CENTRAL ELECTRICITY REGULATORY COMMISSION NEW DELHI

Petition No. 262/MP/2017

Coram:
Shri P.K. Pujari, Chairperson
Dr. M.K. Iyer, Member
Shri I.S Jha, Member

Date of Order: 30.4.2019

In the matter of:

Petition seeking amendment to the transmission license granted to the Petitioner vide order dated 9.5.2011, passed in Petition No. 105 of 2010, for including the 2 nos. 400 kV line bays, 2 nos. 400 kV tie bays and part of 400/220 kV substation equipment at Raipur Sub-station of PGCIL.

And in the matter of:

Jindal Power Ltd. Tamnar 49610, District Raigarh Chhattisgarh.

.....Petitioner

Vs

- Power Grid Corporation of India Limited Bhadravati HVDC, Sumthana Village, Bhadravathi Tehsil, Chandrapur District, Maharastra- 442902
- Power Grid Corporation of India Limited Vindhyachal HVDC, P.O. Vindhyanagar, Post Box No. 12, Singrauli District, Madhya Pradesh- 486885
- Power Grid Corporation of India Limited Western Region-1 Headquarters, P.O: Uppalwadi, Sampritinagar, Nagpur-400026
- Gujarat Urja Vikas Nigam Ltd, Vadodara Sardar Patel Vidyut Bhavan, Race Course,



Vadodara, Gujarat- 390 007

- Maharashtra State Electricity Distribution Company Ltd., Mumbai Hongkong Bank Building, M.G. Road, Fort, Mumbai-400001.
- 6. Madhya Pradesh Power Transmission Company Limited Shakti Bhavan Vidyut Nahar, Rampur, Jabalput- 482008
- 7. Madhya Pradesh Power Management Company Limited, Jabalpur Shakti Bhawan, Vidyut Nagar, Rampur Jabalpur, Madhya Pradesh- 482007
- Chhattishgarh State Power Holding Co. Ltd., Raipur O/o The Chief Engineer (EITC) Energy Info Tech Centre Daganiya, Raipur- 492013
- Electricity Deptt., Govt. of Goa, Panaji
 Chief Electrical Engineer, Electricity Department,
 Vidyut Bhavan, 3rd Floor,
 Panaji-Goa- 403001
- Electricity Deptt., Administration of Daman and Diu, Daman Vidyut bhavan, near 66/11 kv kachigam sub-station, Somnath - kachigam road, kachigam, Daman-396210.
- Electricity Deptt., Administration of Dadra and Nagar Haveli, Silvassa DNH Power Distribution Corporation Limited, Vidhyut Bhavan, 66 KV Road, Near Secreteriat, Amli, Silvassa, U.T. of Dadra & Nagar Haveli- 396230
- Madhya Pradesh Audyogik Kandra Vikas Nigam (Indore) Ltd., Indore MP Audyogik Kendra Vikas Nigam Ltd.
 3/54, Press Complex, Free Press House, Agra-Mumbai Road, Indore, Madhya Pradesh- 452010
- 13. Torrent Power Ltd., Surat Narayanpura Office AEC Cross Road, Behind AEC Bus Stop, Sola Rd, Vijay Char Rasta, Naranpura, Ahmedabad, Gujarat- 380013
- 14. Adani Power Ltd., Gurgaon



Achalraj,Opp Mayor Bungalow,Law Garden, Ahmedabad, Gujarat-380 006

15. PTC (India) Ltd., New Delhi2nd Floor, NBCC Tower15 Bhikaji Cama PlaceNew Delhi – 1100666

- Heavy Water Board, Mumbai
 5th Floor, Vikram Sarabhai Bhavan,
 Anushakti Nagar, Mumbai 400 094.
- 17. ACB(India) Ltd. Chakabura, Korba, Chattisgarh
- Lanco Power Limited
 Plot No. 397, Phase III, Udyog Vihar, Gurgaon
 Haryana- 122016
- Chhattisgarh State Power Distribution Company Limited P.O. Sundernagar, Dangani, Raipur- 492013
- 20. Western Region Transmission (Maharasthra)12th Floor, Bldg No. 10-B,DLF Cyber City,Gurgaon, Haryana- 122002
- 21. WRTL (GUJ REL)
 12th Floor, Bldg No. 10-B,
 DLF Cyber City,
 Gurgaon, Haryana- 122002
- 22. Bharat Aluminium Co. Ltd.
 Bharat Aluminium Company Limited
 Aluminium Sadan
 Core 6, Scope Office Complex,
 Lodi Road,
 New Delhi 110 003
- Jindal Steel and Power Ltd., DCPP
 12, Bhikaiji Cama Place,
 New Delhi 110 066



24. ESSAR Power MP Limited Thana Road, New Chunkumari Stadium, Waidhan,

District-Singrauli,

Madhya Pradesh- 486886

25. KSK Mahanadi Power Company Ltd.,

KSK Mahanadi,

Power Company Ltd.,

8-2-283/82/A/431/A,

Road No. 22, Jubliee Hills,

Hyderabad- 500033

26. EMCO Project Head,

Plot No. B-1,

Mohabala, MIDC Growth Centre

Post Tehsil- Warora

District- Chandrapur, Maharashtra-442907

27. Vandana Vidyut Company Ltd.,

Vandana Bhawan,

M.G. Road,

Raipur, Chhattisgarh-492001

28. Avantha West Power Company Ltd.,

(Formerly known as Korba West Power Co. Ltd.),

Village – Chhote Bhandar,

Post-Bade Bhandar,

Tehsil-Pussore.

