard to the augmentation that needs to be done to the inter-State transmission and also take into account any plans made by the Central Electricity Authority in this regard.

50. As per WBSETCL in addition to IEGC, reference to State Grid code may be made for State system while referring to planning criteria.. We are of the opinion that in accordance with the Act, the State Grid codes have to be consistent with IEGC. For the inter – State transmission system, it is only the IEGC which has to be referred to. In any case transmission planning on an all-India basis is being done in a coordinated way by the CTU and the CEA.

51. As per CSERC and RPTL there may be situations when Long-term access may be allowed without augmentation. We agree that there may be some inter - State capacity available in transmission lines without the need for augmentation, for granting long term access.. Accordingly, the regulations have been modified to incorporate the provisions. The regulations now provide for Long term access even without system augmentation.

Regulation 10: Relative Priority

52. It has been suggested by PGCIL, and Shri BR Vasantha Kumar that long term access and medium term open access are two different products and are processed separately, the issue of inter-se priority may be difficult to implement.

53. We agree to the same. The regulations have therefore, been modified to provide that applications for long-term access or medium-term open access shall be processed on first-come-first-served basis separately for each of the aforesaid types of access. However, while processing applications for medium-term open access received during a month, the application seeking access for a longer term shall have higher priority.

54. As per PGCIL, ED (SO) and POWERGRID the processing of applications for long term and medium term access on first-cum-first served basis will be difficult to implement. Applications for medium term access received in a month and applications for long-term access received in a quarter should be taken up together. Further, Open Access as per CERC Open Access Regulation, 2008 is granted three months in advance.

55. We agree with the view of POWERGRID. We have accordingly specified as follows:

“Applications for long-term access or medium-term open access shall be processed on first-come-first-served basis separately for each of the aforesaid types of access:

Provided that applications received during a month shall be construed to have arrived concurrently;

Provided further that while processing applications for medium-term open access received during a month, the application seeking access for a longer term shall have higher priority;

Provided also that in the case of applications for long-term access requiring planning or augmentation of transmission system, such planning

or augmentation, as the case may be, shall be considered on 30th of June and 31st of December in each year in order to develop a coordinated transmission plan, in accordance with the perspective transmission plans developed by the Central Electricity Authority under section 73 of the Act;”

56. The stipulations for concurrence of SLDCs for grant of access or open access by the SLDC, and its time frame, have also been included in the Regulations, in the case of access to generator or bulk consumers embedded in the inter state transmission system.

Regulation 11: Interface Meters

57. This regulation (numbered as Regulation 11 in the earlier draft) specifies as to who would install interface meters – the CTU for regional entities; and STU for State entities, and the necessary provision for carrying out inspection of the interface meters.

58. It has been suggested by PGCIL, ED (SO) that in some cases though the generating station or entities fall within the jurisdiction of state control area but the generating stations or entities has direct connection with both ISTS as well as State Transmission Network. In order to meter and do accounting and exchange of the State, the meter at such locations should be provided by the CTU at the cost of the Regional entity. In our view, the interface meter should be provided by CTU if the metering is to be done by RLDC irrespective of the jurisdiction.

59. It has been suggested by WBSETCL that a reference to regulations made by State Commission may be incorporated. Joint inspection of meters may be carried out by CTU/RLDC and STU/SLDC. We are of the opinion that for inter-State transmission, CERC has the sole jurisdiction and therefore the regulations made by the CERC will be applicable. The agency responsible for installing meters or the entity responsible for metering should have authority to inspect and therefore, joint inspection of meters is not envisaged.

60. It has been suggested by RPTL that the interface meters should be installed by RLDC. We are of the opinion that the stipulation is in line with IEGC as such, no change is contemplated.

61. As per CSERC the provision for inspection of meters of intra-State entities is missing. The regulations as finalised provide that interface meters for the intra-State entities shall be open for inspection by any person authorized by the State Transmission Utility or the State Load Despatch Centre.

Regulation 12. Application for Long Term Access

62. Regulation 12 (numbered as Regulation 13 in the earlier draft) provides inter alia for the mechanism of making of an application for grant of long term access; the details required thereunder; and furnishing of bank guarantee in favour of the nodal agency.

