

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 2/RP/2014**

Subject : Petition under section 94 of the Electricity Act, 2003 read with Regulations 103,111 and 114 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 for review of the order dated 20.11.2013 in Petition No. 211/MP/2011.

Date of hearing : 13.3.2014

Coram : Shri Gireesh B. Pradhan, Chairperson  
Shri M. Deena Dayalan, Member  
Shri A.K. Singhal, Member

Petitioner : Steel Authority of India Limited

Respondent : Western Regional Load Despatch Centre

Parties present : Shri M.G. Ramachandran, Advocate, SAIL  
Ms. Anushree Bardhan, Advocate, SAIL  
Ms. Swagatika Sahoo, Advocate, SAIL  
Shri R.G. Gupta, SAIL  
Shri Abhimanyu Gartia, WRLDC  
Shri S.S Barpanda, NLDC

**Record of Proceedings**

At the outset, learned counsel for the petitioner submitted as under:

(a) In the present case, the petitioner is only taking supply of electricity through its dedicated transmission lines and cannot be said to be carrying on any inter-State transmission of electricity in terms of the Electricity Act, 2003. The levy of inter-State transmission charges or losses can only apply to the inter-State transmission system and not for the conveyance of electricity through the dedicated transmission lines used by captive consumers.

(b) The petitioner has an independent contract demand from CSEB/CSPDCL and as a consumer, the petitioner draws power from the sub-station of CSEB/CSPDCL, for which the petitioner pays all the applicable charges. On 26.10.2009, the petitioner entered into Power Purchase Agreement with CSPDCL to supply of power during the exigencies of tripping of captive unit of NSPCL or reduced generation. Under the PPA, the petitioner is maintaining 225 MVA contract demand with CSPDCL and paying ₹ 7.7 crore per month towards contract demand charges to ensure power security.

(c) The works of the petitioner at Bhilai, where the captive power is being consumed, is a steel plant which operates on 24x7 hrs basis and power failure in certain facilities inside the steel plant may lead to catastrophic situation causing major accidents and damage to men and machinery. The demand charges for 40-45 MVA is approximately ₹ 2 crore per month but to maintain the reliability of power supply during the tripping of generating station, the petitioner is paying an excess amount of ₹. 5.7 crore per month by keeping a contract demand of 225 MVA.

(d) The submissions of WRLDC referred in the impugned order are patently erroneous. There was no occasion where the petitioner has drawn the power from NSPCL for its captive consumption in excess of the power generated by NSPCL and declared available for consumption by the petitioner. Therefore, there is no question of any power from Raipur being drawn by the petitioner through the bus bar of NSPCL. The dedicated transmission line of the petitioner is directly connected to the bus bar and not to the inter-State transmission network of CTU or any other agency.

(e) The petitioner never used ISTS network for taking power from NSPCL, but still it is being loaded with zonal charges which is unfair.

(f) The Contention of WRLDC can at the most be considered as being some inadvertent flow of power. The Commission in its order dated 19.11.2013 in Petition No. 95/MP/2013 has also followed the same principle and same need to be consistent with the said decision in other cases.

2. The representative of WRLDC submitted that BSP is an embedded entity within the Chhattisgarh control area. Earlier, NSPCL was an intra-State entity and its scheduling was coordinated by SLDC, Chhattisgarh. As per the provisions of the Grid Code, NSPCL has become regional entity w.e.f. 1.8.2011 and entire ex-bus generation was scheduled by WRLDC. The contention of the petitioner that BSP is having contracted supply agreement with CSPDCL clearly shows that the petitioner is an embedded entity of CSPDCL and any power scheduled from NSPCL by WRLDC will be scheduled through CSPDCL only. Necessary scheduling losses will be applied on the total power scheduled to CSPDCL as per the provisions of the Grid Code and Sharing Regulations. The representative of WRLDC submitted that BSP wanted to keep both STU and ISTS connectivity for its reliable supply and did not wish to share the losses. The representative of WRLDC further submitted that WRLDC is complying with the provisions of the Grid Code and Sharing Regulations.

3. The representative of NLDC submitted that whenever power is scheduled from one regional entity to another, ISTS losses are applied in a non-discriminatory manner, by RLDC. In the present case, applicability of losses on the power schedule from NSPCL, a regional entity has been decided by CERC.

4. The staff of the Commission brought to the notice that transmission charges and losses are applied on the basis of scheduled power and not on actual flow of power which depends on system conditions. In the present case, SAIL-BSP is a State embedded entity whose schedule has to be prepared by SLDC, Chhattisgarh, but the scheduling of NSPCL, being an ISGS is being done by WRLDC. Therefore, WRLDC prepares schedule for whole Chhattisgarh and SLDC, Chhattisgarh in turn prepares schedules for SAIL-BSP. WRLDC has applied zonal charges and losses as per the provisions of Sharing Regulations. .

6. After hearing learned counsel for the Review Petitioner and the representatives of NLDC and WRLDC, the Commission reserved order in the petition.

By order of the Commission

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