

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 211/MP/2011

Sub: Petition under Regulations 20 and 21 of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses), Regulations, 2010 and against the arbitrary action of Western Regional Load Despatch Centre by loading transmission losses on the 220 KV lines being used for transfer of power from the generating station of NSPCL to Bhilai Steel Plant.

Date of hearing : 21.2.2012

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

Petitioner : Steel Authority of India Limited, Chhattisgarh

Respondent : Western Regional Load Despatch Centre, Mumbai

Parties present : Shri M.G.Ramchandran, Advocate for the petitioner
Shri S.Roy, SAIL
Shri P.Pentayya, WRLDC
Miss S.Usha, WRLDC
Shri S.R.Narasimhan, NLDC
Shri V.K.Agarawal, NLDC
Shri S.C.Sexana, NLDC
Shri S.S.Barpanda, NLDC

Record of Proceedings

The learned counsel for the petitioner submitted that the petitioner was made to share the regional losses by Western Regional Load Despatch Centre even though the petitioner was not using the inter-State transmission System (ISTS.) Referring to the diagram enclosed with the petition, learned counsel explained that there are four 220 kV transmission lines connected from NSPCL generating station to sub-stations, namely MSDS-V and MSDS-VI owned and controlled by SAIL-BSP for captive use by Bhilai Steel Plant (BSP) of Steel Authority of India Ltd. (SAIL). From MSDS- V, there is a D/C transmission line to the 400/ 220 kV sub-station of Chhattisgarh State Power Transmission Company Ltd. (CSPTCL) from where it gives power to and takes power from State Power Distribution Company Ltd. (CSPDCL). For the power supplied from NSPCL to the inter-State sale through CTU network, the petitioner was paying transmission charges and losses as per the Central Electricity Regulatory Commission (Sharing of inter-State

Charges and Losses) Regulation, 2010 (herein after referred to as 'the Sharing Regulations'). He submitted that in terms of Sharing Regulations after the change of control area on 1.8.2011, the petitioner has now been subjected to the transmission losses for its captive consumption transmitted through the dedicated lines. He also submitted that the contract for supply to CSPDCL sub-station is admittedly an intra-State supply of power only.

2. Referring to the record note at the WRPC meeting held on 25.4.2011, learned counsel for the petitioner submitted that in the said meeting, it was agreed by the WRPC constituents that the control area jurisdiction of the petitioner's power plant would be shifted from State Load Despatch Centre, Chhattisgarh to the Western Regional Load Despatch Centre with effect from 1.8.2011. However, from 1.8.2011 onwards, WRLDC has changed the billing/charging of losses to the petitioner. Aggrieved by this, a number of letters were exchanged with WRLDC for not applying the Chhattisgarh's PoC zonal losses in the case of the petitioner. The learned counsel for the petitioner submitted that WRLDC vide its letter dated 1.2.2012 has clarified that the supply of power for the dedicated use may result in utilization of the ISTS network.

3. The learned counsel further submitted that WRLDC's contention that dedicated transmission lines running in parallel to the ISTS network cannot entail that the flow of power from NSPCL to its captive power plant takes place through the ISTS and the same was accepted and supported by the WRPC vide its letter dated 26.8.2011. He further submitted that applying withdrawal losses on BSP and applying injection losses on the petitioner, is too far stretching the interpretation of the Sharing Regulations. He submitted that the petitioner was losing ₹ 1 crore every month due to this interpretation of WRLDC.

4. The representative of the WRLDC submitted that the four 220 kV transmission lines of the petitioner lose the character of dedicated transmission lines due to formation of loop in parallel to the transmission lines in the inter-State transmission network. These transmission lines not only draw 105 MW of power of BSP but also wheel the power of CSEB. Since the transmission lines wheel power of others, they no more remain dedicated transmission lines. He submitted that most of the submissions made by the learned counsel for the petitioner hold good in the pre-PoC regime. However, in the post PoC regime, there could be only three transactions: long-term, medium-term and short-term and every transaction scheduled would have a loss component deducted before scheduling the contract. The scheduling has two components: one is injection loss and the other is withdrawal loss and both have to be applied.

5. The representative of the NLDC submitted that the issues raised in the present petition are of generic nature. He clarified that NSPCL is connected to both STU and CTU networks and hence these are loop flows. Once NSPCL has become inter-State Generating Station (ISGS), even if the NSPCL generation trips, the schedule would not be changed. They are connected both to the Chhattisgarh system and ISTS and are availing the benefit of increased reliability as power would flow to captive load even when the NSPCL generators trips.

6. In response to Commission's query in regard to sharing of transmission charges and losses, the representative of NLDC referred to the definition of 'net drawal schedule' in Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010. The Commission observed that when the power was flowing prior to the change of control area, why the losses were not applied earlier. The representative of NLDC clarified that earlier it was embedded entity of Chhattisgarh and hence, the losses were not applied. In response to Commission's query in regard to applicability of transmission charges of this transaction, the representative of the NLDC submitted that the charges should also apply.

7. The Commission directed the WRLDC and NLDC to file their submission made during the hearing, on affidavit, latest by 11.5.2012. The petitioner may file its rejoinder on or before 25.5.2012.

8. Subject to above, Commission reserved the order.

By order of the Commission

**Sd/-
(T. Rout)
Joint Chief (Law)**