63. As per Shri BR Vasantha Kumar, it should be clarified whether application should be accompanied by agreement for buying/selling. TNEB has made a point that without knowledge of specific drawal and injection points, designing a reliable and comprehensive evacuation system may be difficult.

64. It is clarified that Regulation 12(1) requires the application for grant of long-term access to contain details such as name of the entity or entities to whom electricity is proposed to be supplied or from whom electricity is proposed to be procured along with the quantum of power and such other details as may be laid down in the detailed procedure. However, in case where augmentation of transmission system is required for granting open access, and the quantum of power has not been firmed up in respect of the person to whom electricity is to be supplied or the source from which electricity is to be procured, the applicant can indicate the quantum of power along with name of the region(s) in which this electricity is proposed to be interchanged using the inter-State transmission

system. Commission is of the view that the system planning based on knowledge of region(s) of supply has to be done in order to promote merchant generation. Whereas, transmission system planning may be undertaken by the CTU and CEA based on the information about region of supply or drawal but the beneficiaries/buyers or seller/suppliers would need to be firmed up for completing last leg of transmission line. Hence, the Commission has provided that the exact source of supply or destination of off-take, as the case may be, shall have to be firmed up and accordingly notified to the nodal agency at least 3 years prior to the intended date of availing long-term access, or such time period estimated by Central Transmission Utility for augmentation of the transmission system, whichever is lesser, to facilitate such augmentation.

65. It has been suggested by CSPTCL that long term access should not be given without approval of regional constituents in RPC forum. We are of the view that regulation 13 already provides for consultation and coordination with other agencies involved in inter-State transmission system to be used including State Transmission Utility, if the State network is likely to be used, process the application and carry out the necessary system studies so as to ensure that the decision to grant long-term access is arrived at within the timeframe specified.

66. POWERGRID has commented that change in destination/beneficiary also affects planning. Regulation, as modified, provide for submission of a fresh application in case of any major change in location or change in quantum of power by more than 100 MW.

67. HSHPA has suggested that the requirement to furnish Bank Guarantee may be exempted for renewable sources. As per Shri BR Vasantha Kumar, it should be clarified when Bank Guarantee shall be returned. NDPL, PTC and OPGCL have suggested that since no investment is made at the stage of making of an application, Bank Guarantee should not be required. As per NTPC, the

requirement to furnish Bank Guarantee may be waived when generator is signing the indemnification agreement.

68. We are of the view that furnishing of Bank Guarantee is required to bring seriousness to the applications made by applicants. However, a provision has been made requiring the bank guarantee to stand discharged with the submission of bank guarantee required to be given by the applicant to the Central Transmission Utility during construction phase when augmentation of transmission system is required, in accordance with the provisions in the detailed procedure. Furthermore, the amount of Bank Guarantee has been reduced from the originally proposed Rs. 1 lakh per MW to Rs. 10,000 per MW.

69. It has been suggested by MSEDCL that in the detailed procedure to be laid down by the nodal agency, the applicant may be allowed a time limit within which he may withdraw the application, when the Bank Guarantee will be returned to the applicants.

70. We are not in agreement with the suggestion made. In fact, the revised regulation specifies that the bank guarantee may be encashed by the nodal agency, if the application is withdrawn by the applicant or the long term access rights are relinquished prior to the operationalisation of such rights when augmentation of transmission system is not required.

Regulation 13 - System Studies by the Nodal Agency

71. This regulation (numbered as Regulation 14 in the earlier draft) specifies that on receipt of the application, the nodal agency shall, in consultation and through coordination with other agencies involved in inter-State transmission system to be used, including State Transmission Utility, if the State network is likely to be used, process the application and carry out the necessary system

studies so as to ensure that the decision to grant long-term access is arrived at within the timeframe specified.

72. It has been suggested by Indiabulls that the results of system study should be circulated within 45 days. The detailed procedure may provide for making available the result of system studies to the applicant.

73. It has been suggested by Spice Energy that development of network is the responsibility of CTU so it should bear cost of system study. We are of the view that CTU is a company and the costs of activities related to a generator or consumer, should be borne solely by the generator or consumer, failing which, it would have got socialised.