District- Raigarh,

Chhattisgarh- 496100

29. D.B. Power,

Village-Baradarha,

Post-Kanwali,

District-Janjgir,

Chhattisgarh-495695

30. Jaypee Nigrie, STPP,

Sector 128, Noida,

Uttar Pradesh-201304

31. Essar Steel India Pvt. Ltd.

27th KM Surat Hazira Road,

Surat, Gujarat-394270



32. Adani Power Ltd., Mithakali Six Roads, Navarangapura, Ahmedabad-380009

33. Essar Power Transmission Company Ltd., A-5, Sector -3, Gautam Buddha Nagar, Noida, Uttar Pradesh-201301

....Respondents

For Petitioner : Shri Hemant Singh, Advocate, JPL

Shri Ambuj Dixit, Advocate, JPL Ms. Priya Singh, Advocate, JPL

Shri Dheeraj Marwaha, Advocate, JPL

Shri Anil Dhar, Advocate, JPL

Shri Lakshayajit Singh, Advocate, JPL

For Respondents: Ms. Jyoti Prasad, PGCIL

Shri Bhaskar Wagh, PGCIL

ORDER

The instant petition has been filed by the Petitioner, Jindal Power Ltd. (hereinafter referred to as 'JPL') to amend the transmission license granted by the Commission (vide order dated 9.5.2011 in Petition No. 105 of 2010), by including some more assets.

2. After filing the petition, JPL vide affidavit dated 7.2.2019 has requested that the subject line of the instant Petition to be changed to "Petition seeking amendment to the transmission license granted to the Petitioner vide an order dated 09.05.2011, passed in Petition No. 105 of 2010, for including the 2 X 400 kV line bays, 2X 400 kV tie bays and part of 400/220 kV sub-station equipment at Raipur Sub-station of PGCIL". It further stated

that it had inadvertently claimed bus sectionaliser as a part of the transmission license in the instant petition, which need to be deleted from the claim. The Petitioner vide affidavit dated 7.2.2019 has also revised its prayers, and has prayed to allow the amendment in transmission license by adding the following transmission elements through the instant petition:

- a) 2 No(s) of 400 KV Main bays;
- b) 2 No(s) of 400 KV Tie bays;
- c) 2 No(s) of 400 KV 50 MVAR Reactors.

The above assets are hereinafter referred to as the 'instant transmission assets'.

- 3. JPL has set up a thermal generating station of 1000 MW (4 X 250 MW) in Phase–II and 2400 MW (4X 600 MW) in Phase–III totaling 3400 MW at Tamnar, Raigarh District in the State of Chhattisgarh. As a part of the generation project, it has also established a 258 km, 400 kV double circuit, dedicated transmission line from its Tamnar, Power Plant to Power Grid Corporation of India Ltd. (PGCIL) substation at Kumhari, Raipur for evacuation of power from the place of generation to the inter-connection point of PGCIL, Raipur for onward inter-State transmission.
- 4. The above-mentioned dedicated transmission line also catered for evacuation of power from 4X135 MW Captive Thermal Power Plant at Dongamahua, Power Plant of M/s Jindal Steel & Power Ltd., Chhattisgarh., Therefore, the Petitioner in terms of the requirement of Regulation 6(c) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission License) Regulations, 2009 (hereinafter referred to as "Transmission License Regulations"), approached the

Commission for grant of inter-State transmission license for use of the aforesaid dedicated line as ISTS. The transmission license was granted vide order dated 09.05.2011 in Petition No. 105/2010. The transmission assets covered under the transmission license are the following:

- (a) 400 kV JPL Tamnar Raipur D/C line;
- (b) 2x400 kV Line Bays at Tamnar, Sub-station
- (c) 400/220 kV, 2 Nos. 315 MVA ICTs along with 2 nos. of 400 kV bays and 2 Nos. of 220 kV bays at Tamnar Sub-station.

The above assets are hereinafter referred to as the 'original transmission assets'.

Submissions by the Petitioner and Respondents

- 5. The Petitioner has submitted that at the time of applying for transmission license, the Petitioner inadvertently failed to include the instant transmission assets that are material ingredients of the transmission system, and were always part of the planning and functioning of the said system.
- 6. The Petitioner, Jindal Power Ltd. (JPL), has submitted the following in the Petition:
 - a) M/s Jindal Steel and Power Limited (herein after referred to as 'JSPL'), independently established power generating units at Raigarh, Chhattisgarh having an aggregate capacity of 358 MW. JSPL established another power plant with an additional capacity of 540MW at Dongamahua, Raigarh District. The said power plants of JSPL are primarily captive generating plants, with an option to JSPL of selling any surplus power, after catering to the captive load, to third parties. The power units of JSPL are connected to switchyard of generation project of the Petitioner, and the above-mentioned dedicated



- transmission line of the said Petitioner was to be used for evacuation of power whenever the surplus capacity is available in the dedicated transmission line.
- PGCIL for transfer of 500 MW of power in the Western Region from its 4 x 250 MW generating plant located at Tamnar, Raigarh, in the State of Chhattisgarh. The said application was made pursuant to the CERC (Open Access in Inter-State Transmission) Regulations, 2004 (hereinafter referred to as the 2004 Regulations). Pursuant to commissioning of its power plant, the Petitioner has been a regional entity in the Western Region with effect from April 2008 and has been discharging all obligations attached therein.
- C) The CEA conducted the 25th meeting of the Standing Committee on Power System planning of Western Region, on 30.09.2006, with the constituents of Western Region. In the said meeting, it was informed by PGCIL that based on the systems studies, long-term access can be granted to the Petitioner. Accordingly, it was decided to grant long-term access to the Petitioner for a capacity of 500 MW.
- d) On the basis of the Long Term Open Access granted to the Petitioner, on 19.03.2008, PGCIL executed a Bulk Power Transmission Agreement with the Petitioner, the relevant extracts of the same are reproduced herein below:

"Therefore, the following is agreed between the parties:

- M/s Jindal Power Ltd shall share the WR transmission charges corresponding to 500 MW power immediately on connectivity at Raipur and shall have Long-



term Open Access to the tune of 500 MW for power transfer to Gujarat and Chhattisgarh.

- However, power transfer to other than Gujarat and Chhattisgarh may be affected through short-term open access which M/s Jindal Power Ltd shall approach WRLDC separately.

And Whereas in accordance to the system studies carried out by POWERGRID, following additional transmission system is required for the evacuation system to facilitate long term open access:-

- "i) Jindal TPS- Raipur 400 kV D/C line
- ii) 2 nos. of 400 kV line bays at Raipur

The above dedicated system required for transfer of power (500 MW) from the Generation Project near Raigarh shall be built, owned, operated and maintained by JPL."

