

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 211/MP/2011**

**Coram**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A. K. Singhal, Member**

**Shri A S Bakshi, Member**

**Dr. M.K. Iyer, Member**

**Dated: 5<sup>th</sup> of October, 2017**

**In the matter of:**

Petition under Regulations 20 and 21 of the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses), Regulations, 2010 and against the alleged arbitrary action of Western Regional Load Despatch Centre by loading transmission losses on the 220 kV lines being used for transfer of power from the generating station of NSPCL to Bhilai Steel Plant.

**And**

**In the matter of:**

Steel Authority of India Limited  
Bhilai Steel Plant  
Bhilai-490 001  
Chattisgarh

**....Petitioner**

**Vs**

Western Regional Load Despatch Centre (WRLDC)  
Power System Operation Corporation (POSOCO)  
F-3, MIDS Area  
Marol, Andheri (East)  
Mumbai-400 093

**....Respondent**

**Advocates/Parties present:**

Shri MG Ramchandran, Advocate for the Petitioner

Ms. Anushree Bardhan, Advocate, SAIL

**ORDER**

The Steel Authority of India Limited (SAIL) filed the present petition challenging the action of the Western Regional Load Dispatch Centre (WRLDC) calling upon SAIL to bear



the transmission losses on the dedicated transmission lines used by Bhilai Steel Plant of SAIL (SAIL-BSP) for getting electricity from the generating station/units of NTPC SAIL Power Company Limited (NSPCL). The Central Commission by Order dated 20.11.2013 decided the petition holding that the SAIL is liable to share the transmission losses. Aggrieved by the said order, SAIL filed Appeal No. 41 of 2014 before Appellate Tribunal for Electricity (Appellate Tribunal) which was disposed of by the Appellate Tribunal vide judgement dated 22.4.2015 remanding the matter to this Commission to consider the submissions of SAIL with regard to its arrangement for contract demand from Chhatishgarh State Power Distribution Company Limited (CSPDCL) to meet the exigencies arising out of the tripping of the dedicated transmission lines and pass appropriate order after hearing all parties. Accordingly, the Commission hearing all parties directed Chief (Engg.) of the Commission to submit a report on the dispute after consultation with all parties. Shri A K Saxena, the then Chief (Engg) of CERC after due consultation with the concerned parties submitted a report. The said report was shared with the Petitioner, WRLDC, CSPDCL, and Chhatisgarh SLDC vide letter dated 30.5.2016. The parties have filed their responses to the report. Thereafter, hearing in the matter was held. Accordingly, this order is being issued in compliance with the terms of the remand by the Appellate Tribunal vide judgment dated 22.4.2015.

### **Background facts of the Case**

2. The facts leading to the filing of the petition are capitulated in brief as under:

- (a) NTPC-SAIL Power Company Ltd (NSPCL) is a joint venture company of SAIL and NTPC and has set up a 2 x 250 MW Power Plant at Bhilai. Part of the



capacity of the power plant is utilised for captive consumption of SAIL-BSP. For this purpose, NSPCL is connected to SAIL-BSP through 2x220 kV dedicated transmission lines which are installed, owned and operated by SAIL-BSP. NSPCL also supplies power to the Union Territories of Daman & Diu (DD) and Dadra Nagar Haveli (DNH) for which it is connected to the transmission network of Power Grid Corporation of India Ltd (PGCIL) at Raipur sub-station through 400 kV D/C transmission line.

(b) NSPCL is an Inter-State Generating Station (ISGS) and its tariff is being determined by this Commission in accordance with the applicable Tariff Regulations. Tariff determined by this Commission is applicable to the capacity of the NSPCL excluding the capacity dedicated for utilization by SAIL-BSP.

(c) SAIL-BSP is connected to 400/220 kV Bhilai (Khedamara) sub-station of Chhattisgarh State Power Transmission Company Limited (CSPTCL) for supply of power from Chhattisgarh Power Distribution Company Limited (CSPDCL). For this purpose, SAIL-BSP has entered into an agreement with CSPDCL for a contract demand of 225 MVA.

(d) Chhattisgarh State Load Despatch Centre (CSLDC)/Chhattisgarh State Power Transmission Company Limited was exercising control area jurisdiction over the NSPCL in terms of the principles laid down by this Commission vide order dated 7.5.2008 in Petition No. 58/2008 (suo motu). In the 57<sup>th</sup> Commercial Committee Meeting of Western Region Power Committee, it was decided that SAIL-BSP would be treated as embedded entity of CSPDCL and combined schedule for

CSPDCL and the SAIL-BSP would be given by WRLDC. It was further decided that the ISTS charges and losses would be applied to CSPDCL on its transactions and would not be applied to SAIL-BSP on the dedicated transmission lines from NSPCL to the plant of SAIL-BSP. The above decision was reiterated in the 58<sup>th</sup> Commercial Committee Meeting of Western Region Power Committee held on 7.4.2011 and the meeting between WRLDC, WRPC, NSPCL, CSPTCL and CSPDCL held on 25.4.2011.

- (e) After the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 (Grid Code) came into force on 1.4.2010, the control area jurisdiction of CSLDC over NSPCL shifted to Western Regional Load Despatch Centre (WRLDC) with effect from 1.8.2011 and the scheduling of power, billing and energy accounting in respect of NSPCL was vested in WRLDC.
- (f) The Central Electricity Regulatory Commission (Sharing of Transmission Charges and Losses) Regulations, 2010 (Sharing Regulations) was notified on 15.6.2009 and came into force on 1.7.2011. In terms of the said Regulations, Power System Operation Corporation Limited also notified the Detailed Procedure with the approval of this Commission.
- (g) WRLDC, vide its letter dated 29.7.2011, informed the Petitioner that with the implementation of the Sharing Regulations, respective injection zonal loss and withdrawal zonal loss in accordance with the Detailed Procedure would apply to every transaction scheduled by WRLDC. It was further informed by WRLDC that

the loss applicability to various transactions from the generating station scheduled would be as follows:

(i) Loss applicability to DD: Injection loss of Chhattisgarh zone and withdrawal loss of Daman & Diu (DD) zone;

(ii) Loss applicability to Dadar Nagar Haveli (DNH): Injection loss of Chhattisgarh zone and withdrawal loss of DNH zone;

(iii) Loss applicability to CSPDCL and the petitioner: Injection and withdrawal loss of Chhattisgarh zone.

(h) Aggrieved by the loss allocation as mentioned above, the Petitioner by its letter dated 6.8.2011 informed WRLDC that the decision was contrary to the understanding which was arrived at in the meeting held on 25.4.2011 that the Petitioner would not be liable for sharing of losses for the supply of power received from the generating station since the drawal of power was to be directly from the bus bar of the generating station through the dedicated transmission line installed by the petitioner. The Petitioner pointed out that it could not be saddled with losses merely on transfer of control area from SLDC to WRLDC. The Petitioner urged that it was not a Designated ISTS Customer (DIC) as defined under the Sharing Regulations since it was not the user of any segment or element of the inter-State transmission system and requested WRLDC to stop apportionment of losses as per the letter dated 29.7.2011 of WRLDC.



- (i) WRLDC by its letter dated 8.8.2011 clarified that NSPCL is not a User of WRLDC but an embedded customer of CSPDCL and therefore, power allocated to SAIL-BSP from the generating station is not directly scheduled to SAIL-BSP by WRLDC but to CSPDCL. Since CSPDCL is a Designated ISTS customer (DIC) in accordance with the Sharing Regulations, the losses are to be allocated to CSPDCL. WRLDC advised the petitioner to take up its grievances, if any, with CSPDCL.
- (j) The Petitioner's grievance was discussed as one of the agenda items in the 59<sup>th</sup> Commercial Committee Meeting of WRPC held on 18.8.2011. On the basis of the discussion, WRPC by letter dated 26.8.2011 addressed to WRLDC informed about the deliberations in the Committee and suggested that the opinion of NLDC be sought again on the question of application of losses on the Petitioner/CSPDCL transactions. NLDC, vide its letter dated 27.9.2011, informed the Petitioner that the matter has been referred to this Commission for further directions in this regard.
- (k) Thereafter, the Petitioner filed the present petition seeking the following main prayers among others:
- (i) Clarify that Petitioner shall not be subject to sharing of the inter-state transmission losses and charges in regard to the transmission of power from the generating facility to the place of captive consumption;

(ii) Direct the WRLDC not to levy the losses of 3 % - 4 % which is causing sustained monetary loss to the Petitioner due to which the Petitioner is compelled to draw more power from CSPDCL at substantially higher price;

(iii) Direct the WRLDC to give suitable adjustment/ compensation for the ISTS losses already deducted from NSPCL's power to SAIL-BSP.

(l) According to the Petitioner in the petition, since both the generating station and the steel plant are located within the State of Chhattisgarh, use of the dedicated transmission lines connecting them cannot be described as the use of inter-State transmission system and consequently, the Petitioner is not covered under the term "Designated ISTS consumer" or DIC or user of deemed ISTS and therefore, transmission losses cannot be allocated to the Petitioner.

(m) WRLDC in response to the petition submitted before this Commission that SAIL-BSP and CSPDCL are connected to NSPCL through the two 220 kV double circuit dedicated lines between NSPCL and SAIL-BSP as well as through the 220 kV Chhattisgarh State network and are using these lines for availing power from NSPCL. Therefore, the dedicated transmission lines are operating in parallel to the ISTS/STU system where the demand of BSP is met through the dedicated transmission lines as well as CTU/STU system and this influences the flows in the parallel network either when the line trips or is taken under outage by the owner of the line. Therefore, the power flow on the dedicated transmission lines would not be necessarily equal to BSP/CSPDCL's schedule from NSPCL. WRLDC further submitted that NSPCL is connected to ISTS and BSP is

connected to CSPTCL system and loop flow in either direction is possible. Based on the daily power flow on the 400 kV NSPCL-Raipur D/C section as well as 220 kV NSPCL-BSP section (on 11.9.2011, 30.11.2011 and 11.1.2012), WRLDC has sought to demonstrate through the following three scenarios that SAIL-BSP is utilising the ISTS both from the considerations of reliability and transfer of power. WRLDC further submitted that since many States draw power from ISGS through their own lines similar to BSP, if BSP/CSPDCL are exempted from transmission losses while scheduling from NSPCL, all the other entities would also request for a similar dispensation wherever they draw power directly from the Inter State Generating Stations (ISGS) through their own lines.

(n) After examining the various provisions of the Grid Code and Sharing Regulations, the Commission came to the conclusion that NSPCL is not only a regional entity but also an ISGS supplying power to States outside the State of Chhattisgarh. Next the Commission considered whether the dedicated transmission lines from NSPCL to SAIL-BSP can be considered as ISTS for the purpose of calculation of transmission losses. Relying on a schematic diagram given under para 17 of the order dated 20.11.2013, the Commission concluded that since the common bus bar of NSPCL is connected to ISTS and dedicated transmission lines, loop flow is possible. The Commission came to the following conclusions:

- (i) Since the schedule of SAIL-BSP (through CSEB) is not dependent on availability of NSPCL SAIL-BSP line, once scheduled, SAIL-BSP can



draw its power from meshed ISTS network and Chhattisgarh transmission system.

(ii) SAIL-BSP is an intra-State entity within CSEB/CSPDCL, therefore the power allocated to SAIL-BSP from NSPCL is scheduled to CSEB/CSPDCL by WRLDC. CSEB/CSPDCL being a 'DIC' as per Sharing Regulations, while scheduling the power to CSEB/CSPDCL for combined power drawl of CSPDCL and SAIL-BSP, the ISTS losses are applied to CSEB/CSPDCL and the same get applied to the petitioner because SAIL-BSP is treated as an intra-State entity of Chhattisgarh. Only for the purpose of displaying data on WRLDC website, separate scheduling is being shown for SAIL-BSP under heading SAIL-BSP-CSEB.

(iii) In accordance with the Sharing Regulations and procedure issued under it, transmission losses are allocated into two parts, namely injection losses and withdrawal losses. The injection losses are applicable on NSPCL as NSPCL is a DIC connected with ISTS, and once these losses are applied on total injection schedule to prepare drawal schedule (Ex - power plant) of drawee entity (CSEB), it will be uniformly applied on all long term and medium-term open access transactions and SAIL-BSP (under CSEB) shall also be treated accordingly. Now when CSEB schedule at its periphery is considered, withdrawal losses of Chhattisgarh zone shall be applied. These withdrawal losses shall be applied on the



total schedule of CSEB comprising of schedule of CSPDCL and SAIL-BSP.

(o) The Commission vide order dated 20.11.2013 disposed of the prayers of the Petitioner as under:

“24. In view of the foregoing discussion, we conclude that the petitioner, SAIL-BSP being an intra-State entity of CSEB, which is a Designated ISTS customer, is liable to share the transmission losses under the Sharing Regulations. The estimated zonal transmission losses are applied on net drawl schedule prepared for regional entity CSEB as a whole and as SAIL-BSP is an intra-State entity under CSEB, the same shall become applicable on its schedule.”

(p) The Petitioner challenged the above order of the Commission in Appeal No. 41 of 2014 before the Appellate Tribunal. Before the Appellate Tribunal, the Petitioner submitted that the facilities at Bhillai (i.e. SAIL-BSP) are connected by a 220 kV transmission line laid down as a radial line commissioned in 1993-94 from the sub-station of Chhattisgarh State Power Transmission Company Limited (CSPTCL) at Khedamara at its own cost for the purpose of supply of power by CSPDCL under the agreement for such supply between the Petitioner and CSPDCL with a contract demand of 225 MVA. The Petitioner further submitted before Appellate Tribunal that the 220 kV D/c transmission lines between NSPCL and the Petitioner are installed, owned and maintained by the Petitioner for conveyance of electricity from NSPCL (which is Petitioner's captive power plant) to SAIL-BSP. However, WRLDC submitted before the Appellate Tribunal that NSPCL is a regional entity and the dedicated transmission lines from NSPCL to SAIL-BSP are in the nature of ISTS to which transmission losses as per PoC mechanism is applicable.

(q) The Appellate Tribunal after noting the submissions of the Petitioner and WRLDC

observed as under:

“13. The contention of the Appellant is that levy of ISTS charges or apportionment of losses of ISTS can apply only for use of the ISTS and not for conveyance of electricity through the dedicated transmission lines. Since in this case, both the generating station and the steel plant are located within the State of Chhattisgarh, use of dedicated transmission lines connecting them cannot be described as the use of ISTS. It is submitted that the dedicated line for supply of power to the Appellant is not interconnected with ISTS line for flow of power to the Appellant. On the one side, it originates from the generating station and at the end, it reaches the Appellant facilities. It is contended that supply of power from the generating station of the NSPCL of the Appellant is not by use of any ISTS line in any manner. It is pointed out that it is accepted in the impugned order that quantum of power injected into the dedicated transmission line are separately recorded and separate scheduling is shown and, therefore, the Appellant cannot be held liable for sharing of losses.

14. It is further contended that the Appellant has an independent contract demand from CSEB/CSPDCL and as their consumer, the Appellant draws power from the substation of CSEB/CSPDCL for which the Appellant pays applicable charges. An agreement with CSPDCL is entered into on 26/10/2009 to supply power to the Appellant during the exigencies of tripping of captive unit of NSPCL or during reduced generation. The Appellant is paying Rs.7.7 crore per month towards contract demand charges. The relevant paragraphs of the petition filed by the Appellant where this point was raised are as under:

“6. Further the Petitioner has an independent contract demand from CSEB/CSPDCL and as a consumer of CSEB/CSPDCL the Petitioner draws power from the Substation of CSEB/CSPDCL for which the Petitioner pays all the applicable charges including demand charges as in the case if any other consumers. It is pertinent to mention that the Petitioner has entered into an agreement with CSPDCL on 26th October of 2009 to supply of power to the Petitioner by CSPDCL during the exigencies of tripping of captive unit of NSPCL or during reduced generation. Under this PPA, the petitioner is maintaining 225 MVA contract demand with CSPDCL and paying Rs.7.7 crore per month towards contract demand charges to ensure power security. The liability of the Grid being available to the Petitioner is legitimately based on the contract demand as in the case of any other consumers and there is no extra or special privilege taken by the Petitioner.

7. The works of the Petitioner at Bhilai, where the captive power is being consumed, is a steel plant which operates on 24x7 hr basis. Power failure in certain facilities inside the steel plant may lead to catastrophic situation causing major accidents and damage to men and machinery. In view of this, the reliability of power supply to the steel plant is of utmost



importance and to ensure the same the Petitioner has entered into the agreement with state utility (CSPDCL). Though the average drawl of power by the Petitioner from CSPDCL is about 40-45 MW, the Petitioner has kept a contract demand of 225 MVA and pays about Rs.7.7 cr/month as demand charge to ensure availability/reliability of power during the outage of the captive unit at the generating station. It is pertinent mention that the demand charges for 40-45 MVA is approximately Rs.2 crores per month but to maintain the reliability of power supply during the tripping of generating station, the Petitioner is paying an excess amount of Rs.5.7 crores approximately per month by keeping a contract demand of 225 MVA.

13. In accordance with the above the electricity which flows to the Petitioner's facilities on the line from the sub-station of CSEB/CSPDCL is entirely such electricity as per the contract which the Petitioner has with CSEB/CSPDCL and not any part of the power supplied by NSPCL to the Petitioner. Similarly, no part of the electricity supplied by NSPCL to any other person, namely, to any person outside the state of Chhattisgarh flows on the dedicated transmission line used for the supply of power to the Petitioner."

15. Counsel for the Appellant submitted that CERC has not dealt with this issue at all. Moreover, it has relied upon a wrong flow-chart in paragraph 17 of the impugned order. Counsel submitted that therefore the matter needs to be remitted.

16. Counsel for the Respondents has strenuously opposed the submissions of the Appellant and contended that the dedicated line from NSPCL to the Appellant is part of the loop and is not radial. It is contended that the four 200 KV transmission lines of the Appellant lose the character of dedicated transmission lines due to formation of loop in parallel to the transmission lines in the ISTS network.

17. We have given our anxious consideration to the submissions advanced by the counsel. We however find that CERC has not dealt with the Appellant's case that it has an independent contract demand from CSEB/CSPDCL and it has entered into an agreement with CSPDCL on 26/10/2009 for supply of power during the exigencies of tripping of captive unit of NSPCL and the Appellant in paying Rs.7.7 crores per month towards contract demand charges to ensure power security. Further the electricity which flows to the Appellant's facilities on the line from the sub-station of CSEB/CSPDCL is entirely such electricity as per the contract which the Appellant has with CSEB/CSPDCL and not any part of the power supplied by NSPCL to the Appellant and is settled directly by the Appellant with CSEB/CSPDCL as per their mutual agreement as a consumer of CSPDCL. These points were specifically raised by the Appellant. We have already quoted the relevant paragraph hereinabove. It is also contended that CERC has relied upon a wrong flow-chart. We have also examined the block schematic of connectivity of NSPCL and BSP in paragraph 17 of the impugned order. We find that a connectivity of CSPTCL Bhilai 400/220 KV sub-station Khedamara with NSPCL Bhilai 2x500 MW has been shown which does not exist.

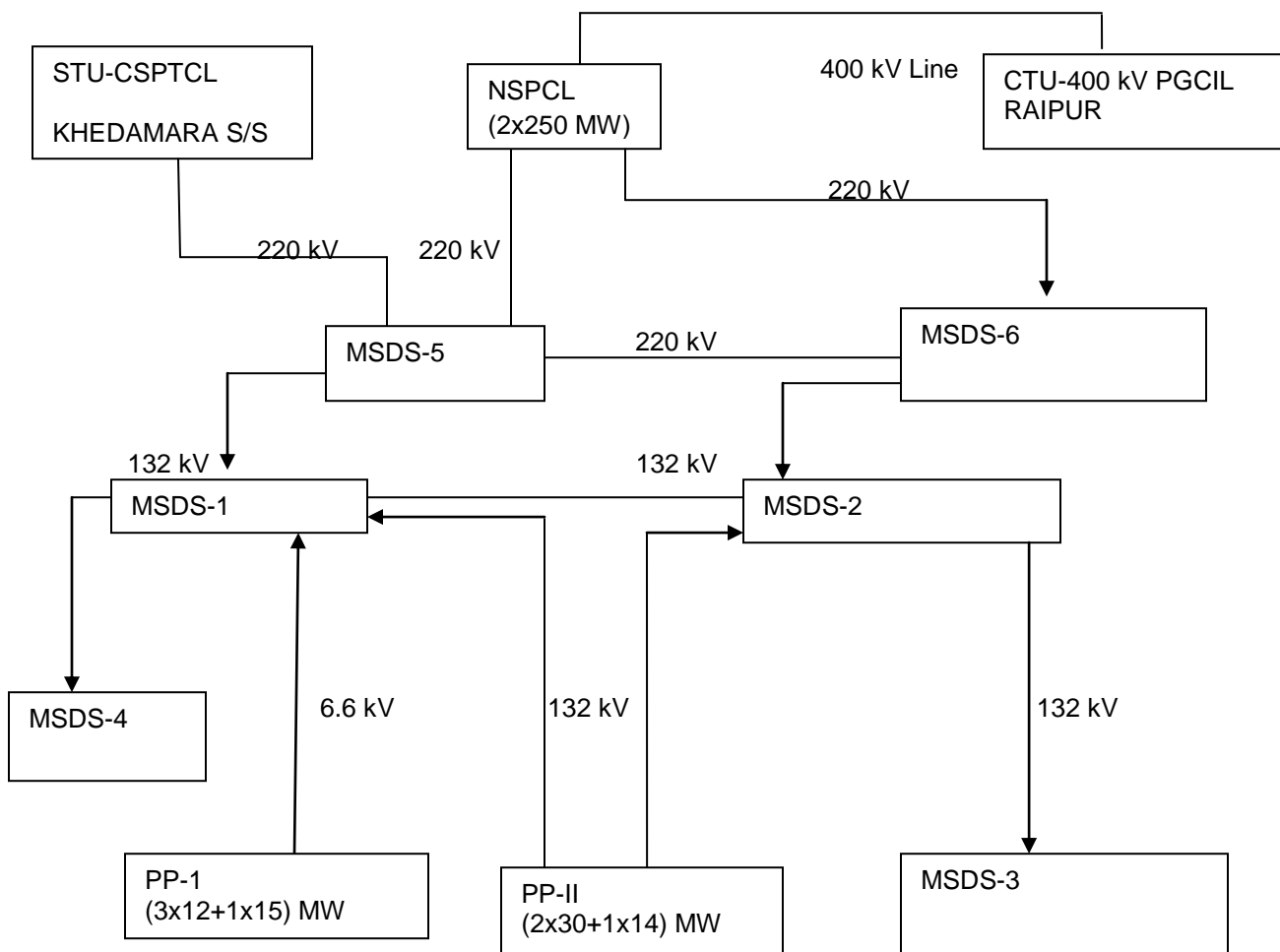
18. We feel that inasmuch as an important point which has been referred to by us in paragraph 14 hereinabove, has missed the attention of the CERC, it is necessary to