74. It has been suggested by RPTL that there should be an appellate authority such as CEA if the applicant is not satisfied with the results of the system study. In our view, the planning to ISTS for which system study is being done is always done in coordination with CEA and so CEA's coordination is implicit. Regulation 30 specifies that all disputes arising out of or under these regulations shall be decided by the Commission on an application made in this behalf by the person aggrieved. We are of the view therefore, that such an appellate authority is not required.

75. As per PTC the clause regarding identification of agency for constructing the transmission system is not relevant for the subject under consideration. It has been suggested by RPTL that the agency constructing the transmission assets should be identified based on guidelines for competitive bidding for transmission. It has been suggested by RPTL and Shri BR Vasantha Kumar that the selection of agency should be through guidelines for competitive bidding issued by Government of India.

76. We agree with the suggestions made. Accordingly, the regulations have been revised to provide that the Empowered Committee established in accordance with the guidelines for encouraging competition in development of transmission projects issued by the Central Government, may identify one or more elements needed for augmentation of inter-State transmission system to be developed through tariff based competitive bidding.

77. We are of the view that this regulation 13 provides for a substantial provision with respect to Government policy in order to develop ISTS, that should not be omitted. We have incorporated the suggestions of RPTL and B.R. Vasantha in the Regulations.

78. As per RPTL this regulation presumes that transmission assets shall be built on cost-plus basis. As discussed above, the regulation has been modified to provide for construction of transmission assets through tariff based competitive bidding route also. As such, contention of RPTL is not correct.

Regulation 14 - Communication of Estimate of Transmission Charges etc.

79. In accordance with this regulation (numbered as Regulation 15 in the earlier draft), the nodal agency is required to communicate to the applicant an estimate of transmission charges payable while granting long term access having regard to the prevailing costs, prices and methodology of sharing of transmission charges specified by the Commission.

80. As per PGCIL and MSEDCL, a reference to 'Medium-term customer' needs to be included. In our view, such reference of 'Medium-term customer' in a regulation for long term access is not necessary. The transmission charges for a medium term customer would be as per the sharing of transmission charges in vogue.

Regulation 15 : Execution of Long Term Access Agreement

81. Regulation 15 (numbered as Regulation 16 in the earlier draft) requires the execution by the applicant, of an agreement for long-term access with the Central Transmission Utility in case long-term access is granted by the CTU; or tripartite long term access agreement with the CTU and the ISTS transmission licensee in case of long-term access to ISTS transmission licensee, other than the CTU.

82. It has been suggested by PTC that trading licensees may be included in the provision for signing of agreement with transmission licensee. CERC has sought to clarify as to how a consumer including captive generator who prefers to be regional entity, would get open access without using State network.

83. Under the regulation an applicant (who can be a trading licensee) is also allowed to sign agreement with transmission licensee. As regards a consumer including captive generator who is embedded in the State transmission network, a provision has been made in the Regulations..

84. It has been suggested by PTC that if transmission licensee undertaking construction has been identified by CTU, CTU should sign agreement with this transmission licensee. The regulations has been modified to provide for signing a tripartite agreement between the applicant, the Central Transmission Utility and the inter-State transmission licensee.

Information to RLDC and SLDC

85. A new regulation 16 has been inserted providing for informing RLDC and SLDC, Immediately after grant of long-term access so that they can consider the same while processing requests for grant of short-term open access.

Regulation 17: Renewal of Term of Long Term Access

86. Regulation 17 now provides that on expiry of period of long-term access, the long-term access shall stand extended on a written request provided by the long-term customer.

87. It has been suggested by MSEDCL, PTC, OPGCL, TNEB, Torrent Power and NTPC that long-term customers should be given preference for renewal after expiry of term. GRIDCO has suggested that LTOA should be provided for life time.

88. With regard to the above suggestion of MSEDCL, PTC, OPGCL, TNEB, Torrent Power and NTPC , a provision for automatic extension on written request has been added in Regulation 17 (Renewal of Term for Long Term Access), mentioning the period of extension. In this way a LTOA customer can have access as long as he wants.

89. It has been suggested by WBSETCL that the beneficiary having allocation from CGS should be given preference for renewal after expiry of term. In our view, the LTOA customers include beneficiaries as well, since they are deemed to have been granted long term access with firm allocation of power from Central Generating Stations for the life time of a power station.

90. It was suggested by RPTL that regulation 17 may be deleted. Given the importance of this regulation, this suggestion of deleting this regulation is not acceptable.

Regulation 18: Relinquishment of access rights

91. Regulation 18 provides the manner in which a long-term customer may relinquish his long-term access rights, fully or partly, before the expiry of the full

term of long term access, by paying some compensation for the stranded capacity.

92. It has been suggested by PGCIL, ED (SO) that the word 'rights' may be replaced by 'long term access rights'. It has been also suggested that the original Regulation 18 (ii) may be reviewed so as to restrict transfer of the rights to another company in the same location and to the extent of the MW allocation of long-term access granted. This clause shall tantamount to transfer/trading of Financial Transmission Rights (FTRS). It is therefore proposed that the clause may be revised.

93. It has been suggested by WBSETCL and WBSETCL that the existing customer should surrender rights to nodal agency which should distribute the same on first come first serve basis.

94. The term 'rights and obligations' have been replaced by 'access rights taking the above suggestions into account,'. The provision regarding transfer of access rights by LT customer to another person has also been omitted.

It goes without saying that the access rights would be surrendered to the nodal agency which shall deal with the re-allocation as per the pending applications as per the mechanism enshrined in these regulations

95. It has been suggested by PTC that the Commission may allow exit of a long term customer prior to expiry of full term of long term access subject to payment of compensation for stranded transmission capacity in a manner determined in accordance with regulation 18. As per NDPL there is no incentive to surrender transmission capacity since customer is required to pay present value of tariff stream. If CTU finds another customer, the money should be returned to original customer. It has been suggested by PTC that at line 2, the word "present" may be replaced by "the then prevailing" and at lines 4 and 5, the

phrase starting with “the transmission capacity” may be replaced by: “the stranded transmission capacity” to be in line with Regulation 18.

96. We agree that there should be an incentive for the long-term customer to surrender transmission capacity. If he has to pay the full charges, even after surrendering the transmission capacity, there is no such incentive. Therefore, Regulation 18 has been redrafted. Accordingly, a Long-term customer who has availed access rights for at least 12 (twelve) years, submitting application atleast 1 (one) year prior to the date from which such customer desires to relinquish the access rights, there shall be no charges. Notice of less than one (1) year shall require payment of an amount equal to 66% of the estimated transmission charges(net present value) for the stranded transmission capacity for the period falling short of a notice period of one (1) year. For Long-term customer who has not availed access rights for even 12 (twelve) years – such customer shall have to pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights. In case a customer submits an application for relinquishment of long-term access rights at any time at a notice period of less than one year, then such customer shall pay an amount equal to 66% of the estimated transmission charges (net present value) for the stranded transmission capacity for the period falling short of a notice period of one (1) year, in addition to the charges for the stranded transmission capacity for the period falling short of 12 (twelve) years of access rights as mentioned above. The discount rate that shall be applicable for computing the net present value shall be the discount rate to be used for bid evaluation in the Commission’s Notification issued from time to time in accordance with the Guidelines for Determination of Tariff by Bidding Process for Procurement of Power by Distribution Licensees issued by the Ministry of Power. The compensation paid by the long-term customer for the stranded transmission capacity shall be used for reducing transmission charges payable by other long-term customers and medium-term customers in the year in

which such compensation payment is due in the ratio of transmission charges payable for that year by such long-term customers and medium-term customers.

97. It has been suggested by APTRANSCO that the CTU/STU should be allowed to retain a part of the compensation received. We are of the view that CTU/STU need not retain part of compensation because their revenue realization is unaffected and they are assured of payment of their ARR.

Regulation 19: Application for Medium Term Open Access

98. Regulation 19 (numbered as Regulation 20 in the earlier draft) provides for the manner of making of application for grant of Medium Term Open Access and specifies inter alia the details required there under.

99. It has been suggested by NDPL that the application for grant of medium term access shall contain such details as may be laid down under the detailed procedure for the period not less than 3 months but exceeding 3 years. Under such regulation a generator may enter into an agreement with a utility for a period of 15 years or 10 years to cover its loan obligations. Under such a scenario, will the utility have to apply for medium term open access after expiry of every three years? Also in case of denial on account of congestion or non availability of transmission corridor or any other reasons, how would a generator meet its firm power supply obligation under such a scenario? Hence it is suggested that medium term open access should be allowed for any period varying between 3 months up to 12 years. Also in case medium term open access requires augmentation of transmission system to facilitate power evacuation, the same may also be allowed.

100. As discussed earlier, the Commission has prescribed a period of more than 3 months and up to 3 years for medium term open access without any

augmentation of transmission system having due regard to the margin available in the existing transmission infrastructure . A period of 12 years and more is prescribed for the Long term access with or without system augmentation with due regard to repayment obligation of the investors. It may not be desirable to provide open access for any intermediate period because this will discourage the entities in seeking long term access which is necessary to create additional redundancies and margins in the transmission system to further facilitate short term and medium term open access. As such, any entity desirous of open access for the period between 3 years to 12 years may opt for medium term open access up to four times or may go for long term access for 12 years and may opt for early exit option after paying necessary charges as per terms of the regulation any time before completion of open access period of 12 years.

101. Further, the regulation 19 (2) has been modified specifying that the start date of the medium-term open access shall not be earlier than 5 months and not later than 1 year from the last day of the month in which application has been made. This is with a view to giving priority for booking of transmission corridor to the medium term open access customers as compared to the short term open access customer. It may be recalled that application for short-term open access can be submitted a maximum of 3 months in advance of the month in which STOA is being sought. Processing time for the application of medium term open access is 40 days. With a view to avoid uncertainty regarding estimated flows and projection of commissioning of new transmission elements, it is desirable that start of open access should not be more than a year from the date of application.

Regulation 20: System Studies by the Nodal Agency

102. Regulation 20 (numbered as Regulation 21 in the earlier draft) provides that the nodal agency shall process the application and carry out the necessary system studies as expeditiously as possible so as to ensure that the decision to

grant or to refuse medium-term open access is made within the specified timeframe.

103. It has been suggested by WBSETCL that the SLDC should be consulted if intra-State system is being used.

104. The regulations provide that on receipt of the application, the nodal agency shall, consult other agencies involved in inter-State transmission system to be used, including State Transmission Utility, if the State network is likely to be used. In any case, the system studies by the RLDCs would take into account the ISTS as well as the States' transmission system.

105. It has been suggested by RPTL that the provision allowing intervention of the Commission if there is difficulty in consultation or co-ordination may be deleted in view of the redressal mechanism already provided in the Regulations. We feel that in the interest of expediency and facilitating decision making, the provision relating to the Commissions intervention if the situation so demands is necessary. It should not be seen as a provision relating to a redressal mechanism.

Regulation 21: Grant of Medium Term Open Access

106. Regulation 21 (numbered as Regulation 22 in the earlier draft) provides for the manner of granting of medium term open access and the requirements in relation thereto.

107. Shri BR Vasantha Kumar has raised a query that if a medium term customer is granted curtailed access but later the system is augmented; will he get preference for enhancing the allowed capacity of access?

108. As per the Regulation, all medium term open access applications are considered together and disposed of as per the Regulations. No application is kept pending in a queue to be considered in case the transmission system capacity becomes available in the future. The applicant would have to apply again along with others when new transmission capacity gets added and would be evaluated along with other applicants.

109. It has been suggested by PTC that if medium term access is granted for a period less than that sought by applicant, reasons for the same may be furnished. Taking note of the PTC comments, the words “for reasons to be stated in writing” has been inserted. Also a stipulation that nodal agency shall immediately inform RLDCs/SLDCs after grant of Medium Term open access has been added so that latter can consider the same while considering requests for short term open access.

Regulation 22: Execution of Dedicated Transmission Line

110. Regulation 22 (numbered as Regulation 23 in the earlier draft) provides that medium-term customer may arrange for execution of the dedicated transmission line.

111. As per PTC the term ‘medium term customer’ may be qualified by adding ‘who is a generating company or a captive generating plant’. In our view this is not necessary. Dedicated transmission line is required for granting connectivity which could be sought by a generator including a captive generator as well as a bulk consumer for a specified capacity as per regulations.

112. As per RPTL this regulation puts too much risk on applicant. In our view, this is a facilitative clause enabling medium term open access in certain cases where augmentation is under taken by the applicant.