- e) On 16.04.2008, the Petitioner commissioned the 400kV Tamnar-Raipur D/c transmission line from its Power Plant to the substation of PGCIL located at Kumhari, Raipur District, for evacuation of power.
- f) Since the dedicated transmission line constructed by the Petitioner was to be used for evacuation of power of more than one generating company, the said line, along with the associated infrastructure including the 2x400 kV bays, fulfilled the requirements for being treated as part of the inter-State transmission system. The said evacuation of power was for the purposes of inter-State transmission/ conveyance as the said power was to be transmitted outside the State of Chhattisgarh through Inter-State Transmission System (ISTS) of PGCIL. The same entitled the Petitioner for grant of an ISTS license in accordance with Sections 12, 14 and 15 of the Actread with the relevant provisions of the Transmission License Regulations.

- Gaptive Power Plant of JSPL is evacuated through the 400KV Raipur-Tamnar double circuit Twin Moose lines, which are connected to the 2 bays at PGCIL sub-station, Raipur. Also, the bus sectionalizer/ bus reactor bays are required for reliability of the system to facilitate maintenance and continuity of supply. As is evident from a reading of the DPR and the BPTA, the 2 bays and bus sectionalizers at Raipur end were proposed by PGCIL for evacuation of power from phase-II (2X250 MW) power plant of the Petitioner. Therefore, the said bays form an essential part of the Petitioner's transmission network.
- h) The Petitioner filed a petition, being Petition No. 135/TT/2012, for determination of annual fixed cost and transmission tariff of the Petitioner's original transmission assets. In the said petition, the Petitioner also mentioned the 2 x 400 kV bays and bus sectionalizers. The Petitioner gave clarification that the said bays were inadvertently not included in the petition for grant of transmission license despite the fact that the same forms an integral part of the Transmission License. However, vide order dated 18.12.2015 in Petition No. 135/TT/2012, the Commission excluded the Cost of 2x400 kV bays and bus sectionalizer bays and part of 400/220 kV sub-station equipment at Raipur, thereby reducing the total Gross Asset by ₹ 3930.83 Lakhs.
- i) The 400 kV bays at the PGCIL Raipur end are required for connectivity of the licensed line with the ISTS network in a similar way as the 400 kV bays at JPL are connected to the line. It is stated that the Bays are connecting incoming

circuit i.e. Power line to bus-bar assembly. Each bay typically comprises of Circuit breaker, Isolator, Instrument Transformer & Surge arrestor. A Bay is used to control the power flow as well as for isolating the circuit in case of Shutdown and automatic isolation in the case of a faulty condition. It is further submitted that reactors and bays are required for termination of line at Raipur end and the said instant transmission asset form a part of downstream system for a transmission line without commissioning of which, the transmission line cannot be put to intended or optimal use.

The Commission in the Statement of Reasons of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as the 2009 Tariff Regulations) has clearly specified the number of bays to be allowed for a transmission line and other sub-station equipment. Relevant extracts of Statement of Reasons has been quoted as under:

"23.6

. . . . /:\

- For each AC sub-station, there will be one bay for each circuit emanating from or terminating into that sub-station. This means that in case of sub-station having one-and-half breaker scheme, tie breaker will not be counted as bay. Similarly in case of sub-station with two main 81 and one transfer bus scheme, bus coupler and bus transfer breakers will not be counted as bays.
- Each transformer will have two bays- one for HT side and other for LT side.
- Bus reactor will have one bay Xxxxxx



- Therefore, it is evident from the above Statement of Reasons that one bay for each circuit along with one bus reactor is statutorily permissible/ required towards working of the substation and that the bay Circuit breaker employed for bus sectionalization/ extension for each bus is to be counted as one bay. Since the Petitioner has established 400 kV double circuit transmission line, 2 bays and 2 bus reactors along with part of 400/220 kV sub-station equipment are statutorily permitted for being required towards the working of the Raipur Substation. As such, the 2 x 400 kV bays and bus sectionalizer are required to be incorporated into the transmission license of the petitioner by amending the original license. The aforementioned 2 bays at Raipur end and bus reactors are a sine gua non for the existing transmission system of the Petitioner.
- 7. The Madhya Pradesh Power Management Company Limited (MPPMCL) vide affidavit dated 24.8.2018 has submitted the following reply:
 - a) The present application has been made under Section 18 of the Act read with Regulation 19 of the Transmission License Regulations. Section 18 (1) of the Act is quoted below:
 - "18.(1) Where in its opinion the <u>public interest so permits</u>, the Appropriate Commission, may, on the application of the licensee or otherwise, make such alterations and amendments in the terms and conditions of a license as it thinks fit:"

Similarly Section 19 (1) of the Act is quoted below:

"19. Amendment of License



The Commission may of its own motion or on an application made by the licensee or otherwise make such alterations and amendments in the terms and conditions of license if the commission is of the opinion that the <u>public interest</u> so requires:"

- b) The precondition for amendment of the Transmission License issued under Sections 14 to 16 of the Act is the existence of public interest. However, in the present case there is no element of public interest whatsoever. Therefore, the requirement of Section 18 of the Act is not satisfied. On this ground alone, the present petition is liable to be rejected.
- c) The Petitioner has filed the present Petition seeking amendment of transmission license granted vide order dated 09.05.2011, after a lapse of more than 7 years on the ground that it has inadvertently failed to include 2x400kV bays and bus sectionalizer bays at Raipur Sub-station of PGCIL.
- d) The Petitioner has taken no action to get the Transmission License amended prior to filing Tariff Petition No. 135/TT/2012 on 16.05.2012 for the determination of Annual Fixed cost and Transmission Tariff for its Transmission Line and associated assets for first control period from 09.05.2011 to 31.03.2014. The Petitioner has also not taken any action even during its proceedings till passing of the final order dated 18.12.2015.
- e) In view of above facts, the Commission, while considering Capital Cost of the original transmission assets in the Petition no. 135/TT/2012, rightly disallowed the Capital Cost of assets not covered in the Transmission License dated 09.05.2011.



