

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 12/SM/2017

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri A.K.Singhal, Member
Shri A.S. Bakshi, Member
Dr. M.K.Iyer, Member**

Date of Order: 19th of July, 2017

In the matter of

Operationalization of LTA of Long Term Transmission Customers (LTTCs) as per Regulations 8(5) of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010.

And

In the matter of

The Central Transmission Utility,
Power Grid Corporation of India Limited
Saudamini, Plot No.2, Sector-29, Gurgaon,
Haryana- 122001

...Respondent

ORDER

The Commission, vide Record of Proceedings for the hearing dated 6.6.2017 in Petition No. 114/MP/2017 filed by Hydro power generators, namely DANS Energy Private Limited, Shiga Energy Private Limited and Gati Infrastructure Private Limited, situated in the State of Sikkim in Eastern Region, directed CTU to submit status of LTA operationalisation for all the generators in Eastern Region. In response, CTU vide its affidavit dated 13.6.2017 has submitted that LTA of Sikkim HEPs would be operationalized by CTU only after commissioning of Teesta-III-Rangpo-Kishanganj 400 kV D/C (Quad) transmission line by Teesta Power Transmission Ltd.



2. The Regulation 8(5) of Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time (Sharing Regulations) provides as under:

“8(5)Where the Approved Withdrawal or Approved Injection in case of a DIC is not materializing either partly or fully for any reason whatsoever, the concerned DIC shall be obliged to pay the transmission charges allocated under these regulations:

Provided that in case the commissioning of a generating station or unit thereof is delayed, the generator shall be liable to pay Withdrawal Charges corresponding to its Long term Access from the date the Long Term Access granted by CTU becomes effective. The Withdrawal Charges shall be at the average withdrawal rate of the target region:

Provided further that where the operationalization of LTA is contingent upon commissioning of several transmission lines or elements and only some of the transmission lines or elements have been declared commercial, the generator shall pay the transmission charges for LTA operationalized corresponding to the transmission system commissioned.”

As per the above provisions, where the operationalization of LTA is contingent upon commissioning of several transmission lines or elements and only some of the transmission lines or elements have been declared commercial, the generator is required to pay the transmission charges for LTA operationalized corresponding to the transmission system commissioned.

3. The Commission, vide Record of Proceedings for the hearing dated 15.10.2015 in Petition No. 229/RC/2015, directed CTU to operationalize the LTA of LTTCs in full or part in terms of Regulation 8 (5) of the Sharing Regulations. The relevant portion of the Record of Proceedings dated 15.10.2015 is extracted as under:

“8. The Commission observed that CTU should part operationalize the LTA in full or part as the case may be in terms of Regulation 8 (5) of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010. The Commission directed PGCIL to provide on affidavit by 26.10.2015, details of LTA quantum where the generators have been commissioned up to October 2015.”

4. Further, the Commission vide order dated 28.9.2016 in Petition No. 30/MP/2014 directed CTU to review the cases and take necessary action for operationalization of LTA including part LTA and raising the bills for transmission charges on the generators. The relevant portion of the order dated 28.9.2016 is extracted as under:

“33. Another related issue that arises for our consideration is whether CTU should operationalize LTA on interim LILO or not. On analysis of the interim LILO arrangements, it is noticed that some of the LILO arrangements are being used for injection of firm power through STOA for three years or more. The generators have taken LTA to the target regions from certain dates and even after those dates, LTAs have not been operationalized due to non-commissioning of the dedicated lines. Even though some of the system strengthening lines associated with the LTA have been commissioned. On the other hand, the generators are being allowed to interchange firm power through short term open access on interim LILO arrangements as a result of which the generators are able to avoid payment of transmission charges corresponding to their LTA quantum. In our view, non-operationalization of LTA on account of non-commissioning of the dedicated transmission line or some of the system strengthening lines while allowing the generators to inject power under STOA defeats the very purpose of granting LTA to the generators. Therefore, in all such cases, CTU must operationalize the LTA (either partly or fully as the case may be) and raise the bills for transmission charges on the generators with effect from the date of operationalization of the LTA as indicted in the LTA Agreements.

34. The Appellate Tribunal for Electricity has ruled in the case of Appeal No. 6/2015 (GETCO vs. GERC) that delay in commissioning of the dedicated transmission line by the generator will not relieve the generator from paying the transmission charges for the transmission line, which have been built on the basis of the BPTA signed by the generator.“.....”.

35. In the light of the provisions of the Sharing Regulations and the judgment of the Appellate Tribunal as quoted in Para 34 above, the generators are liable to pay the transmission charges for the transmission lines covered under the BPTA or LTA Agreement which have been commissioned. CTU is directed to review all such cases and take necessary action for operationalization of LTA including part LTA and raising the bills for transmission charges on the *generators*.”

5. It is noted that CTU has not complied with the above directions. Accordingly, CTU is directed to show cause, latest by 4.8.2017 as to why action under Section 142 of the Electricity Act, 2003 should not be initiated against it for non-compliance of Commission’s directions dated 15.10.2015 and 28.9.2016 and the provisions of Regulation 8 (5) of the Sharing Regulations. CTU is directed to place on record, latest by 25.7.2017, details of generating stations where LTA has been granted by CTU subject to commissioning of

several transmission systems and only some of the transmission systems have been commissioned. However, LTA corresponding to the transmission system commissioned has not been operationalized by CTU.

6. The petition shall be listed for hearing on 22.8.2017.

7. A copy of this order shall be sent to all LTTCs of the projects who shall be present before the Commission to render necessary assistance.

Sd/-
(Dr. M.K. Iyer)
Member

Sd/-
(A.S. Bakshi)
Member

Sd/-
(A.K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson