

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 10/SM /2014

Subject : Non-compliance of the Regulation 8 (6) Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges) Regulations, 2010.

Date of hearing : 12.2.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member

Respondents : Southern Regional Load Despatch Center and others.

Parties present : Shri Anand K. Ganesan, Advocate, PCKL
Shri V. Bharatheesha Rao, PCKL
Ms. Suparna Srivastava, Advocate, PGCIL
Ms. Jyoti Prasad, PGCIL
Shri Shubhranshu Pandi, Advocate, UPCL
Shri R. Parthasarathy, UPCL
Shri Hemant Singh, Advocate, PSPCL
Shri Abiha Zaidi, POSOCO
Shri S.R. Narasimhan, POSOCO
Shri Swapnil Verma, PGCIL

Record of Proceedings

Learned counsel for Power Company of Karnataka Limited (PCKL) submitted as under:

(a) The generating station of Udupi Power Company Ltd. (UPCL) is an embedded intra-State generator. Originally, the generating station of UPCL was envisaged to be directly connected to ISTS by a dedicated transmission line owned by UPCL from UPCL switchyard to Hassan sub-station of Power Grid. However, the transmission line connecting the generating station to ISTS i.e. from UPCL switchyard to Hassan sub-station is now owned by KPTCL.

(b) The electricity from UPCL is evacuated using the State system i.e. 400 kV D/C UPCL-Hassan transmission line and entire electricity from the UPCL is being consumed by the distribution companies of Karnataka. Only marginal power is flowing through the ISTS i.e. 400 kV D/C Hassan-Mysore transmission line along with bay extension at Hassan and Mysore build under System Strengthening

Scheme. Therefore, the transmission line segments from Hassan to Mysore sub-station is an intervening transmission facility.

(c) The total capital cost of Hassan-Mysore transmission line is about ₹ 600 crore and if the transmission line is included in the PoC computation, Karnataka shall have to pay approximately ₹ 150 crore per year additional towards the LTA for marginal use of the transmission line.

2. Learned counsel for PGCIL submitted as under:

(a) As per the National Electricity Policy and Tariff Policy, there should be a process of consultation with beneficiaries for the purpose of undertaking transmission system planning. The transmission system planning needs be firmed up whether the transmission system requirement is proposed to be implemented as network expansion or regional system strengthening. After the consensus arrived in the meeting with the SR constituents, the transmission system related to UPCL was taken up for implementation.

(b) In the present case, UPCL was granted LTOA on the basis of its application dated 6.11.2006 as per the provisions of Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2004 (Open Access Regulations) for supplying of 845 MW power to Southern Region (Karnataka) and 94 MW power to Northern Region (Punjab). The transmission line has been constructed on the basis of LTA application made by UPCL. The transmission system associated with grant of LTOA included a dedicated transmission line from generation switchyard to the nearest ISTS point viz. 400/220 kV Hassan sub-station of PGCIL and System Strengthening in the form of Hassan-Mysore 400 kV D/C transmission line.

(c) Since the LTA quantum from Udipi generating station has not been included in the PoC, both injection and withdrawal charges corresponding to Udipi is not being considered for PoC computation resulting in higher uniform charges for all consumers which in effect is socializing the cost of transmission system used by UPCL. The power from UPCL is being scheduled regularly by SLDC Karnataka. However, no transmission charges are being charged from the long term beneficiaries i.e. Karnataka and Punjab.

(d) In the mean time, KPTCL decided to construct 400 kV quad D/C line from UPCL to Hassan sub-station. In this regard, UPCL was asked to sign BPTA with PGCIL for the whole capacity of the project. It was suggested that Punjab and Karnataka might sign BPTA in proportion to their respective share from the project for sharing transmission charges. However, BPTA has not been signed till date.

(e) As per Regulations 11 and 35 of the Open Access Regulations, SRPC was the appropriate forum for resolution of dispute related to open access in inter-State transmission and the matter was already under the consideration of SRPC. As per

the SRPC affidavit dated 26.6.2014, the issue in the present petition was discussed regularly in the SRPC meeting. Accordingly pending decision of SRPC, the LTA was not cancelled.

3. Learned counsel for Punjab State Power Corporation Ltd.(PSPCL) submitted that since PSPCL is not using any power and there is no effective LTA or TSA, it is not responsible for paying any transmission charges.
4. After hearing the learned counsel of PGCIL, PSPCL and PCKL, the Commission directed PGCIL, PSPCL and PCKL to hold meeting along with SRPC within one month to sort out the matter amicably and report the outcome of the meeting within two weeks thereafter and latest by 1.5.2015.
5. Subject to above, the Commission reserved the order in the petition.

By order of the Commission
Sd/-
(T. Rout)
Chief (Law)