- f) The Petitioner has taken inordinately long time to approach the Commission for amendment of the said Transmission License, by way of the present Petition filed in 2018, which shows the serious negligence on part of the Petitioner in ensuring compliance of statutory provisions of the Act and the Transmission License Regulations. By making incomplete application for Transmission License in Petition.no. 105 of 2010 before the Commission and subsequently operating elements of Inter-State Transmission System without proper License, the Petitioner has made itself liable to be punished under Section 142 of the Act. It has, therefore, prayed to take appropriate punitive action against the Petitioner for the said negligence and operating elements of the ISTS unauthorisedly.
- g) APTEL in its Judgment in A.No. 179 & 188 of 2005 (CSEB vs CSERC &Ors & the batch) upheld imposition of a penalty of Rs. 1 Lac by Chhattisgarh State Electricity Regulatory Commission on Respondent No. 2 (M/s Jindal Steel and Power Ltd.), when it was found that it was supplying and distributing power without Distribution License. In the present case also important elements of transmission system are admittedly being operated by the Petitioner without license. Therefore, appropriate penalty may be imposed on the Petitioner.
- h) If the Commission is inclined to consider the amendment to the Transmission License as prayed by the Petitioner, the same may be made effective from the date of order passed in the present Petition. It is also prayed that the grant of amendment if any, may be subject to the condition that the Capital Cost/

Annual Maintenance Charges, if any, would not be considered for the past period.

- 8. The Commission vide ROP dated 18.9.2018 directed the Petitioner to place on record the copy of the appeal filed before the APTEL by Chhattisgarh State Power Distribution Co. Ltd. (hereinafter referred to as "CSPDCL").
- 9. The Petitioner vide affidavit dated 28.11.2018, submitted the copy of Appeal No. 210 of 2016 dated 18.2.2016 filed by CSPDCL against the transmission license granted to the Petitioner dated 9.5.2011 by the Commission. The said Appeal is still pending before the APTEL.
- 10. The CSPDCL in its reply dated 22.10.2018 has submitted as under:
 - It had filed a Petition No. 6/MP/2014 with the Commission. The Commission passed Order dated 9.12.2015 in that Petition. The contention raised by CSPDCL was, inter-alia, that the transmission license had wrongly been granted to JPL by treating its dedicated transmission line as a main transmission line and thus a part of inter-State transmission system. In that Petition, CSPDCL had argued that in a similar case of M/s ACB India Ltd. seeking grant of transmission license for similar transmission assets, the transmission line laid down till Western Region pooling station was treated as a dedicated transmission line (and rightly so) and not part of inter-State transmission system so that the transmission license sought for was denied.

That being so, the contradictory exercise of regulatory power exercised by the Commission was liable to be rectified and the transmission license wrongly granted to Petitioner was liable to be cancelled.

- b) The Commission dismissed the Petition No. 6/MP/2014 filed by CSPDCL on the ground, inter-alia, that the transmission license has been granted to JPL inaccordance with the provisions of the Transmission License Regulations after the Commission has been satisfied that the criteria laid down under clause (c) of Regulation 6 are met. Also, the Commission has held that any subsequent interpretation of law as has been done in the case of M/s ACB India Ltd. cannot be applied retrospectively for reopening or reviewing the grant of license made in favor of JPL.
- The CSPDCL filed Appeal No. 210/2016 before the APTEL under Section 111 (1) of the Act challenging the order of the Commission dated 9.12.2015 in Petition No. 6/MP/2014. This Appeal No. 210/2016 is currently pending decision before APTEL.
- d) The Petitioner did not disclose in the instant Petition before the Commission, the fact that Appeal No. 210/2016 has been filed by CSPDCL challenging grant of transmission license to the Petitioner. The Petitioner has concealed material facts from this Commission and has violated the doctrine of Res Judicata by filing a fresh Petition for Amendment of License when the Order Granting the License itself is under challenge before the APTEL. Also, the Petitioner

deliberately delayed the service of Notice upon CSPDCL so as to close their right of filing reply and clandestinely bypass the Appeal Proceedings pending before APTEL.

- e) The Commission also failed to observe that the Petitioner is not even the actual owner of the Captive Power Plant, but the Plant is instead owned by JSPL, a sister concern of the Petitioner, and thus, the application for the grant of license should have been executed by JSPL and not the Petitioner.
- As regards rejection of grant of transmission license in case of ACB India Ltd. f) (ACBIL), the CSPDCL has stated that ACBIL had filed a petition before the Commission [being Petition No.170/TL/2012] under Section 15 of the Act read with Regulation 6(c) of the Transmission License Regulations for grant of transmission license for its dedicated transmission line [ACBIL Chakabura to PGCIL, Bharari, Bilaspur transmission line]. Giving details of its aforesaid identified long-term customers, ACBIL submitted that the subject transmission line would primarily be used for evacuation of power generated by it from time to time and any surplus capacity left available in it after fully providing for the needs of ACBIL could be used for evacuating power from Maruti Clean Coal and Power Ltd. (MCCPL)/ Spectrum Coal and Power Ltd. (SCPL). ACBIL further submitted that MCCPL or any other unidentified project developer could be allowed open access through its transmission line using its spare capacity as and when available without affecting the transmission of power by ACBIL through its dedicated transmission line in any manner. For this purpose, ACBIL

had entered into a Power Purchase Agreement with Gujarat Urja Vikas Nigam Ltd. for selling 200 MW power through Case-1 competitive bidding.

The arrangement as regards existence and proposed use of its dedicated transmission line by ACBIL was similar to that of the dedicated transmission line of Petitioner connected to the interconnection point of PGCIL at Kumhari, Raipur for onward inter-State transmission. While ACBIL proposed to use the surplus capacity available in its dedicated transmission line for evacuation of power from MCCPL/ SCPL or any other unidentified project developer by allowing open access through its dedicated transmission line, Petitioner had proposed to use the surplus capacity available in its dedicated transmission line for evacuating power generated from the captive power plant of its sister concern (namely JSPL) which was connected to the switchyard of Petitioner. Unlike Petitioner, ACBIL had some identified long-term transmission customers for its line and was also ready to transmit further power through it under open access as per the provisions of the Electricity Act, 2003. Suffice it to say, ACBIL was similarly situated as Petitioner so far as the arrangement for evacuation of power through its dedicated transmission line was concerned. Rather it was on an advantageous footing compared to the Petitioner in as much as it had identified long-term transmission customers and firm contractual arrangement was in place for supply of power through open access.

h) PGCIL had taken a categorical stand that the power from the project of Petitioner was ISTS in nature and had accordingly, recommended examination of transmission system adequacy for evacuating the same. In the case of ACBIL, PGCIL took a completely different view and in its affidavit dated 6.3.2013 filed before the Commission, submitted as under: -

"CTU vide its affidavit dated 06.03.2013 has submitted as under:

- (a) CTU has not granted approval for LILO to MCCPL;
- (b) The petitioner has built a dedicated transmission line from ACBIL to WR pool and will be used by the petitioner and its group companies for carrying power from their generating stations to Western Regional Grid.
- (c) After converting into ISTS licensee, other constituents sill not pay sharing of transmission charges;
- (d) The transmission has laid down till the WR pooling station are to be treated as dedicated transmission lines and not part of ISTS system."
- (e) The transmission and other incidental charges shall be settled between the users bilaterally and same cannot be indicated in the PoC regime. These are not used for evacuation or transmission of power of any other person."
- i) PGCIL thus made a categoric submission before the Commission that transmission lines laid down till Western Region pooling stations were to be treated as dedicated transmission lines and not part of ISTS system. It is submitted that the transmission line laid down by Petitioner connecting at the SR pooling station was also liable to be treated as a dedicated transmission line and not a part of ISTS, yet it was recommended by PGCIL as being in the nature of ISTS. Such a contradictory stand of PGCIL in the matter of grant of

transmission license when the nature of line and its proposed use in both the cases was identical, was incomprehensible.

- j) Vide Judgment and Order dated 12.08.2013 passed in the application of ACBIL [being Petition No.170/TL/2012], the Commission held that ACBIL did not require any license for the subject transmission line as requested for and that the issue of transmission losses and charges, etc. was required to be resolved between ACBIL and MCCPL. The Commission thereafter specified the mechanism for scheduling, metering and sharing of transmission charges and losses by ACBIL, MCCPL and SCPL and further clarified that the use of transmission line by any other generator/user could not be allowed by ACBIL without seeking transmission license.
- transmission license to ACBIL has not been challenged and has thus attained finality. That being so, the stated legal position as regard evacuation of power by a generator through its dedicated transmission line as laid down by the Commission is that,
 - i. the lines laid down by a generator till the Western Region pooling station for evacuating power from its generating plant are to be treated as dedicated transmission line and not a part of ISTS system;
 - ii. the transmission charges and other incidentals relating to such lines are to be settled between the users of the said lines bilaterally and the same cannot be indicated in the POC regime;
 - iii. the said lines are not to be used for evacuation or transmission of power to any other person.



- 11. The Petitioner in its Rejoinder to the reply of MPPMCL has submitted as under:
 - a) The MPPMCL has wrongfully contended that the amendment being sought by the Petitioner is not in public interest. The Petitioner has stated that the amendment is being sought as per the provisions of the Act. MPPMCL cannot take the public interest argument to defeat the provisions of the Act and the Transmission License Regulations so as to disallow an asset or element from being part of the licensed transmission business, when in fact the said element or asset is required for carrying out the said licensed activity.
 - b) The argument of MPPMCL qua imposition of penalty upon the Petitioner is without any legal basis as there is no regulation which prohibits amendment of license by incorporating an asset which is part of the transmission business.
- 12. The Petitioner in its Rejoinder to the reply of CSPDCL has reiterated its earlier submissions and are not being repeated for sake of brevity. The additional submissions made by the Petitioner vide the aforesaid Rejoinder are as under:
 - a) Post the grant of transmission license to the Petitioner, vide order dated 9.5.2011, passed in Petition No. 105 of 2010 by the Commission, the CSPDCL accepted the said order and did not prefer any appeal or review. However, after a lapse of considerable period, the CSPDCL filed a petition before the Commission, being Petition No. 06/MP/2014, seeking revocation of license. Having not challenged the above license grant order, and there being no material change in the situation of the Petitioner, the CSPDCL was barred by

res judicata. The Commission, after going into the merits of the above petition, was pleased to dismiss the same vide order dated 9.12.2015. Against the said order, the CSPDCL has filed an appeal before APTEL, being Appeal No. 210 of 2016 seeking cancellation of license.

- b) Hence, in any event, when the issue of license revocation or cancellation is pending adjudication before APTEL, the CSPDCL cannot at all raise the said issue before the Commission.
- c) It is a settled principle of law that the law of limitation is not applicable to exercise of non-adjudicatory powers. In this context, reference may be made to the judgment of the Hon'ble Supreme Court in para 28 in "A.P. Power Coordination Committee and Ors. Versus Lanco Kondapalli Power Limited and Ors.", reported in (2016) 3 SCC 468. The amendment of license is part of regulatory function of this Commission, and as such the amendment ought to be granted as the 2 x 400 kV bays, along with associated infrastructure, are part of the original transmission assets. More so since the said element has been developed by PGCIL under depository work basis.
- 13. The CTU vide affidavit dated 31.12.2018 has made a short submission, which is as below:
 - a) The Petitioner has set up a generating station of 1000 MW (4 X 250 MW) in Phase II and 2400 MW (4X 600 MW) in Phase-III totaling 3400MW Thermal Power Plant at Tamnar, Raigarh District. In August, 2004, JPL applied for Long



term Open Access for transfer of 500 MW to various beneficiaries in WR from the second phase of their 4x250 MW generation plant at Tamnar, Chhattisgarh as per the 2004 Regulations. The application was discussed in the meeting of WR constituents regarding long-term open access applications held on 30.09.2006 at CEA, New Delhi and it was agreed that M/s JPL shall be provided LTOA for transfer of 500 MW power from Phase - II of their generation project near Raigarh in Chhattisgarh to the identified beneficiaries in WR. Subsequently, POWERGRID vide intimation dated 08.11.2006 granted LTOA of 500 MW for transfer of power to GUVNL & CSEB with following transmission strengthening to be built, owned, operated and maintained by JPL:

- i. JPL Tamnar Raipur 400 kV D/c line
- ii. 2 nos. of 400 kV line bays at Raipur
- b) Considering the long length of line (i.e. about 258 Km), 50 MVAR non-switchable line reactor was also proposed at Raipur end in each circuit of JPL Tamnar Raipur 400 kV D/c line, in order to maintain system parameters.
- Accordingly, JPL established a 258 Km, JPL Tamnar Raipur 400 kV D/c dedicated transmission system and the same was commissioned on 16.04.2008. Since, the above transmission line also catered for evacuation of power from 4 X 135 MW Captive Thermal Power Plant (Phase I) at Dongamahua, Chhattisgarh power plant of Jindal Steel & Power Ltd., JPL approached the Commission for grant of inter-State transmission license for use of the aforesaid dedicated line as ISTS.



