

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 5/MP/2014**

**Coram:**

**Shri Gireesh B.Pradhan, Chairperson**

**Shri A.K.Singhal, Member**

**Shri A.S.Bakshi, Member**

**Date of Hearing: 14.10.2014**

**Date of order: 14.03.2016**

**In the matter of**

Petition under section 79 (1) (c) and (k) of the Electricity Act, 2003 read with Regulation 21 of the Central Electricity Regulatory Commission (Sharing of inter-State transmission charges and losses) Regulations, 2010 and Regulations 110, 111, 112, 113 and 115 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999

**And**

**In the matter of**

Electricity Department, Government of Goa  
Vidyut Bhawan, Panjim,  
Goa-403 001.

**....Petitioner**

**Vs**

1. Power Grid Corporation of India Limited  
Saudamini, Plot No. 2, Sector-29,  
Near IFFCO Chowk,  
Guargaon -122 001, Haryana

2. Karnataka Power Transmission Corporation Limited  
Kaveri Bhawan, K.G.Road, Bngalore-560 009, Karnataka

3. Southern Region Power Committee  
No.29, Race Course Cross Road  
Bangalore-560 009

**..Respondents**

**The following were present:**

Shri Amit Kapoor, Advocate for petitioner  
Ms. Poonam Verma, Advocate for petitioner  
Shri Shantanu Singh, Advocate for petitioner

Ms. Swapna Seshaderi, Advocate, KPTCL

### **ORDER**

The petitioner, Electricity Department, Government of Goa, has filed the present petition under Section 79 (1) (c) and 79 (1) (k) of the Electricity Act, 2003 read with Regulation 21 of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 seeking direction to Karnataka Power Transmission Corporation Limited not to levy additional charge for evacuation of 100 MW power allocated from Ramagundam Super Thermal Power Station (Ramagundam STPS) located in the State of Andhra Pradesh.

2. Brief facts of the case leading to the filing of the present petition are as under:
  - (a) The petitioner is a deemed licensee under Section 14 of the Electricity Act, 2003 (the Act) and is engaged in the business of transmission and distribution of electricity in the State of Goa.
  - (b) On 28.9.1993, the petitioner entered into the Bulk Power Transmission Agreement (BPTA) with NTPC Ltd. for procurement of 100 MW power from NTPC's 2100 MW Ramagundam STPS.
  - (c) There is no direct ISTS lines connecting Ramagundam STPS with the State of Goa. As a result, the petitioner is utilizing Karnataka system for evacuation of its power. The evacuation arrangements for the 100 MW power from Ramagundaum STPS is from the bus bar of Ramagundam STPS till the 400 kV Guttur sub-station at Karnataka of PGCIL and from Guttur sub-station,

power is evacuated by 220 kV lines of KPTCL and drawn at Ponda sub-station at Goa.

(d) From 1.1.2003, the petitioner is paying transmission charges @ 2.5 paise per unit to KPTCL for using KPTCL's network in terms of the minutes of meeting dated 13.2.2007.

(e) The Commission vide order dated 16.10.2012, approved slab rate of PoC rates for Southern Region as under:

	Rs. MW/month	Paise/unit
Tier-I Rate	80,000	11
Tier-II Rate	95,000	13
Tier-III	1,10,000	15

(f) In the 20<sup>th</sup> meeting of Southern Region Power Committee held on 15.11.2012, KPTCL raised concern regarding higher withdrawal of Point of Connection (PoC) charges applicable to it. In the said meeting, it was decided that the petitioner should pay an additional charge of 5 paise per unit to KPTCL, over and above the transmission charges of 2.5 paise power unit being paid by the petitioner. However, the same was not communicated to the petitioner.

