



the light of experience gained on its functioning. Based on the recommendations of the Review Panel, a detailed order was passed by the Commission on 03.08.2001. The CTU has accordingly submitted the revised IEGC for approval of the Commission. Also, the CTU has prayed for reconsideration of certain directives contained in the order dated 3.8.2001. In order to have proper understanding of the CTU's viewpoint in the context of directives sought to be reconsidered, we heard the representatives of the CTU in the hearing held on 07.01.2002.

### **Issues for Review**

2. The Commission, in para 8 of the order dated 3.8.2001 had directed that non-compliance of the IEGC by RLDC and REB should be reported to the Member Secretary, REB and the CTU respectively and Section 1.5 of the IEGC be amended accordingly. Section 55 (2) of the Electricity (Supply) Act, 1948 (the Act) accords apex body status to RLDCs to ensure integrated operation of the power system in the region. These provisions have been construed by the Commission to imply that this status conferred on RLDCs is for real time operation only and that the ex post-facto analysis of the functions performed by the RLDCs can be carried out. This explains the genesis for the directions contained in para 8 of the order referred to above. The CTU has pointed out that Section 55(2) of the Act does not make any distinction between off-line and real time functions of RLDCs. According to the CTU, Section 55(9) of the Act provides for resolution of disputes arising out of the RLDCs' instructions by CEA and, therefore, post facto analysis of the RLDCs' instructions cannot be carried

out by any agency other than CEA. The CTU has suggested that non-compliance of the IEGC, both by RLDCs and REBs should be reported to CEA.

3. We are of the considered view that the function assigned to RLDCs under Section 55 (2) of the Act, primarily involves real time operation of the power system. This is evident from the findings recorded in paras 3.13 and 3.14 of the Commission's order dated 30.10.1999 and para 7 of the order 21.12.1999, where the Commission has elaborately dealt with the subject of demarcation of responsibilities between RLDCs and REBs. The Commission has identified the following as exclusive functions of RLDCs:

- " (i) System operation and control including inter-state/ inter-regional transfer of power, covering contingency analysis and operational planning, on real time basis,;
- (ii) Scheduling/re-scheduling of generation; ( words 'and contingency analysis' appearing at the end have been approved for deletion vide order dated 03.08.2001)
- (iii) System restoration following grid disturbances;
- (iv) Metering and data collection; and
- (v) Compiling and furnishing data pertaining to system operation"

4. The functions at (i) and (iii) above cover activities involving real time operation, and the activities at (ii) and (v) are considered incidental to the real time operation function of RLDCs. The function of metering and data collection may be an exception but this function has been proposed to facilitate

implementation of ABT and was envisaged by the CTU itself in the draft IEGC submitted to Commission for approval in April 1999. Nevertheless, we accept suggestion of the CTU that non-compliance of provisions of the IEGC both by RLDCs and REBs should be referred to CEA. We, therefore, direct that section 1.5 of the IEGC shall be substituted as follows:

" In case of a persistent non-compliance of any of the stipulations of the IEGC by any Regional constituent/ISGS/CTU, the matter shall be reported by the Regional constituent/ISGS/RLDC/CTU to the Member Secretary, REB. In case of non-compliance by RLDCs/REBs, the matter shall be reported to the CEA. The Member Secretary, REB or CEA, as the case may be, shall verify and take up the matter with the defaulting agency for expeditious termination of the non-compliance. In case of inadequate response to the efforts made by the Member Secretary, REB or CEA, as the case may be, the non-compliance shall be reported to CERC. CERC, in turn after due process, may order the defaulting agency for compliance, failing which, the CERC may take appropriate action.

CEA/REB shall maintain appropriate records of such violations."

5. A direction for modification of the cover page of the IEGC was also given. The CTU has stated that it had already modified the cover page while issuing December 99 version of the IEGC. We observe that the cover page of the IEGC submitted to the Commission in December 99 was not in keeping with the directive of the Commission. Further, the cover page of the reviewed IEGC now submitted by CTU is different from the cover page of December 99 version of IEGC. We direct the CTU to modify cover page as per our directive.