- d) "2x400 kV line bays along with associated tie bays and 2 nos. 50 MVAR non-switchable line reactors" at Raipur S/s were missed out from the original transmission assets included in the transmission license dated 09.05.2011 issued to JPL. Also, the bus sectionalizer bays at Raipur S/s were not in the scope of M/s JPL. Accordingly, the following transmission assets are within the scope of JPL:
 - Two nos. 400 kV line bays and associated tie bays for termination of 400 kV JPL Tamnar - Raipur (POWERGRID) D/c line at Raipur (POWERGRID) end.
 - ii. Two nos. 50 MVAR non-switchable line reactors at Raipur (POWERGRID) end for JPL Tamnar Raipur (POWERGRID) 400 kV D/C line.
- 14. The Petitioner vide affidavit dated 7.2.2019 has submitted the following:
 - a) Subject line of the instant Petition has been changed to "Petition seeking amendment to the transmission license granted to the Petitioner vide an order dated 09.05.2011, passed in Petition No. 105 of 2010, for including the 2 X 400 kV line bays, 2X400 kV tie bays and part of 400/220 kV sub-station equipment at Raipur Sub-station of PGCIL."
 - b) Petitioner had inadvertently claimed 'Bus-Sectionaliser' as a part of transmission license, in the instant Petition, which need not to be claimed by them.
 - c) Transmission License for the following transmission elements is only sought by the Petitioner in the instant Petition, in addition to earlier allowed licensed



transmission elements vide order dated 09.05.2011 in Petition No. 105 of 2010:

- 2 No(s) of 400 KV Main bays;
- 2 No(s) of 400 KV Tie bays;
- 2 No(s) of 400 KV, 50 MVAR Reactors.

Analysis and Decisions

15. We have considered the submissions of the Petitioner, Respondents and CTU, the following issues arise for our consideration:

Issue (a): Whether the Petition is maintainable and whether the Petitioner is entitled for grant of transmission license for 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable reactors at Raipur (PGCIL) associated with 400 kV JPL - Raipur D/C line?

Issue (b): Whether the Petitioner's assets be treated as ISTS system or a dedicated system?

Issue (c): Whether the Petitioner is liable for penalty for the delay in filing for the amendment in the transmission license?

The above issues have been dealt in the succeeding paragraphs.

Issue (a): Whether the petition is maintainable and whether the Petitioner is entitled for grant of transmission for 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable reactors at Raipur (PGCIL) associated with 400 kV JPL - Raipur D/C line?



16. The Madhya Pradesh Power Management Company Limited (MPPMCL) vide affidavit dated 24.8.2018 has submitted that the precondition for amendment of the Transmission License issued under Sections 18 of the Act is the existence of public interest. It has submitted that in the present case there is no element of public interest whatsoever and therefore, the requirement of Section 18 of the Act is not satisfied. MPPMCL has requested that on this ground alone the present Petition is liable to be rejected.

17. The Section 18 of the Act provides as follows:

"Section 18. (Amendment of license):

- (1) Where in its opinion the public interest so permits, the Appropriate Commission, may, on the application of the licensee or otherwise, make such alterations and amendments in the terms and conditions of his licence as it thinks fit:
 - Provided that no such alterations or amendments shall be made except with the consent of the licensee unless such consent has, in the opinion of the Appropriate Commission, been unreasonably withheld.
- (2) Before any alterations or amendments in the licence are made under this section, the following provisions shall have effect, namely: -
 - (a) where the licensee has made an application under sub-section (1) proposing any alteration or modifications in his licence, the licensee shall publish a notice of such application with such particulars and in such manner as may be specified;
 - (b) in the case of an application proposing alterations or modifications in the area of supply comprising the whole or any part of any cantonment, aerodrome, fortress, arsenal, dockyard or camp or any building or place in the occupation of the Government for defence purposes, the Appropriate Commission shall not make any alterations or modifications except with the consent of the Central Government;



- (c) where any alterations or modifications in a licence are proposed to be made otherwise than on the application of the licensee, the Appropriate Commission shall publish the proposed alterations or modifications with such particulars and in such manner as may be specified;
- (d) the Appropriate Commission shall not make any alterations or modification unless all suggestions or objections received within thirty days from the date of the first publication of the notice have been considered."
- 18. There are similar provisions in Regulation 19 of the Transmission License Regulations which provide as follows:

"19. Amendment of Licence

(1) The Commission may of its own motion or on an application made by the licensee or otherwise make such alterations and amendments in the terms and conditions of licence if the Commission is of the opinion that the public interest so requires:

Provided that before ordering any alterations and amendments in the terms and conditions of the licence, proposed to be made otherwise than on the application of the licensee, the Commission shall publish a notice in two such daily newspapers as it considers necessary with the following particulars, namely:-

- (a) name and address of the licensee;
- (b) alterations and modifications proposed to be made;
- (c) grounds for such alterations and modifications; and
- (d) statement inviting suggestions, if any, on the proposal for consideration of the Commission within the time specified in the notice.
- (2) The procedure specified in regulation 7 shall mutatis mutandis be applicable in case the licensee makes an application for any alteration of or modification to the terms and conditions of the licence.
- (3) Where the licensee has made an application proposing any alteration and modification of its licence, it shall publish a notice of such application, with the following particulars, namely:-
 - (a) name of the applicant;