Regulation 24: Exit Option for Medium Term Customers

113. Regulation 24 (numbered as Regulation 25 in the earlier draft) provides that a medium-term customer may relinquish his rights and obligations upon such conditions as are specified therein.

114. As per PGCIL, ED (SO) and POWERGRID the easy exit option to Medium Term customers by just paying one month transmission charges may result in blocking of transmission corridors. It is proposed to enhance payable charges to one year or period of access, whichever is less. It has been suggested by TNEB that the medium term customers should be required to pay transmission charges for balance term.

115. Since no transmission system is created or augmented for medium term customers, we are of the view that the surrendered capacity may be utilized by other short term or medium term customers and therefore, a prior notice of 30 days is considered sufficient along with payment of transmission charges for the period of relinquishment or 30 days which ever is lesser.

Regulation 25: Curtailment

116. Regulation 25 (numbered as Regulation 26 in the earlier draft) specifies the instances when it becomes necessary to curtail power flow on a transmission corridor and provides the order of preference for curtailment and also the procedure to be followed for the curtailment.

117. It has been suggested by OPGCL that long term and medium term customers should be compensated for loss of revenue due to curtailment. We are of the view that curtailment would be due to system conditions for which the

transmission utility has no control which are of the nature of force majeure. .
Transmission licensee therefore can not bear this risk.

118. It has been suggested by CSERC that the curtailment priority of long-term, medium term and short-term customers is not clear. As per POWERGRID a clarification was required as to whether medium term access shall be curtailed for granting long-term access.

119. This aspect has been amply made clear in this regulation that subject to provisions of the Grid Code and any other regulation specified by the Commission, the short-term customer shall be curtailed first followed by the medium-term customers, which shall be followed by the long term customers and amongst the customers of a particular category, curtailment shall be carried out on *pro rata* basis. It is also made clear that medium term open access once granted shall not be curtailed to grant long term access.

120. It has been suggested by TNEB that the long term customers should be exempted from curtailment. We are of the view that some times, in the interest of grid security, curtailment becomes inevitable and no customers can be exempted from it since grid security has the highest priority. However, the curtailment of long term access is to be done last, only after curtailing short term and medium term open access customers.

Regulation 26: Transmission Charges

121. Regulation 26 provides inter alia that the transmission charges for use of the inter-State transmission system shall be recovered from the long-term customers and the medium-term customers in accordance with terms and conditions of tariff as specified.

122. It has been suggested by Spice Energy that rather than identifying STU and CTU system, combined transmission charges and losses should be applied. We are of the view that the STU system is on slightly different footing as it will come under the category of 'intervening transmission facility'. The regulation has been modified in view of the fact that a proposed regulation for intervening transmission facilities is under consideration of the Commission. Accordingly, if the State network is also being used in the access as a part of inter-State transmission system for the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity, recovery of charges for such State network and terms and conditions thereof shall be in accordance with the regulation as may be specified by the Commission under Section 36 of the Act for intervening transmission facilities, if such charges and terms and conditions cannot be mutually agreed upon by the licensees.

123. As per POWERGRID, an applicant seeking only connectivity should be required to pay regional charges for the home region. In our view, grid connectivity alone does not entitle the applicant to transfer power, the applicant would be required to pay transmission charges only after being granted open access.

124. It has been suggested by HSHPA that the transmission charges and losses may be exempted for renewables for the first 5 years. For the present the Commission is not inclined to grant such an exemption for renewables. This would be examined in future after due consultation.

125. It has been suggested by RIL that the transmission charges for medium term customers should be lower than that for long-term customers as they will be using surplus capacity and they will be curtailed earlier. In our view, the philosophy of Sharing of transmission charges is outside the scope of these Regulations. The sharing of these charges would be as per the system in vogue.

126. As per TNEB and APTRANSCO the transmission charges for state network should be passed on to STU. As per Indiabulls the payment of charges to both CTU and STU should be avoided.

127. It is clarified that the Regulation 29 (1) provides for payment of transmission charges directly to the transmission licensee and as such, transmission charges for the State network shall be directly payable to the STU. Payment for transmission charges for use of the STU's transmission system would have to be made to the STU and the transmission charges for use of the CTU's transmission system would have to be made to the CTU.

