

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 158/MP/2012**

**Coram:**

**Dr. Pramod Deo, Chairperson**

**Shri S. Jayaraman, Member**

**Shri M. Deena Dayalan, Member**

**Date of hearing: 14.8.2012**

**Date of Order: 21.9.2012**

**In the matter of**

Petition under section 79 (1) (f) read with section 79 (1) (c) and regulations 32 of the Central Electricity Regulatory Commission (Grant of Connectivity, long-term access and medium-term Open Access in inter-state transmission and related matters) Regulations, 2009.

**And in the matter of**

DPSC Limited, Kolkata

....**Petitioner**

**Vs**

1. Power Grid Corporation of India Limited, New Delhi

2. West Bengal State Electricity Transmission Company Limited, Kolkata

.....**Respondents**

**The following were present:**

1. Shri Amit Kapoor, Advocate, DPSC
2. Miss Sugandha Somani, Advocate, DPSC
3. Shri Kishan Rana, DPSC
4. Shri Anup Bhugalia, DPSC
5. Shri Ramchandra, PGCIL
6. Shri Nageswara Rao, PGCIL

## ORDER

The petitioner, DPSC Limited (DPSCCL) has filed the present petition under the Regulation 32 of the Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium-Term Open Access in Inter-State Transmission and Related Matters), Regulations 2009 (the Connectivity Regulations) seeking directions to Powergrid Corporation of India Limited to grant connectivity to the petitioner in terms of its application dated 10.5.2011 in a time bound manner.

2. The Petitioner is a company engaged in distribution of electricity over an area of approximately 618 kms in Asansol-Raniganj belt of West Bengal. The Petitioner has submitted that its current distribution network is an isolated grid in a radial mode which is neither connected to the Central Transmission Utility nor to the State Transmission Utility. The Petitioner draws power through two 33/11 kV sub-stations from Damodar Valley Corporation and three 33/11 kV sub-stations from West Bengal State Electricity Distribution Company Limited.

3. The petitioner has submitted that with a view to address the increasing demand of electricity in its licensed area and to meet its obligation under Sections 42 and 43 of the Electricity Act, 2003, the Petitioner is required to arrange for procurement of power from various sources. In this context, it has

become imperative that the Petitioner is connected with the grid. The Petitioner applied on 10.5.2011 to PGCIL for connectivity to the inter-State transmission system. The Petitioner has submitted that it has sought connectivity for 1000 MW from PGCIL with the expected date of connectivity as July 2014. In the meeting between PGCIL and Phase 2 applicants for connectivity and long term access of Jharkhand, Bihar and West Bengal held on 29.7.2011, the petitioner requested for modification of connectivity requirement from 1000 MW to 500 MW. It was decided in the said meeting that since the responsibility for planning of power supply to DPSC is within the purview WBSETCL, the matter needs to be addressed out on the advice of WBSETCL. Pursuant to the above decision, PGCIL issued a communication to WBSETCL requesting for its views and observations with regard to the Petitioner's application for grant of connectivity. The Petitioner communicated to WBSETCL requesting it to convey its comment with regard to the petitioner's application for connectivity. However, WBSETCL conveyed that it was not in a position to give its views in the absence of any proposed connection arrangement from CTU. The Petitioner in its letter dated 23.9.2011 submitted the following proposal to CTU with a request to elicit the views of WBSETCL thereon:

"For your information we want to set up a 400 kV sub-station at Chalbalpur in the district of Burdwan, West Bengal which is 14 kms away from your Maithon 400 kV S/s (Rupnarayanpur). We want to get connectivity at Chalbalpur by LILO of one circuit of Mejia-Maithon 400 kV double circuit line as suggested by you or Maithon-Purulia 400 kV double circuit line whichever would be suitable for PGCIL.

Please note that the substation as well as the associated line would be constructed at our own cost."

In the meeting of Standing Committee on Power System Planning in Eastern Region held on 8.2.2012, it was decided that the Petitioner should first take the regulatory approval from WBERC and then submit the proposal to WBSETCL for technical examination. The Petitioner in its letter dated 9.2.2012 sought the technical clearance of CEA for formulation of the transmission plan before submitting the application for investment approval. The Petitioner in its letter dated 27.6.2012 submitted before WBERC that it is not in a position to file any investment approval without clearance by WBSETCL and requested WBERC to direct WBSETCL to grant technical clearance to the petitioner for the proposed connectivity at the earliest. The Petitioner is stated to have written a letter to this Commission on 28.6.2012 to direct PGCIL to grant connectivity to the petitioner.