- (b) that an application for alteration and modifications has been made before the Commission:
- (c) details of alteration and modifications proposed in the application,
- (d) reasons for seeking such alterations and modifications;
- (e) a statement that the application made before the Commission has been posted on the web site and can also be inspected in the office of the applicant;
- (f) a statement that any suggestion to the proposal for alteration and modifications made in the application may be submitted to the Secretary of the Commission within one month of publication of the notice;"
- 19. The Commission vide order dated 9.5.2011 in Petition No. 105/2010 granted transmission license for the following transmission assets:
 - a) 400 kV JPL Tamnar Raipur D/C line;
 - b) 2x400 kV Line Bays at Tamnar, Sub-station
 - c) 400/220 kV, 2 Nos. 315 MVA ICTs along with 2 nos. of 400 kV bays and 2 Nos. of 220 kV bays at Tamnar Sub-station.
- 20. The Petitioner had filed Petition No. 135/TT/2012 to claim transmission tariff for the original transmission assets (for which it was granted transmission license vide order dated 9.5.2011 in petition no. 105/2010) for the period from 9.5.2011 to 31.3.2014 based on the 2009 Tariff Regulations. In this petition, the Petitioner had also claimed tariff for 400 kV line bays at Raipur S/S of PGCIL and bus sectionalizer bays. However, the Commission vide order dated 18.12.2015 disallowed the tariff in respect of the assets for which there was no transmission license granted to the Petitioner. The relevant portion of order dated 18.12.2015 in Petition No. 135/TT/2012 is as below:

In the absence of the licence for the two bays, we are not inclined to allow tariff for the two bays and the tariff has been granted in the instant petition for only those transmission elements which have been included in the transmission licence. The details of the elements granted tariff in the instant petition are as under:-

S. No.	Name of the Transmission Element	Quantity
1	400 kV JPL Tamnar-PGCIL Raipur D/C line	258.4 km
2	315 MVA, 400/220 kV Transformer	2 Nos.
3	400 kV Bays at Tamnar#	4 Nos.
4	220 kV Bays at Tamnar	2 Nos.

#Capital cost of the bays at Raipur and Bus Sectionalizer bays has not been allowed."

21. Subsequently, the Petitioner has filed the instant petition on 30.11.2017 to seek the amendment in the aforementioned transmission license with a prayer to "Amend the transmission license granted by the Hon'ble Commission, vide the order dated 09.05.2011 in Petition No. 105 of 2010, by including the 2 x 400 kV bays situated at the PGCIL substation, Kumhari, Raipur and bus sectionalizer bays as part of 400/220 kV sub-station equipment". After filing the petition, JPL vide affidavit dated 7.2.2019 has requested that the subject line of the instant Petition to be changed to "Petition seeking amendment to the transmission license granted to the Petitioner vide an order dated 09.05.2011, passed in Petition No. 105 of 2010, for including the 2X400 kV line bays, 2X400 kV tie bays and part of 400/220 kV sub-station equipment at Raipur Sub-station of PGCIL". It further stated that it had inadvertently claimed bus-sectionaliser as a part of the transmission license in the instant petition, which need to be deleted from the claim. The present request of the

Petitioner is to include in its transmission license 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr Reactors at Raipur (PGCIL) associated with 400 kV JPL - Raipur D/C line.

- 22. The Petitioner has claimed that it inadvertently did not apply for transmission license in respect of the instant transmission assets (2 nos. Line bays, 2 nos. Tie bays and 2 nos. non-switchable Reactors at Raipur PGCIL sub-station) when it was granted transmission license for the original transmission assets in the petition no. 105/2010 vide order dated 9.5.2011. The CTU has supported this contention and recommended grant of license in respect of the missed out instant transmission assets. On the other hand the respondents MPPMCL and CSPDCL have opposed amendment to the transmission license as proposed by the Petitioner.
- 23. CTU vide affidavit dated 31.12.2018, has informed that the instant transmission assets claimed under the present petition for inclusion in the transmission license of the Petitioner i.e. 2 nos. 400 kV Line bays and associated Tie bays, and 2 nos. 50 MVAr non-switchable Line Reactors at Raipur (PGCIL) sub-station, are in the scope of the Petitioner and they were inadvertently missed out and inadvertent mistake of the Petitioner may be corrected. CTU has also confirmed that bus-sectionalizer bays were not in the scope of M/S JPL. Subsequently, the Petitioner vide affidavit dated 7.2.2019 has only claimed the transmission license for 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. non-switchable Reactors at Raipur (PGCIL) sub-station without Bus-Sectionaliser.

- 24. However, CTU has not explained in its submissions as to how inclusion of these additional assets escaped attention while making their recommendations for the transmission license to the petitioner. Section 15 of the Act and Clause (11) of the Regulation 7 of the Transmission License Regulations provide that CTU shall send its recommendations, if any, to the Commission on the proposal made in the application within a period of thirty days from the date of receipt of application by it. However, in this particular case, Petitioner as well as the CTU missed a part of scope to be included for seeking Transmission license by the petitioner.
- 25. The Respondents have argued that the proposed amendment is neither covered under provisions of the Section 18 of the Act nor it is allowed under Regulation 19 of Transmission License Regulations, since the mandatory criterion of fulfilling public interest is not satisfied in this case.
- 26. Respondents have also raised the issue that subsequent to grant of license to the Petitioner, a request made by ACBIL to grant transmission license in a similar case was not allowed by the Commission. To this, the Petitioner has argued that decision in a subsequent petition cannot be made applicable to the case of the Petitioner retrospectively.
- 27. CSPDCL has argued that it has filed Appeal No. 210 of 2016 in the APTEL against grant of transmission license to the Petitioner and the same is pending adjudication. It has requested that in such a case amending the same license is not appropriate. The Petitioner has stated that the appeal of CSPDCL is in respect of existing transmission

license and this appeal cannot come in the way of grant of transmission license in respect of other elements.

