

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 48/MP/2012**

**and**

**I.A. No. 14/2012**

**Coram:**

**Dr. Pramod Deo, Chairperson  
Shri S.Jayaraman, Member  
Shri V.S.Verma, Member  
Shri M.Deena Dayalan, Member**

**Date of Hearing : 31.05.2012**

**Date of Order : 14.8.2012**

**In the matter of**

Approval under Central Electricity Regulatory Commission (Grant of Regulatory Approval for Execution of Inter-State Transmission Scheme to Central Transmission Utility), Regulations, 2010 read with Central Electricity Regulatory Commission (Grant of Connectivity, Long Term and Medium Term Open Access to Inter-State Transmission system and related matters) Regulations, 2009 for grant of regulatory approval for execution of Transmission System Strengthening in Western Region for MB Power (M.P.) Limited.

**And in the matter of**

Power Grid Corporation of India Ltd., Gurgaon ..... **Petitioner**

**Vs**

1. Bihar State Electricity Board, Patna
2. West Bengal State Electricity Board, Calcutta
3. Grid Corporation of Orissa Ltd., Bhubaneswar
4. Damodar Valley Corporation, Calcutta
5. Power Department, Govt. of Sikkim, Gangtok
6. Jharkhand State Electricity Board, Ranchi
7. Assam State Electricity Board, Assam
8. Meghalaya State Electricity Board, Shillong
9. Government of Arunachal Pradesh, Arunachal Pradesh
10. Power & Electricity Deptt., Govt. of Mizoram, Aizwal
11. Electricity Deptt., Govt. of Manipur, Imphal
12. Deptt. of power, Govt. of Nagaland, Nagaland



13. Tripura State Electricity Corp. Ltd., Agartala
14. Rajasthan Rajya Vidyut Prasaran Nigam Ltd., Jaipur
15. Ajmer Vidyut Vitram Nigam Ltd., Rajasthan
16. Jaipur Vidyut Vitran Nigam Ltd., Jaipur
17. Jodhpur Vidyut Vitran Nigam Ltd., Rajasthan
18. Himachal Pradesh State Electricity Board, Shimla
19. Punjab State Electricity Board, Patiala
20. Harayana Power Purchase Centre, Panchkula
21. Power Development Deptt., Govt. of Jammu and Kashmir, Jammu
22. Uttar Pradesh Power Corp. Ltd., Lucknow
23. Delhi Transco Ltd., New Delhi
24. Chandigarh Administration, Chandigarh
25. Uttarakhand Power Corp. Ltd., Dehradun
26. BSES Yamuna Power Ltd., New Delhi
27. BSES Rajdhani Power Ltd., New Delhi
28. North Delhi Power Ltd., New Delhi
29. NDMC, New Delhi
30. North Central Railway, Allahabad
31. Karnataka Power Transmission Corp. Ltd., Bangalore
32. BESCO, Bangalore, Karnataka
33. GESCOM, Gulburga, Karnataka
34. HESCO, Hubli, Karnataka
35. MESCOM, Mangalore, Karnataka
36. CESC, Mysore, Karnataka
37. Transmission Corp. of Andhra Pradesh Ltd., Hyderabad
38. Eastern Power Distribution Co. of Andhra Pradesh Ltd., Andhra Pradesh
39. Southern Power Distribution Co. of Andhra Pradesh Ltd., Tirupati, Andhra Pradesh
40. Central Power Distribution Co. of Andhra Pradesh Ltd., Hyderabad, Andhra Pradesh
41. Northern Power Distribution Co. of Andhra Pradesh Ltd., Warangal, Andhra Pradesh
42. Kerala State Electricity Board, Thiruvananthapuram
43. Tamil Nadu Electricity Board, Chennai
44. Electricity Deptt., Govt. of Pondicherry, Pondicherry
45. Electricity Deptt., Govt. of Goa, Panji, Goa
46. Madhya Pradesh Tradeco, Jabalpur
47. Madhya Pradesh Audhyogik Kandra Vikas Nigam Ltd., Indore
48. Maharashtra State Electricity Distribution Co. Ltd., Mumbai
49. Gujarat Urja Vikas Nigam Ltd., Baroda
50. Electricity Deptt., Administration of Daman & Diu, Daman
51. Electricity Deptt., Administration of Dadar Nagar Haveli, Silvassa
52. Chhattisgarh State Electricity Board, Chhattisgarh