128. It has been suggested by RPTL that the commercial terms and Transmission Service Agreement specifying the terms and conditions for Medium-term Open Access is not available or specified in the regulations. The method for determination of Medium-term tariff along with the distribution criterion for such charges collected by the developer is also not specified. It is suggested that the developer should be allowed to retain 100% of the transmission charges to provide positive commercial signal for development of power market.

129. It is clarified that the transmission charges and sharing of the same by all the users utilising the transmission system would be as provided by the Commission from time to time in its relevant Regulations.

Regulation 27: Detailed Procedure

130. Regulation 27 (numbered as Regulation 6 in the earlier draft) deals with the submission to the Commission for approval of the detailed procedure by the Central Transmission Utility; manner of finalisation; contents thereof; etc.

131. As per WBSETCL comments of stakeholders may be obtained before finalizing detailed procedure. The Commission is in agreement with the above view. Accordingly, a transparent process to be followed by the Central Transmission Utility in this regard, has been specified. Prior to submitting the detailed procedure to the Commission for approval, the Central Transmission Utility shall make the same available to the public and invite comments by putting the draft detailed procedure on its website and give a months time to submit comments. While submitting the detailed procedure to the Commission, the Central Transmission Utility shall submit a statement indicating as to which of the comments of stakeholders have not been accepted by it along with reasons thereof.

132. As per PGCIL through its ED (SO), the detailed procedure should clearly define the detailed methodology including metering, telemetry requirement for various types of connection. The metering and telemetry requirement would be as per the CEA (Technical Standards for Connectivity to the Grid) Regulations, 2007. Considering these, it is agreed that the detailed procedure should clearly define the detailed methodology.

133. As per PTC, the regulations on the 'detailed procedure' specifies the requirement of 'model agreement' to be entered into with transmission licensee. Clarity is sought on the issue as to whether the said agreement is to be signed with nodal agency which will be undertaking construction or with the STU and the other licensees separately, if they will also be undertaking construction of part of the augmentation. The regulations have been modified to bring out clearly the signatories to the Connection Agreement to reflect the parties responsible for their required actions.

134. As per RPTL, the model TSA has already been issued by Ministry of Power for competitive bidding of transmission projects. The 'model agreement' to be entered into with transmission licensee may be on the same lines. Agreeing to

the same, the regulation provide for drafting transmission service agreement on the lines of the model TSA has already been issued by Ministry of Power for competitive bidding of transmission projects.

135. As per OPGCL, the time period for construction of transmission system should be indicated before the agreement is signed with transmission licensee. It is clarified that the regulations specify that the detailed procedure will contain the time line for phasing of construction/modification of the transmission elements by the Central Transmission Utility/transmission licensee, as the case may be, and the coming up of generation facilities or facilities of bulk consumer, as the case may be, so as to match the completion times of the two. We are also of the view that the anticipated time period for construction shall be mentioned in the agreement.

136. As per RPTL, the Commission has already notified the time frame for construction in the Terms & Conditions of Tariff Regulations for the period 2009-14. We are in agreement with the above and accordingly the regulations provide that the time period for construction of the transmission elements shall be consistent with the timeline for completion of projects included as Annex-II to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009.

Regulation 29 - Payment of transmission charges and Fees and Charges for the Regional Load Despatch Centre

137. Regulation 29 (numbered as Regulation 28 in the earlier draft) provides for the manner of payment, collection and disbursement of transmission charges.

138. As per RPTL the purpose of designating an agency for collection and disbursement of charges is not clear.

139. We are of the opinion that this is a forward looking provision. Whenever a distance and direction based national framework for transmission charge is implemented, the practice of identifying assets used by a particular customer will be abandoned. Therefore, there will be need to collect transmission charges from all customers, depending on usage for each transmission system element whether owned by the CTU or the ISTS licensee other than the CTU and disburse it among all transmission licensees. CTU has been brought in, as the nodal agency, to ensure payment to ISTS transmission licensees other than CTU and thereby give comfort to private ISTS licensees, other than the CTU.

Regulation 30: UI Charges

140. Regulation 30 (numbered as Regulation 29 in the earlier draft) deals with UI charges and provides for the basis of scheduling.