- 28. We have considered the submissions of the Petitioner, Respondents and CTU. Certain assets, which were part of the transmission system, were missed out inadvertently while granting license and their inclusion by amending the license of the Petitioner is unlikely to affect the public interest in any manner. On the other hand, the said elements or assets are required for carrying out the said licensed activity. We are therefore, unable to agree with the view of MPPMCL that proposed amendment to the transmission license granted to the Petitioner is not in public interest.
- 29. The Petitioner vide affidavit dated 21.12.2017 has submitted that they have published notices in two newspapers on 6.12.2017 namely 'Central Chronicle' and 'Navbharat' in specified format and has enclosed the newspapers cutting in this regard. As such, the requirement of Section 18 of the Electricity Act 2003 and Regulation 19 of the Central Electricity Regulatory Commission (Procedure, terms and Conditions for grant of Transmission License and other Related matters) Regulations, 2009 are met.
- 30. It is observed that 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable Reactors at Raipur (PGCIL) sub-station associated with 400 kV JPL Raipur D/C line are inherent part of the said transmission line, which has been declared as an ISTS line and granted transmission license in Petition No. 105 of 2010 vide order dated 9.5.2011. Therefore, the transmission license already granted to the Petitioner shall

be amended to include 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable Reactors at Raipur (PGCIL) sub-station w.e.f order in the instant petition.

31. The transmission tariff of the left out equipment i.e. 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable Reactors may be claimed by the Petitioner as per the extant CERC Tariff Regulations and the tariff would be granted from the date of issue of amended license as per order in the instant petition, after adjustment of depreciation. Further, the amendment of the license would be subject to the outcome of the Appeal No. 210 of 2016 in APTEL filed by CSPDCL.

Issue (b): Whether the Petitioner's assets be treated as ISTS system or a dedicated system?

- 32. The CSPDCL in its reply dated 22.10.2018 has submitted that, even though the arrangement as regards existence and usage of ACBIL's dedicated transmission line by ACBIL is similar to that of the dedicated transmission line of Petitioner connected to the interconnection point of PGCIL at Kumhari, Raipur for onward inter-State transmission, the Commission's decision has been different in each of them. That being so, the contradictory exercise of regulatory power exercised by the Commission was liable to be rectified and the transmission license wrongly granted to Petitioner was liable to be cancelled.
- 33. CSPDCL had filed the Review Petition No. 6/MP/2014 seeking cancelation of the transmission license dated 9.5.2011 granted to the Petitioner by the Commission in Petition

No. 105/2010, for the transmission assets comprising of 400 kV D/C Jindal Power Limited, Tamnar - PGCIL, Raipur transmission line and 400/220/33kV Jindal Power Limited, Tamnar Switchyard. It was contended by CSPDCL that the transmission license had wrongly been granted to the Petitioner by treating its dedicated transmission line with one-way power flow as a main transmission line and thus a part of inter-state transmission system, whereas in a similar case of M/s ACB India Ltd. seeking grant of transmission license for similar transmission assets, the transmission line laid down till Western Region pooling station was

treated as a dedicated transmission line and not as part of inter-state transmission system.

34. Vide the impugned Order dated 9.12.2015 in Petition No. 6/MP/2014, the Commission has dismissed the Review Petition of CSPDCL on the ground, inter alia, that the transmission license has been granted to Petitioner in accordance with the provisions of the Transmission License Regulations after the Commission has been satisfied that the criteria laid down under clause (c) of Regulation 6 are met. Also, the Commission has held that any subsequent interpretation of law i.e. decision taken in ACBIL case, cannot be applied retrospectively for reopening or reviewing the grant of license made in favor of the Petitioner. The Commission vide the said order stated the following:

It is not necessary to refer in detail to the observations made in these judgments because the principle is well-settled that a subsequent decision cannot be used to reopen or review an earlier decision. It is pointed out that cancellation of the licence of JPL in the light of the decision in ACB case would amount to review of the orders passed by the Commission in JPL's licence application. It is trite law that the subsequent order of even the superior court cannot be a ground for review of the earlier judgments/orders, not to speak the orders of the court of original jurisdiction. Therefore, the petitioner cannot invoke the Commission's

order dated 12.8.2013 ibid in support of its plea for cancellation of JPL's licence. We may, however add that ACB India Ltd was not granted licence in view of the facts and circumstances applicable to that case and on consideration of objections and suggestions of the stakeholders, including the petitioner.

"

35. Aggrieved by the impugned order dated 9.12.2015 passed by the Commission, CSPDCL has filed Appeal No. 210 of 2016 before Hon'ble Tribunal, to set aside the said impugned order. However, the adjudication of the case is still pending with the Hon'ble Tribunal. Therefore, we are not inclined to go into this issue.

Issue (c): Whether the Petitioner is liable for penalty for the delay in filing for the amendment in the transmission license?

- 36. MPPMCL vide affidavit dated 24.8.2018 has stated that the Petitioner has filed the instant petition after lapse of more than 7 years for seeking amendment in the transmission license already granted vide order dated 9.5.2011 and it is the negligence on part of the Petitioner in ensuring compliance of the statutory provisions of the Electricity Act' 2003. The Petitioner has been operating the left out associated equipment of the 400 kV JPL Raipur D/C line, which is an ISTS line, without proper license and therefore, is liable to be penalized.
- 37. MPPMCL has submitted that Hon'ble APTEL, in its Judgement in A.No. 179 & 188 of 2005 (CSEB vs CSERC &Ors & the batch), upheld imposition of a penalty of Rs. 1 lakh by Chhattisgarh State Electricity Regulatory Commission on M/s Jindal Steel and Power Ltd. when it was found that it was supplying and distributing power without Distribution

License. In the present case also important transmission elements are admittedly being operated by the Petitioner without license, therefore, appropriate penalty be imposed on the Petitioner.

- 38. The Petitioner in its Rejoinder to the reply of MPPMCL has stated that there is no regulation which prohibits amendment of the transmission license already granted.
- 39. We are of the view that the instant case is different from the aforementioned 'CSEB vs CSERC & Ors', wherein a distribution license is involved. Further, as submitted by the CTU, the additional assets i.e. 2 nos. 400 kV Line bays, 2 nos. 400 kV Tie bays and 2 nos. 50 MVAr non-switchable Reactors were always in the scope of the Petitioner and only inadvertently missed out while seeking the transmission license. Therefore, the Commission is of the view that penalty provisions are not attracted.
- 40. This order in terms of the above disposes of the Petition No. 262/MP/2017.

Sd/- Sd/- Sd/
(I.S Jha) (Dr. M.K. Iyer) (P.K.Pujari)

Member Member Chairperson