.....Respondents



**The following were present:**

1. Shri Manju Gupta, PGCIL
2. Shri Ravi Arya, M.B. Power Ltd.
3. Shri Abhishek Gupta, M.B. Power Ltd.

**ORDER**

The petitioner, Power Grid Corporation of India Limited has filed this petition seeking regulatory approval under Central Electricity Regulatory Commission (Grant of Regulatory approval for execution of inter-State transmission scheme to Central Transmission Utility) Regulations, 2010 read with Central Electricity Regulatory Commission (Grant of Connectivity, Long Term Access and Medium Term Open Access to inter-State Transmission system and related matters) Regulations, 2009 (hereinafter referred to as 'the Regulatory Approval Regulations' and 'the Connectivity Regulations' respectively) for execution of Transmission System Strengthening in Western Region for MB Power (M.P.) Limited. (hereinafter referred to as the 'Transmission System').

2. The petitioner has made following prayers in this petition:

*"(a) Grant regulatory approval for identified transmission systems for transmission system strengthening in WR for MB Power (MP) Ltd.;*

*(b) Grant approval for inclusion of the assets for which the transmission charges are to be recovered through the Point of Connection charge methodology or any other sharing mechanism notified by CERC from time to time; and*

*(c) Grant approval for inclusion of system under Schedule-2 of TSA approved by the CERC*



*(d) Grant tariff for the bay and reactor for the said line to be implemented by Power Grid from March, 2014 even if the associated transmission line is delayed."*

3. In the Interlocutory Application No. 14/2012, the petitioner has prayed for issue of necessary order on urgent basis, permitting the petitioner to go ahead with the execution of the Agreement for implementation of the transmission system as prayed in the main petition.

4. The petitioner has submitted that the Long-Term Access (LTA) was granted to M/s MB Power in Western Region for which the Associated Transmission System (ATS) required for transmission of power was identified after discussion in the concerned Standing Committee meetings and Regional Power Committee forums of Western Region. The petitioner has placed on record the Project Inception Report outlining the scope of the identified ISTS scheme, project justification, estimated cost, minutes of the Standing Committee of CEA on Transmission System Planning etc.

5. The petitioner has submitted the details of the identified ISTS scheme as under:-

- |     |                         |   |  |
|-----|-------------------------|---|--|
| (a) | Name of the Scheme      | : | Transmission System Strengthening in WR for MB Power (MP) Ltd.   |
| (b) | Scope of Work           | : | Jabalpur Pooling S/S-Bina 765 kV S/C line  |
| (c) | Objective/Justification | : | To strengthen the transmission system for transfer of power from MB Power TPS to the beneficiaries as part of LTA. |



- (d) Estimated Cost : ` 422 Cr.
- (e) Estimated impact on : ` 76 Cr. per annum (@ 18%)  
tariff for the first five years

6. The petitioner has submitted that the agreements for the Long Term Access and payment of transmission charges have been signed with M/s MB Power Ltd. The transmission line is being implemented through tariff based competitive bidding whereas the bays and reactors are required to be implemented by the petitioner.

7. The petitioner has submitted that the present petition has been filed for seeking regulatory approval for the identified transmission scheme under Regulation 3 of the Regulatory Approval Regulations for the transmission lines executed through the process of competitive bidding and for the bays and reactors being implemented by the petitioner.

8. The petitioner has submitted that sharing of the transmission charges and its recovery for the transmission scheme with regulatory approval shall be shared in accordance with the relevant regulations of the Commission. The petitioner has further submitted that the transmission line is under implementation through tariff based competitive bidding by Jabalpur Transmission Company Ltd with a commissioning schedule of March 2014. The end bays and reactors for the said line shall be implemented by the petitioner matching with the schedule of Commissioning of the transmission lines i.e. March 2014. The petitioner submitted that accordingly, the



petitioner shall be entitled for tariff from March 2014 even if the associated transmission line is delayed. In this connection the petitioner has relied upon the corrigendum to the minutes of the 27th Meeting of Empowered Committee on Transmission held on 6.9.2011 wherein it has been stated that once POWERGRID has completed its scope of work they should be entitled for tariff even if the associated transmission line is delayed.

9. During the hearing of the petition on 29.3.2012, we had directed in the Record of Proceedings to serve copies of the petition on the respondents who should file their replies by 20.4.2012. The petitioner vide its affidavit dated 13.4.2012 has placed the proof of scheme of the petition on record. None of the respondents have filed any reply to the petitioner.