(g) The Commission vide order dated 30.11.2012 approved the following PoC rates in accordance with Regulation 17 (2) of Sharing Regulations for Southern and Western Regions:

Slabs for PoC Rates –WR (October, 2012-March, 2013)		
	Rs. MW/month	Paise/unit
Goa-Withdrawal	94,968	13.19
Goa-Injection	79,968	11.19
Slabs for PoC Rates –SR (October, 2012-March, 2013)		

	Rs. MW/month	Paise/unit
Goa-Withdrawal	74,520	10.35
Goa-Injection	59,520	8.35

(h) The petitioner is stated to have come to know about this additional charge only when the invoice dated 4.6.2013 was raised by KPTCL for the month of May, 2013. With a view to avoid disruption of supply, the petitioner is paying PoC charges to PGCIL for evacuation of Goa's share of power drawn from Ramagudnam STPS till PGCIL's Guttur sub-station at Karnataka and is paying additional charge of 5 paise per unit to KPTCL under protest and without prejudice to his right;

3. The petitioner has submitted that the additional payment of 5 paise per unit by KPTCL is in violation of the following:

(i) Regulation 11 (2) of the Sharing Regulations provides that invoice amount raised by PGCIL on KPTCL should be recovered by KPTCL from the petitioner in a manner approved by the Commission. However, no such approval has been accorded by the Commission in this regard.

(ii) The Commission vide order dated 14.3.2012 in Petition No. 15/SM/2012 held that for disbursement of transmission charges to owners of transmission lines connecting two States, the tariff needs to be approved by the Appropriate Commission in accordance with Sharing Regulations. However, in the present case, no such approval has been accorded by the Commission to KPTCL to recover PoC charges from the petitioner.

(iii) The principles of natural justice has been violated in this case as SRPC is saddling the petitioner with additional charge of 5 paisa per unit without providing any opportunity of hearing to the petitioner. In the 20<sup>th</sup> meeting of SRPC held on 15.11.2012, the then existing methodology for determination of transmission charges was reviewed due to KPTCL`s concerns regarding higher slab rates of withdrawal charges applicable to wheeling utilities. In the said meeting it was decided that KPTCL would be paid additional charge at the rate of 5 paise per unit, over and above the transmission charge of 2.5 paise per unit being paid by the petitioner. Since the petitioner is not a member of SPRC, it was not present in the above meeting. The petitioner vide its letter dated 22.1.2013 requested SPRC to provide sufficient justification for SR inter-State losses, which were to the extent of 9-10%. In response, SRPC submitted that the loss incurred due to wheeling of Goa`s share in Ramagundam STPS through Karnataka system gets accounted as Karnataka`s drawal in the present accounting system. Therefore credit is to be given to Karnataka to compensate the loss incurred due to wheeling of Goa`s share. The proposal made by SPRC in its 20<sup>th</sup> meeting was confirmed in 21<sup>st</sup> SRPC meeting held on 2.2.2013. Even at this stage, the decision imposing additional liability on the petitioner was not communicated to it. However, the liability of the petitioner to pay additional charge at the rate of 5 paisa per unit to KPTCL for transmission of Goa`s share of power from Ramagundam STPS was brought to the notice of the petitioner by way of invoice dated 4.6.2013

raised by KPTCL for the month of May, 2013. The petitioner has submitted that it is settled position of law that Principles of Natural Justice require adequate hearing to be given to the party, whose rights are affected. In this regard, the petitioner has placed reliance on the judgment of Hon`ble Supreme Court in Assistant Commissioner, Commercial Tax Department, Works Contract And Leasing, Kota Vs. Shukla and Brothers: (2010) 4 SCC 785.

4. Against the above background, the petitioner had made the following prayers:

“(a) Exercise the power to regulate inter-State transmission of electricity and remove the additional charge of 5 paise per unit levied by Karnataka Transmission Corporation on the Petitioner for evacuation of the 100 MW drawn from Ramagundam STPS.

(b) Exercise the power to remove difficulty in the implementation of CERC Sharing Regulations, 2010 and restore the Petitioner to the same economic condition by restoring the transmission charges paid by the petitioner to Karnataka Transmission Corporation to 2.5 paise per unit from the current 7.5 paise per unit.

(c) the interim and during the pendency of the present Petition, direct Karnataka Transmission Corporation to not levy the additional charge of 5 paise per unit on the Petitioner.

(d) any such other order as this Hon`ble Commission deems just and proper.”

5. The petition was admitted on 27.2.2014 and notice was issued to the respondents to file their replies.

6. Southern Regional Power Committee, vide its reply dated 18.3.2014, has submitted that Goa is not a constituent of SRPC and the decision taken in the SRPC meetings was in the interest of constituents of SRPC. SRPC

has further submitted that billing of wheeling charges is based on the bilateral arrangement between KPTC and Goa. Therefore, the petitioner is billed based only on the bilateral arrangement made between KPTCL and the petitioner. In the SRPC meeting held on 13.2.2007 at Bangalore, the parties agreed to pay the transmission charges of 2.5 paise per unit subject to revision by SRPC.

