

CENTRAL ELECTRICITY REGULATORY COMMISSION

Record of Proceedings

PETITION NO. 277/2009 with I..A.No. 64/2009

Sub: Grant of regulatory approval and other relief for execution of evacuation system of Punatsangchi-I projects of Bhutan.

Date of hearing	:	23.2.2010
Coram	:	Dr. Pramod Deo, Chairperson Shri S.Jayaraman, Member Shri V.S.Verma, Member
Petitioner	:	Power Grid Corporation of India Ltd., Gurgaon
Respondents	:	Himachal Pradesh State Electricity Board, Shimla & Others
Parties present	:	Shri Y.K.Sehgal, PGCIL Shri Pankaj Kumar, PGCIL Shri U.K.Tyagi, PGCIL Shri Avinash M. Pavgi, PGCIL Shri Padamjit Singh, Consultant, HPPCL Shri TPS Bawa, Consultant, HPPCL Shri Pramod Chowdhery, MPPTCL

Through this petition, the petitioner, Power Grid Corporation of India Limited has sought regulatory approval and other relief for execution of evacuation system of Punatsangchi-I projects of Bhutan.

2. The petitioner described briefly the contents of the petition and emphasised the need for taking up the transmission system related to Punatsangchu-I generation project in Bhutan along with the transmission system for evacuation of power from generation projects in North-Eastern States e.g. Lower Subansiri, Kameng HEP and others together, in view of technical compatibility, economy and right - of - way problem in chicken –neck area.

3. In response to query about the implementation plan of the transmission system, the representative of the petitioner stated that the award process would be taken up in one go but the commissioning of the two transmission systems would be staggered in phases, matching with commissioning of related generation projects .

3. The representative of the petitioner further stated that the lower Subansiri generation project was expected to be delayed by about six months and likely to be commissioned by October,2012 as per discussions with NHPC.

4. The representative of the Haryana Power Purchase Centre (HPPC) stated that the petitioner could go ahead with the project without the prior agreement with the beneficiaries, under the provisions laid down in para 7.1 (4) of the Tariff Policy notified by the Ministry of Power. However, he expressed concern about the admittedly low utilization of the transmission system, during initial period and undue loading of transmission charges on the beneficiaries of the generation project coming first. Referring to the letter dated 23.8.2006 of Central Electricity Authority (CEA), wherein CEA had recommended that both the transmission projects may be taken up at one go, he contended that as the Punatsangchu-I, generation project has now been rescheduled to 2014-15 from the earlier schedule of 2011-12, there may not be need for taking up both the projects in one go.

5. The representative of the HPCC, while referring to Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009, contended that the generating company should have applied for long-term access before taking up the transmission system implementation for the project by the petitioner. He also argued that as per Regulation 26 of the said regulations, the recovery of transmission charges was ensured and the petitioner should not have any concern about that.

6. Expressing concern about mismatch between the commissioning of the generation and transmission projects resulting the under-utilisation or non-utilisation of the transmission system for some period, the representative of the HPCC pointed out that information about the new generating company was not available anywhere in the petition. He contended that if generating company was not known then from whom the commissioning time frame could be ascertained. He has cited the example of 800 kV D/C Kishanpur- Moga transmission line and transmission systems related to some generation projects e.g. Dulhasti and Nathpa-Jhakri HEP, that had been under-utilized or remained idle for a long period up to 10 years or more, after commissioning, due to mismatch in commissioning of generation and transmission projects. He requested the Commission that before regulatory approval is accorded, the issue of likelihood of stranded transmission capacity may be addressed.

7. In response to the issues raised by the representative of the HPCC, the representative of the petitioner stated that it was true that the transmission system for which approval is prayed may be under-utilized for some period till coming up of the planned generation in NER and Bhutan, it would be fully utilized.

8. Referring to CEA's letter dated 23.8.2006, he stated that the implementation of the two transmission projects separately would need higher

engineering efforts and related costs. He stated that already the Northern and Western Regional constituents had agreed for sharing of transmission charges in meetings of Standing Committee on Power System Planning for respective regions and the RPC meetings.

9. On a query by the Commission about the commitment of the generating company for the commissioning schedule, representative of the petitioner stated that he was planning to execute the transmission system based on information provided in the Standing Committee meetings of Northern and Western Regions. He referred the minutes of the Standing Committee meetings in June and September, 2009 for Northern and Western Regions, respectively. The petitioner was directed to submit information regarding generating company for which the transmission system was being made and the commissioning schedules of the generating stations.

10. The representative of MPPTCL stated that he was in agreement with the arguments of representative of HPPC. He pointed out that as per the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, the transmission charges associated with a generating station had to be shared between the beneficiaries of the station as decide by the Commission and therefore, the apprehension of recovery of transmission charges should not be an issue for the petitioner.

11. Subject to above, the order was reserved.

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