10. The petitioner has also published a notice on the newspapers in accordance with the Regulatory Approval Regulations. In response to the public notice, no suggestions/objections have been received.

11. The matter was again heard on 31.3.2012. The representative of the petitioner submitted that M/s MB Power is installing a generating station with a capacity of 1,200 MW, for which connectivity has been granted by the Central Transmission Utility as per the Connectivity Regulations for 1,122 MW to be effective from August 2012. Long Term Access has been granted to the Western Region and Northern Region for 200 MW and 192 MW respectively. The generation project developer has acquired 996 acres of land, obtained environmental clearance, fuel linkage of 4, 9939 MTPA and



allocation of water from Madhya Pradesh Government. The representative of the petitioner submitted that the units of the generating station are expected to be commissioned in August 2012 and December 2012 respectively.

12. We have considered the submissions made by the petitioner. It is observed that the generation project of M/s MB Power is coming up as per schedule. The transmission line for the project, Jabalpur-Bina 765 kV S/C line is being executed through tariff based competitive bidding by Jabalpur Transmission Company Ltd with a commissioning schedule of March 2014. Therefore, there is a requirement for execution of the bays and reactors matching with the transmission line.

13. The petitioner has sought regulatory approval for executing the bays and reactors associated with the transmission line. Para 5.3 of the National Electricity Policy notified by the Government of India under Section 3 of the Electricity Act, 2003 vide Resolution 23/40/2004-R&R (Vol. II) dated 12.2.2005 recognizes the importance of adequately augmenting the transmission capacity keeping in view the massive increase planned in generation for development of power market and catering to load growth.

The policy further emphasizes the need for network expansion as under:

*"Network expansion should be planned and implemented keeping in view the anticipated transmission needs that would be incident on the system in the open access regime. Prior agreement with the beneficiaries would not be a pre-condition for network expansion. CTU/STU should undertake network expansion after identifying the requirements in consultation stakeholders and taking up the execution after due regulatory approvals."*



From the above provision of the National Electricity Policy, it is apparent that in the absence of prior agreement with the beneficiaries, the CTU can undertake planned network expansion after taking regulatory approval from the Commission if the network expansion has been identified in consonance with the National Electricity Plan and in consultation with the stakeholders.

14. Regulation 3 of the Regulatory Approval Regulations notified by the Commission provides as under:-

*"(1) These regulations shall apply to:*

*(i) an ISTS Scheme proposed by Central Transmission Utility, for which generators have sought long-term access as per the 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 for which consultation with Central Electricity Authority and beneficiaries if already identified has been held for setting up the ISTS Scheme, but for which Power Purchase Agreements with all the beneficiaries have not been signed on the date of application.*

*(ii) an ISTS Scheme for system strengthening / up-gradation , identified by Central Transmission Utility to enable reliable, efficient, co-ordinated and economical flow of electricity within and across the region for which consultation with Central Electricity Authority and beneficiaries if identified has been held.*

*(2) These regulations shall not apply to ISTS Scheme, for which all the beneficiaries respective, STU have signed Bulk Power Transmission Agreement to share the transmission charges"*

15. The Petitioner has requested for regulatory approval for the transmission scheme consisting of Jabalpur-Bina 765 kV S/C line and the associated bays and reactors. The transmission line is being executed by Jabalpur Transmission Company Ltd through the process of competitive bidding. The petitioner proposes to build up the bays and





reactors matching with the transmission line. We are of the view that there is a necessity to implement the bays and reactors with the matching time schedule so that the generation from the generating station and the transmission capacity do not get stranded. Accordingly, we accord regulatory approval under Regulation 3 of the Regulatory Approval Regulations for execution of the Transmission System Strengthening in Western Region for M/B Power. It is however, clarified that the transmission scheme shall be implemented as per the extant policy of the Government of India.

16. The petitioner has submitted that once it completes its scope of work, it should be entitled for tariff even if the associated transmission line is delayed. In our view, no such directions can be issued. The bays and reactors have to be executed matching with the transmission lines. Therefore, slippage in execution of either the transmission line or the bays and reactors should be taken care of through appropriate agreement between the parties.

17. Petition No. 48/MP/2012 and I.A. No. 14/2012 are disposed of in terms of the above order.

sd/-  
**(M Deena Dayalan)**  
Member

sd/-  
**(VS Verma)**  
Member

sd/-  
**(S Jayaraman)**  
Member

sd/-  
**(Dr Pramod Deo)**  
Chairperson