7. Karnataka Power Transmission Corporation Limited (KPTCL) in its affidavit dated 27.5.2014 has submitted as under:

(a) As per Clause 3 of the BPTA, for wheeling of power beyond Ramangundam STPS's bus bar, the charges for utilization of transmission system(s) owned by PGCIL and/or Bulk Power Recipient(s) and/or other agency(ies) shall be mutually settled and paid for directly between PGCIL and/or such agency(ies) and the concerned Bulk Power Recipient(s). Accordingly, from 1993 till 1.3.2003, the petitioner was paying transmission charges to KPTCL at 1/9<sup>th</sup> the rate at which KPTCL was procuring power from Ramangundam STPS. Subsequently, on 13.2.2007, the petitioner and KPTCL reached an understanding that KPTCL would charge 2.5 paise per unit with effect from 1.1.2003 as wheeling charges for the scheduled energy as per the Regional Energy Accounting subject to revision as and when the existing rates are revised for inter-State transfer of power or as revised by SRPC from time to time. Pursuant to the agreement dated 13.2.2007, KPTCL agreed to refund the

amount recovered in excess of 2.5 paise per unit from the petitioner from 1.1.2003.

(b) As per Regulation 18 (1) of the Central Electricity Regulatory Commission (Sharing of inter-State transmission charges and losses) Regulations, 2010 (Sharing Regulations), NLDC, as Implementing Agency has been entrusted with the responsibility of undertaking the allocation of transmission charges and losses at various nodes/zones based on Yearly Transmission Charges. On 29.6.2011, the Commission approved the PoC charges and transmission losses at various nodes/zones, their fitment into slabs and schedule of charges payable by each DIC for the year 2011-12 as computed by NLDC.

(c) The Commission vide order dated 31.3.2014 approved the PoC withdrawal rate for the 1<sup>st</sup> quarter of 2014-15 for Karnataka as Rs. 1,14,425/MW/month.

(d) The Commission vide order dated 14.2.2012 in Petition No. 15/SM/2012 directed the owners of the inter-State lines connecting two States to file appropriate application. Accordingly, KPTCL has filed petition before the Commission for determination of YTC for the period 2012-14.

(e) During the 18<sup>th</sup> meeting of SRPC Commercial Sub-Committee held on 14.3.2012, SRPC noticed that if the YTC of transmission licensee are included under PoC mechanism, payment of wheeling

charges @ 2.5 paise/kWhr for wheeling from Ramagundam STPS to the petitioner would be discontinued. SRPC Commercial Sub-Committee deliberated whether 2.5 paise/kWhr would be continued till the charges of State owned inter-State lines are included in the YTC to be recovered and paid through the PoC mechanism.

(f) In the 20<sup>th</sup> and 21<sup>st</sup> meetings of SRPC Commercial Sub-Committee held on 15.11.2012 and 2.2.2013 respectively, the existing methodology for wheeling charges for wheeling of ISGS power through State system/Stated owned inter-State lines was reviewed, the high slab rate of withdrawal charges applicable to wheeling utilities. KPTCL apprised SRPC that higher PoC slabs were applicable to it due to the Commission`s decision to truncate the network at 400 kV. SRPC Commercial Sub-Committee in consideration of the high PoC slabs applicable to KPTCL decided that a wheeling charges of 7.5 paise/unit would be leviable for wheeling of ISGS share of energy over 220 kV/132 kV/110 kV ISTS transmission lines owned by the States for the actual energy wheeled over each ISTS line.

(g) As per the Agreement dated 13.2.2007 between the petitioner and KPTCL, the latter would levy a charge of 2.5/kWh on the petitioner for evacuating power from Guttur to Ponda through its transmission network, and this rate would be revised as and when the rates of transfer of inter-State power are revised. The Agreement dated 13.2.2007 further provides that SRPC has the authority to revise the

transmission charge of 2.5 paise/unit and accordingly, SRPC has revised the transmission charges.

(h) The decision of SRPC was only to compensate KPTCL for the excess PoC charges being levied on KPTCL in terms of the provisions of the Sharing Regulations, part of which are also for the transfer of 100 MW power to the petitioner from Ramagundam STPS.