141. It has been suggested by HSHPA that the renewables should be allowed to revise schedule at least twice a day so as to minimize impact of UI charges. In our view, this is an issue relating to scheduling of renewables and could be dealt with separately in IEGC and UI Regulations at an appropriate time.

142. As per WBSETCL, a reference to the regulation of the State Commissions may be included for UI accounting of intra-State entities. As per PTC since there is a separate regulation on UI charges, major part of this clause may be omitted. As per TNEB the regulation regarding UI charges should be omitted.

143. These provisions have been reviewed in the light of the UI regulations. We have come to the conclusion that all the stipulations in the draft regulations are required to be retained. It is noted that IEGC presently does not provide scheduling procedure for medium-term access. Therefore, the regulation has been modified to this extent.

Regulation 31: Transmission Losses

144. Regulation 31 in the earlier draft provided that buyers and sellers were to bear apportioned losses in the transmission system.

145. It has been commented by PGCIL ED (SO) and POWERGRID that presently only the buyer is paying the transmission losses in kind for all types of transaction excluding collective transaction through Power Exchange. As per the proposed regulation both buyer and seller shall absorb apportioned losses in the transmission system. This was a major change in scheduling philosophy.

146. We have, therefore, modified the Regulations to provide that buyers alone shall bear transmission losses to make it in line with present practice. .

Regulation 32: Redressal Mechanism

147. Regulation 32 (numbered as Regulation 33 in the earlier draft) provides that all disputes arising out of or under these regulations shall be decided by the Commission on an application made in this behalf by the person aggrieved.

148. It has been suggested by WBSETCL that the disputes relating to an area where State Commission's regulations are applicable, disputes should be referred to SERCs. It needs to be appreciated that all issues that arise out of implementation of access would be with regard to ISTS, and therefore, only the Central Commission would have jurisdiction in such matter.

Regulation 33: Information System

149. Regulation 33 (numbered as Regulation 34 in the earlier draft) provides that the nodal agency shall post the relevant documents / information as specified therein on its website.

150. It has been suggested by PGCIL, ED (SO) that the list of applications, where approval for Connectivity or Medium Term open access or Long Term access has not been granted along with reasons thereof, should also be included in the information system. We agree with the same and therefore, the regulations have been modified accordingly.

151. It has been suggested by WBSETCL that the Balance Capacity available for open access may also be included in the information system. We are of the view that this would keep on changing with respect to time, depending on different places where bottlenecks could occur and it may not be possible at this stage. For the present purpose, the capacity (MW) for which access has been granted has been mandated to be displayed.

Sd/-
(V.S VERMA)
MEMBER

sd/-
(S.JAYARAMAN)
MEMBER

sd/-
(R.KRISHNAMOORTHY)
MEMBER

Sd/-
(RAKESH NATH)
MEMBER EX-OFFICIO

sd/-
(DR.PRAMOD DEO)
CHAIRPERSON

New Delhi dated the 30th October, 2009.

NAME OF RESPONDENTS

1. Spice Energy Pvt Ltd
2. Maharashtra State Electricity Distribution Company Limited
("MSEDCL")
3. West Bengal State Electricity Transmission Company Limited
("WBSETCL")
4. Himachal Small Hydro Power Association ("HSHPA")
5. Shri. B.R. Vasantha Kumar
6. West Bengal State Electricity Distribution Company Limited
("WBSEDCL")
7. Power Grid Corporation of India Limited ("PowerGrid") – CTU and
NRLDC/RLDC
8. North Delhi Power Limited ("NDPL")
9. Reliance Power Transmission Limited ("RPTL")
10. Chattisgarh State Electricity Regulatory Commission ("CSERC")
11. PTC India Limited ("PTC")
12. Orissa Power Generation Corporation Limited ("OPGCL")
13. Tamil Nadu Electricity Board (TNEB)
14. Reliance Infrastructure Limited ("RIL")
15. National Hydro Power Corporation ("NHPC")
16. Sophia Power Company Limited - India Bulls ("India Bulls")
17. Chattisgarh State Power Transmission Company Limited ("CSPTCL")
18. Transmission Corporation of Andhra Pradesh Limited ("APTRANSCO")
19. Torrent Power Limited ("TPL")
20. Indian Energy Exchange ("IEX")
21. Adani Power Limited
22. Gridco Limited (GRIDCO)
23. NTPC Limited