## **Issues related to approval of amendments**

6. The amendments carried out by the CTU in sections 1.9, 2.2.2(2), 2.3.2(6), 4.8 (a) to (d), 4.9(c), 6.5(e), 6.7.4(e), 6.8(a), 6.9.1, 6.9.3, 6.9.4(b) of the IEGC in accordance with para 3 and 4 of our order dated 03.08.2001 *are approved.*

7. The following amendments carried out by the CTU in the following sections of the IEGC are also approved:

(a) Section 7.4 (15): The addition of words "along with processed data" in the 3<sup>rd</sup> line of this section.

This amendment is in line with para 7 of the schedule 1 to ABT order dated 04.01.2000, where the responsibility of supplying processed data of the meters along with data relating to declared capability and schedules has been entrusted to RLDCs.

(b) Para 3 of Annex-I to Chapter 7: Deletion of second sentence i.e. "Each beneficiary shall pay station-wise Capacity charges for the day equal to (Total capacity charge to be paid for the day) x (Beneficiary's share in the station's capacity.)"

(c) Para 5,6,7,8 and 12(a) of Annex-I to Chapter 7: Replacement of words "Pool account" with "UI settlement system" in Annex-I of the IEGC.

The Commission in its order dated 19<sup>th</sup> March 2001 in the matter of "Review of progress for implementation of Availability Based Tariff" and on IA 77/2000 in petition No. 2/99 had directed that for the present UI accounting may be carried out on one-to-one settlement basis as some aspects of pool accounting needed further consideration. To remove anomaly between the IEGC and ABT order, the Commission in its order dated 03.08.2001 had directed that the IEGC may be amended as per the aforesaid orders dated 19<sup>th</sup> March 2001. The amendment i.e. substitution of words "UI settlement system" suggested by the CTU are considered neutral to the type of settlement i.e. whether "pool" or "one-to one" and as such have been approved.

- (d) Para 12 (a), 12(b) and 13 of Annex-I to Chapter 7: Redrafting of paragraphs 12 and 13 of Annex-I of the December 1999 version of the IEGC pertaining to UI and VAR charges as paras 12(a), 12(b) and 13 in the revised version.
- (e) Para 14 of Annex-I to Chapter 7: The new para 14 added in the IEGC regarding payment of UI and VAR charges.

The Commission vide its order dated 19.03.2001 had directed that all the constituents shall furnish payment status of bills for UI charges to respective REBs on monthly basis and REBs in turn shall analyse and report to the Commission on payment defaults of

these bills. The CTU, while making provisions in compliance of the order of the Commission, has included the provisions relating to VAR charges also, which we consider to be fair.

8. In section 3.6(b) of the IEGC (December 99) it is envisaged that the standard formats for submission of standard planning data to the CTU will be developed by CTU and approved by CERC. These formats have since been developed by the CTU on the basis of recommendation of the Review Panel and have also been approved by the Commission. The approval of the Commission has been communicated to the CTU vide letter dated 10<sup>th</sup>/13<sup>th</sup> August 2001. The CTU has carried out necessary amendment to this section. However, the amended section does not convey properly the intention of the Commission. Hence, we direct that the section may be made as under:

“The standard formats for submission of this data have been developed and approved by the CERC (August, 2001)”

9. In para 5 of the order dated 03.08.2001 we had directed specific amendment in section 6.2(m) of IEGC. However, this amendment has not been carried out as per the said order dated 03.08.2001 as the words "with prior consent of RLDC. RLDC shall promptly inform REB about the locations at which these relays are temporarily out of service" seems to have been inadvertently left out in the revised IEGC submitted to the Commission for approval. We direct that the section be amended exactly as per our directive.

10. We have noted that IEGC needs following further amendments to bring it in line with orders passed by the Commission. We, therefore, direct accordingly:

(i) Chapter 5 (Grant of Transmission License): This chapter included in the IEGC was in accordance with para 2.2 of the order dated 30.10.99. The Commission has now issued detailed orders on this subject of grant of transmission license and has also notified the procedure and terms and conditions for the grant of Transmission License separately. This chapter may state that the grant of transmission license shall be governed by the Regulations 2001, notified on 24-8-2001 and shall not be subject to review by the Review panel.