4. It is against the above factual matrix taht, the Petitioner has filed the petition under section 79(1)(c) read with section 79(1)(f) and Regulation 32 of the Connectivity Regulations. The Petitioner has submitted that it has got a long term demand forecast study done by Power Research and Development Consultants Pvt Limited which has forecasted that the demand in the licensed area of the petitioner is expected to increase from 275.75 MVA to 649.43 MVA by 2014-15 and therefore it is imperative for the petitioner to plan for its future power requirements. The Petitioner has submitted that in accordance with

Regulation 7 of Connectivity Regulations, an application for connectivity shall be processed within 60 days whereas its application made on 10.5.2011 to CTU is still pending. The applicant has further submitted that the delay in processing the application is not attributable to the petitioner but is on account of the arbitrary and unreasonable methodology adopted by PGCIL and WBSETCL to process the application. The Petitioner has submitted that as per Regulation 8(2) of the Connectivity Regulations, coordination with State network is required if any State network is likely to be used. Further the same provision has been reiterated in the Detailed Procedure approved by the Commission. The Petitioner has further submitted that as per the Central Electricity Authority (Technical Standard for Connectivity to the Grid) Regulations, 2007, a distribution licensee seeking connectivity to the grid is required to make a request for connection in the planning stage to appropriate transmission utility only which is the CTU in the present case. The petitioner has submitted that its distribution network is an isolated grid in a radial mode which is neither connected to CTU nor to the STU. It draws power through its two 33/11 kV sub-stations from DVC and three 33/11 kV sub-stations from WBSEDCL and has no power supply arrangement with WBSETCL. The Petitioner has submitted that its application for grant of connectivity seeks to connect to ISTS directly without using the network of the STU. As the substation and the associated line would be constructed by the petitioner, involvement of STU is not envisaged. The Petitioner has submitted that as the Petitioner has no interface with the network of

WBSETCL and as per the connectivity proposed, there will be no interface with the State network and therefore, the approval of STU is not required.

5. The petitioner has submitted that the PGCIL by insisting on the petitioner to get approval from the STU has:-

- (a) Mis-interpreted Regulation 8 of the Connectivity Regulations which requires the nodal agency to consult STU for an application for the connectivity only when the State network is likely to be used;
- (b) Delayed the grant of connectivity much beyond the period prescribed in the Connectivity Regulations; and
- (c) Failed to discharge its functions as provided under Section 38 (2) of the Act.

6. The Petitioner has submitted that it is actively negotiating with GMR Kamalanga Energy Ltd., Government of Sikkim and other power producers to procure power. Once it is granted connectivity to ISTS, it will be in a better position to negotiate with other power producers for procuring the much-needed additional power for its licensed area.

7. Reply to the petition has been filed the respondent Power Grid Corporation of India Ltd.(PGCIL). No reply has been filed by West Bengal State Electricity Transmission Company Ltd. (WBSETCL).

8. PGCIL in its reply affidavit dated 8.8.2012 has submitted that the application of petitioner was discussed in the meeting of standing committee of transmission system planning in Eastern Region, held on 8.2.2012. In the meeting, CEA urged WBSETCL to permit the petitioner to create the facility for meeting load growth in its licensed area. However, WBSETCL was not agreeing with the CEA's proposal. In the meeting, PGCIL has stated that as per the Connectivity Regulations, WBSETCL would have to give non-discriminatory open-access of the transmission system to a licensee and the connectivity application of DPSC could not be kept pending for long time. However, CEA observed that DPSC is a distribution company embedded in the State grid and falls within the domain of planning by the STU. As the petitioner's request for direct connectivity with ISTS can be processed only with the concurrence of WBSETCL, the petitioner was advised to take regulatory approval from WBERC. Subsequently, requirement of the petitioner was modified from 1000 MW to 500 MW and in the Connectivity/Open Access meeting with the constituents of Eastern Region on 8.2.2012, it was decided that after petitioner obtained views/approval of WBERC/WBSETCL, its application would be discussed in the

forthcoming meeting of the Standing Committee on Power System Planning in Eastern Region for grant of connectivity to the petitioner.

9. We have considered the submissions of the petitioner and the CTU. The only objection of CTU is that since the petitioner is a distribution licensee of West Bengal, it is a State embedded entity and therefore the approval/concurrence of WBERC and WBSETCL is required before granting of connectivity to the ISTS. It is the case of the petitioner that since it has no interface with the network of WBSETCL nor the proposed connectivity will have any interface with the State network, the concurrence/approval of WBSETCL is not considered necessary.

