

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 104/MP/2018
Alongwith I.A. No.20/2018**

Subject : Petition seeking directions against the direct bilateral billing of Transmission Charges by the Respondent No.1, NRSS-XXXI (A) Transmission Limited on the Petitioner for the transmission system established in the State of Himachal Pradesh.

Date of Hearing : **5.7.2018**

Coram : Shri P.K. Pujari, Chairperson
Shri A.K. Singhal, Member
Dr. M.K. Iyer, Member

Petitioner : Himachal Pradesh State Electricity Board (HPSEB)

Respondents : NRSS XXXI (A) Transmission Limited and Others

Parties present : Shri Anand K. Ganesan, Advocate, HPSEB
Ms. Swapna Seshadri, Advocate, HPSEB
Shri Deepak Uppal, HPSEB
Shri Sitesh Mukherjee, Advocate, PGCIL
Shri Deep Rao, Advocate, PGCIL
Shri Divyanshu Bhatt, Advocate, PGCIL
Shri R.B. Sharma, Advocate, BRPL & BYPL
Shri Mohit Mudgal, Advocate, BRPL & BYPL
Shri B.Vamsi, PGCIL
Shri V.C. Shekhar, PGCIL

Record of Proceedings

Learned counsel for the Petitioner argued at length and submitted as under:

- (i) The present petition has been filed inter alia for seeking declaration that the Respondent, NRSS XXXI (A) Transmission Limited (NRSS) is not entitled to recover the entire transmission charges from the SCOD from the Petitioner;
- (ii) The transmission charges are claimed to be levied by NRSS bilaterally and exclusively on the Petitioner on the ground of non-completion of the downstream network to be constructed by the Petitioner from the 400/200 kV sub-station at Kala Amb in the State of Himachal Pradesh established by NRSS;
- (iii) In the 31st Standing Committee Meeting on the Power System Planning of the Northern Region, discussions were held on the future expansion of the Northern Regional inter-State transmission network and amongst various other systems, it was also proposed to establish the 400/220 kV sub-station at Kala Amb in the State of Himachal Pradesh along with LILO of both circuits of Karcham Wangtoo – Abdullapur 400 kV D/c line at Kala Amb and 40% series compensation on 400 kV Karcham Wangtoo – Kala Amb D/c line;

(iv) In terms of the above, the 400 kV Kala Amb sub-station and associated facilities including the LILO of both circuits of the Karcham Wangtoo – Abdullapur line and 40% series compensation was envisaged to be developed as an integrated system for strengthening of the Northern Region grid and not as an isolated system for the sole benefit of the State of Himachal Pradesh. This was also specifically agreed to by all the constituents of the Northern Region in the meeting;

(v) The Petitioner has acted in a bona fide manner and taken all possible steps to ensure establishment of the downstream system. However, the downstream system has been delayed due to delay in acquisition of land;

(vi) NRSS had claimed declaration of commercial operation of the subject transmission system on 12.7.2017 and from such date it has been raising the invoices for the entire transmission charges from the Petitioner;

(vii) There is no provision in the TSA for such charges to be raised on the Petitioner alone. The rights and obligations of NRSS flow from the TSA.

2. Learned counsel for NRSS submitted as under:

(i) NRSS has completed the transmission project in accordance with the provisions of TSA and declared the COD of the transmission project as on 12.7.2017;

(ii) NRSS is entitled to recover the transmission charges from the date of COD of the transmission project in accordance with the provisions of the Central Electricity Regulatory Commission (Sharing of Transmission of Transmission Charges & losses in Inter-state Transmission) Regulations, 2010 (Sharing Regulations) and in terms of the provisions of TSA;

(iii) The Commission vide order dated 22.8.2014 in Petition No. 93/TT/2014 had determined the tariff for the transmission project in terms of Section 63 of the Act and observed that sharing of transmission charges shall be governed under the provisions of Sharing Regulations which envisages the recovery of tariff and disbursement in terms of the POC tariff framework.

3. Learned counsel for BRPL & BYPL submitted as under:

(i) The prayer of the petition in respect of recovery of the yearly transmission charges from the schedule COD of the subject transmission system under the POC mechanism should not be allowed since, the assets under transmission project are related to downstream system and are not being used;

(ii) The entire system is installed for the benefit of the Petitioner and the Petitioner has not fulfilled its responsibility regarding completion of the downstream system. Accordingly, transmission charges may be determined in terms of Regulations prescribed by the Commission and not as per the TSA.

4. After hearing the parties at length, the Commission directed the Petitioner and respondents to file their written submissions with copy to each other, on or before 31.7.2018.

5. Subject to above, the Commission reserved order in the petition.

By order of the Commission

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