(ii) Para 11 of Annex-I to Chapter 7: This para stipulates that Regional Energy Accounts shall be prepared on weekly basis. The Commission, vide order dated 19<sup>th</sup> March, 2001 had directed that accounting, billing and payment of UI charges shall be done on weekly basis whereas billing for capacity and Energy charges shall continue to be done on monthly basis. The IEGC needs to be modified accordingly. We have noted that IEGC Review Panel has also recommended {Para N (4) of the minutes of 3<sup>rd</sup> meeting of the panel held on 07.01.2002} that the deadline for issuance of the weekly accounts prepared by REB may be extended up to Tuesday for seven day period ending on penultimate Sunday mid-night. We approve the same.



(iii) Section 8.5 (e): This section stipulates that rules and guidelines to be followed by the panel shall be submitted to the CERC for its approval within 60 days of issue of first version of IEGC. Since, these rules and guidelines have already been approved by the Commission vide letter dated 17<sup>th</sup> November 2000, this section needs to be modified suitably as under:

” The rules and guidelines to be followed by the panel shall be as approved by the Commission vide letter dated 17<sup>th</sup> November addressed to the CTU.”

11. We direct that in keeping with our directions, the IEGC may be modified within 3 weeks of receipt of this order and the first Reviewed IEGC may be circulated to all concerned. The sections which have been amended/revised shall be clearly marked in the text and an index of revision shall be appended in the IEGC. The revised IEGC shall come into effect from 1<sup>st</sup> April 2002.

12. In our order dated 03.08.2001, we had directed that in case of anomaly left between IEGC and ABT order, the later shall prevail. The proposals for removal of the anomaly, if any, was directed to be examined by the Review Panel and the recommendations were to be forwarded to the Commission. We feel that the anomalies, if any, should be considered expediently. Accordingly, we direct Chairman, Review Panel to take up the matter for consideration of the

Review Panel. The recommendations of the Review Panel should be sent to the Commission urgently.

13. The Commission has also observed that all the three meetings of the Review Panel held were thinly attended. This has caused a deep concern since we feel that members of the Review Panel are not giving due importance to its working. We direct Chairman, Review Panel to convey our concern to all organisations which are on the Review Panel. In case of failure of the organisations represented in the Review Panel to ensure attendance of their representatives, the Commission may consider terminating the membership of the organisation in case of continued absence of members from meetings of the panel and replacing any of them with any other organisation.

14. The Commission vide its order dated 19<sup>th</sup> March 2001 had directed the CTU to take up the issue of finalising a comprehensive methodology for VAR charging in the Review Panel. The issue was discussed in the 3<sup>rd</sup> meeting of the Review Panel held on 10<sup>th</sup> December 2001. The CTU has placed on record the minutes of the meeting. We feel concerned that Review Panel has not considered the matter in proper perspective since a number of issues still need to be deliberated upon for developing a comprehensive methodology for reactive energy charging, which include:

- (a) The manner of making payment when liabilities exceed the amount available in the pool.
- (b) The periodicity of closing of the pool account.

- (c) The authority responsible to decide the schemes to be financed from the pool.
- (d) The criteria for approval of schemes for availing funds from the pool accounts.
- (e) Whether the whole or only a part of the anticipated investment be met from the pool.
- (f) The need to account for VARs generated /lost in the lines. In case the answer is in the affirmative, the Review Panel should consider the manner of apportionment of such loss/generation.

15. We, therefore, direct that Chairman, IEGC Review Panel shall invite views of all the members on these issues or any other issues related to reactive energy charging. This matter should be discussed by the Review Panel and recommendations should be submitted to the Commission on priority basis for its consideration.

**Sd/-**  
**(K.N. SINHA)**  
**MEMBER**

**Sd/-**  
**(G.S. RAJAMANI)**  
**MEMBER**

**Sd/-**  
**(D.P. SINHA)**  
**MEMBER**

**New Delhi dated the 22<sup>nd</sup> February, 2002**