(i) Since the petitioner is not a member of Southern Region, it was not present in the SRPC meeting during which the SRPC determined the impugned levy of wheeling charges. PGCIL is raising bill on KPTCL to recover the high PoC rates applicable for evacuation of petitioner's 100 MW power through KPTCL's transmission network. KPTCL is in turn recovering the high PoC rates through compensatory tariff from the petitioner and is accordingly raising bills as per the provisions of Regulation 11 of the Sharing Regulations from May 2013. KPTCL informed the petitioner of the decision of SRPC through invoice for the May 2013.

8. SRPC, vide its further reply dated 22.7.2014, has submitted that in the 20th Meeting of Commercial Sub-committee of SRPC held on 15.11.2012, it was agreed to put up the proposal of charges of wheeling of power over State owned inter-State lines from existing 2.5 paise/unit plus 5 paise/unit compensation. In the said meeting, lines connecting constituents States of SRPC were only considered by the Committee. Transmission line between Karnataka and Goa was not considered by in the said meeting. SRPC has

further submitted that there is a bilateral agreement between Karnataka and Goa on wheeling charges of the inter-State transmission line between Karnataka and Goa. SRPC has submitted that the following issues are also required to be considered in the context of the present case:

(a) In the present regime, the petitioner should apply for Open Access for wheeling power through Karnataka system and pay as per the charges in this regard notified by KERC (present rate is around 11 paise/unit).

(b) Goa could also consider availing power from Ramagundam STPS over SR-WR HVDC link. A present in the integrated scenario (NEW and SR Grid), the need for bus splitting at Ponda should also be reviewed.

(c) 220 kV Ambewadi-Ponda link can be used to increase the WR-SR ATC in view of the shortage conditions in SR.

9. The petitioner and KPTCL vide ROP dated 11.7.2014 were directed to convene a meeting to resolve the matter amicably and submit the outcome of the meeting to the Commission.

10. KPTCL, vide its Memo dated 21.8.2014, has submitted that in the meeting convened on 7.8.2014 in accordance with the Commission's direction, the methodology of adopting the 7.5 paise charge for the use of KPTCL's lines was agreed to between the petitioner and KPTCL. The other issues regarding withdrawal charges being faced by the petitioner due to

truncation of 400 kV network would be taken up separately by the petitioner. Learned counsel for the petitioner during the hearing on 14.10.2014 submitted that the petitioner in the meeting convened by KPTCL on 7.8.2014 has agreed in-principle with methodology adopted in the SR for the payment of wheeling charges for all inter-State lines as 7.5 paise per unit.

**Analysis and decision:**

11. We have considered the submissions of the petitioner and the respondents and perused documents on record. The petitioner has filed the present petition seeking direction to KPTCL not to levy additional charge of 5 paise per unit for evacuation of 100 MW power from Ramagundam STPS.

12. On 28.9.1993, the petitioner entered into BPTA with NTPC for procurement of 100 MW power from Ramagundam TPS in Andhra Pradesh. The evacuation arrangement for the said 100 MW power from Ramagundam TPS to Goa is from Guttur to Ponda sub-station at Goa by 220 kV lines of KPTCL. The petitioner was paying 2.5 paise per unit wheeling charges from 13.2.2007 to KPTCL for using its network in terms of consensus arrived on 13.2.2007 between the petitioner and KPTCL. Relevant portion of the minutes of meeting dated 13.2.2007 is extracted as under:

“After elaborate discussions, Government of Goa has agreed to the proposal of KPTCL i.e. to charge 2.5 paise per unit with effect from 1.1.2003 as wheeling charges for the scheduled energy as per the Regional Energy Accounting, subject to revision as and when the existing Rates are revised for Inter State transfer of power or as revised by SRPC from time to time”.

13. After introduction of PoC regime from 1.7.2011, KPTCL raised the issue of higher withdrawal PoC charges applicable to it. The issue was discussed in the 20<sup>th</sup> SRPC meeting held on 15.11.2012 in which the petitioner was not invited as the petitioner is not a member of SRPC forum. In the said meeting, SRPC proposed that KPTCL would be paid additional charge at the rate of 5 paise per unit, over and above the transmission charge of 2.5 paise per unit being paid by the petitioner. The above proposal was confirmed in 21<sup>st</sup> SRPC meeting held on 2.2.2013. Based on the above decision, the petitioner is paying KPTCL the transmission charges @ 7.5 paise per unit under protest.