10. The Central Transmission Utility has been entrusted under Section 38 (2) of the Act to discharge all functions of planning and coordination relating to the inter-State transmission system and to ensure development of an efficient, coordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres. It is also required to provide non-discriminatory open access for use by any licensee or generating company on payment of transmission charges.

11. Regulation 2(1)(b) of the Connectivity Regulations defines applicant "as a generating station including a captive generating plant, a consumer, an Electricity Trader or a distribution licensee, in respect of long-term access or



medium term open access". Regulation 4 of the Connectivity Regulations provides 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. Regulation 5 provides that application for grant of connectivity or long term access or medium term open access shall be made to the nodal agency. Regulation 7 of the Connectivity Regulations provides for the timeline for processing of application. It provides that the timeline for connectivity is 60 days and for long term access is 120 days where augmentation of transmission system is not required and 180 days where augmentation of transmission system is required. Regulation 8(2) of the Connectivity Regulations provides as under:-

"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 inter-connection study as specified in the Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations, 2007."

12. The Central Electricity Authority (Technical Standards for Connectivity to the Grid) Regulations 2007 provides for the inter-connection study of the proposed connectivity as under:-

*"For inter-connection studies the requester shall make a request for connection in the planning stage to the Appropriate Transmission Utility. In case a requester is seeking inter-connection to a distribution system such a request will be made to*

*the distribution licensee. The Appropriate Transmission Utility or distribution licensee shall carry out the inter-connection study to determine the point of inter-connection, required inter-connection facilities and modifications required on the existing grids, if any, to accommodate the inter-connection. The study may also address the transmission system capability, transient stability, voltage stability, losses, voltage regulation, harmonics, voltage flicker, electromagnetic transients, machine dynamics, ferro resonance, metering requirements, protective relaying, sub-station grounding and fault duties, as the case may be."*

The term requester has been defined in Regulation 2(25) of the said regulations to include distribution licensee as well.

13. The petitioner is a distribution company in the state of West Bengal. Therefore, it fulfills the conditions of applicant under Connectivity Regulations and requester as per the CEA Technical Standards Regulations. The petitioner has filed an application for connectivity on 10.5.2011 with CTU for connectivity to the ISTS. In accordance with Regulation 8(2) of the Connectivity Regulations, it is the responsibility of the CTU to carry out necessary inter-connection study in consultation and through coordination with other agencies involved in the inter-State transmission system. The State Transmission Utility is required to be consulted only if the State network is likely to be used for the purpose of connectivity. The Connectivity Regulations leave no scope for consultation with the State Transmission Utility in the matter of grant of connectivity to the inter-State transmission system where the State network is not likely to be used. The petitioner through its application has sought to connect to ISTS directly without using the network of the STU. The sub-station as well as the associated line would be constructed by DPSCCL. The petitioner has submitted that as per the

connectivity scheme proposed, there will be no interface with the network of WRSETCL. Therefore, we are of the view that contrary to the provisions of the Connectivity Regulations, CTU has been insisting on clearance/concurrence from WBSTCEL who in turn has advised the Petitioner to obtain investment approval from WBERC.

14. The purpose of Connectivity Regulations is to facilitate connectivity and long term access and medium term access to the inter-State transmission system. The purpose of the regulations should not be defeated by requiring concurrence of the STU where it has not been provided for in the regulations. In the process, considerable time has been lost and the prescribed time limit has not been complied with. In case of any difficulties, CTU should have approached the Commission for appropriate directions under proviso to clause (1) of Regulation 13 of the Connectivity Regulations. We are not pleased with the manner in which the matter has been handled by CTU and the Standing Committee on grant of connectivity.

15. We direct the CTU to expeditiously process the application of the petitioner for grant connectivity in accordance with Connectivity Regulations and convey its decision to the applicant within two weeks of receipt of this order.

16. We further direct the CTU to ensure that the applications for connectivity and long term access and medium term open access are processed and decisions on the applications are conveyed within the timeline specified in the Connectivity Regulations.

17. The petition No. 158/MP/2012 is disposed of with above directions.

Sd/-

**(M. DEENA DAYALAN)**  
**MEMBER**

sd/-

**(S. JAYARAMAN)**  
**MEMBER**

sd/-

**(Dr. PRAMOD DEO)**  
**CHAIRPERSON**