14. The petitioner and KPTCL vide ROP dated 14.10.2014 were directed to convene a meeting to resolve the issue. KPTCL vide its Memo dated 21.8.2014 has submitted that as per the Commission`s direction, a meeting was convened on 7.8.2014 with the petitioner to resolve the matter. KPTCL has submitted that the petitioner in-principle has agreed to pay the charges of 7.5 paise per unit and the matter has been settled. Relevant portion of minutes of meeting dated 7.8.2014 is extracted as under:

“KPTCL and their official clarified the methodology adopted in arriving (2.5+5 paise compensation charges) 7.5 paise wheeling charges for all inter-State lines in Southern Region consequent to POC regime to the officials of Electricity Department, Government of Goa were convinced and agreed in principle about the methodology adopted in the Southern region for payment of wheeling charges for all inter-State lines. Since Electricity Department, Government of Goa is availing its Central Share of NTPC, Ramagundam, through Southern Region using the Transmission Network of KPTCL.

The Electricity Department, Government of Goa in case has any other grievances regarding assumption in arriving GOA-SR withdrawal charges due to truncation of CTU networks at 400 kV levels may be taken up separately with the appropriate authorities.”

15. In the light of the agreement between KPTCL and the petitioner in lines of the minutes of the meeting dated 7.8.2014, the dispute has been settled and the prayer of the petitioner has become infructuous.

16. The Commission notified the Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) (Third Amendment) Regulations, 2015 on 4.4.2015 which came into effect from 1.5.2015. As per the said amendment, para 2.3 of the Annexure 1 of the Sharing Regulations was deleted. In other words, truncation of transmission line at lower voltage level was dispensed with. Since the transmission line of KPTCL from Guttur to Ponda was earlier truncated at 400 kV level, SRPC considered the effect of abolition of truncation through the third amendment in the SRPC meeting held on 12.5.2015. The relevant portion of the Minutes of meeting for SRPC meeting held on 12.5.2015 is extracted as under:

"As per the procedure for calculation of Node wise PoC charges a Load Flow base case up to 110 kV network is modeled which gets truncated to 400 kV equivalence network. Due to this network truncation, power flow from upstream state to downstream state through voltage class below 400 kV gets replaced with a load equivalent to power flow through such lines at upstream state. This results into by upstream state bearing the cost of ISTS equivalent to power flow to downstream state.

7.2 To address this issue, in the 21st Meeting of SRPC, it had been decided to raise the rate of Wheeling Charges of Inter-State Lines from 2.5 to 7.5 paisa/Unit of energy wheeled ( 2.5 paise + 5 paise compensation).

7.3 Since then the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) (Third Amendment) Regulations, 2015 had been notified and implemented from 01st May 2015. In the same, it had been decided not to truncate the base case load flow model. In view of this the wheeling charges needed to be again revised to 2.5 ps/unit.

7.4 The following had been noted in the TCC Meeting:

♣ MS, SRPC had apprised the TCC of the suggestions keeping in view the POC 3rd Amendment Regulations 2015.

♣ After deliberations, TCC recommended that wheeling charges of state owned lines (for wheeling CGS share) be reverted back to 2.5 paise/unit from 7.5 paise/unit and the same implemented w.e.f. 1st May 2015.

7.5 SRPC approved the recommendation of TCC that wheeling charges of state owned lines (for wheeling CGS share) be reverted back to 2.5 paise/unit from 7.5 paise/unit and implemented w.e.f. 1st May 2015."

17. Since the decision in the SRPC meeting held on 12.5.2015 is in accordance with third amendment to the Sharing Regulations, we are of the view that with effect from 1.5.2015, the petitioner shall be liable to pay the wheeling charges of 2.5 paise/unit. If the statutory charges are subsequently modified by SPRC, the modified charges shall be applicable.

18. The petition is disposed of in terms of the above.

Sd/-  
**(A.S.Bakshi)**  
**Member**

sd/-  
**(A.K.Singhal)**  
**Member**

sd/-  
**(Gireesh B.Pradhan)**  
**Chairperson**