remand the matter to the CERC. In the circumstances, the impugned order is set aside. The matter is remitted to the CERC. The CERC is directed to consider the above mentioned submission of the Appellant and pass appropriate order after hearing all the parties.....”

**Proceedings before the Commission pursuant to the remand**

3. Pursuant to the remand, the Petitioner vide its affidavit dated 15.6.2015 while placing the copy of the judgement dated 22.4.2015 in Appeal No.41 of 2014 on record made the following submissions:

(a) The Petitioner has given a block diagram showing the inter-connection of NSPCL’s generating station to SAIL-BSP and inter-connection of SAIL-BSP with CSPDCL’s sub-station at Khedamara, connectivity from NSPCL to Raipur sub-station which is extracted as under:



----- 400 kV ISTS/CTU NETWORK ----- 220 kV STU NETWORK ----- 220/132 kV SAIL-BSP NETWORK



The Petitioner has submitted that the 2 X 220 kV transmission lines from NSPCL to SAIL-BSP connecting at the blocks described as MSDS-5 and MSDS-6 are dedicated transmission lines. The said lines are not part of intra-State or inter-State transmission systems and are entirely and exclusively used for conveyance and transmission of electricity from NSPCL to SAIL-BSP. The Petitioner has further submitted that no part of the power belonging to any other person including CSPDCL or any other State or inter-State Utilities (excluding SAIL-BSP) flows on the said lines. The Petitioner has submitted that SAIL-BSP has also established power plant within the premises of SAIL-BSP which are described as PP-I (consisting of 3X12 MW + 1X15 MW) and PP-II (2X30 MW + 1X14 MW), aggregating to 125 MW. The power plants of PP-I and PP-II are connected to the SAIL-BSP through dedicated transmission lines (220/132/6.6 KV) connecting to the sub-station such as MSDS-1, MSDS-2, MSDS-3 and MSDS-4. The Petitioner has submitted that the SAIL-BSP's MSDS-5 sub-station is connected to Khademara sub-station of CSPTCL through a 220 kV transmission line to get power against the contract demand of 225 MVA maintained by SAIL-BSP with CSPDCL.

- (b) The Petitioner has submitted that the entire quantum of electricity supplied by to SAIL-BSP passes through and is taken delivery by BSP only through the dedicated transmission lines of 2X220 kV. No part of such power supplied by NSPCL is through the 400 kV transmission line connecting NSPCL to the PGCIL's sub-station at Raipur. No part of the power to be supplied by NSPCL is supplied through Khedermara sub-station of CSPTCL through the 220 kV lines connecting to MSDS 5 to SAIL-BSP. Neither MSDS-5 nor MSDS-6 nor any of the other sub-stations within SAIL-BSP premises are connected to any intra-State or inter-State transmission system except that there is a 220 kV transmission line connected to Khedarmara

sub-station of CSPDCL. There is absolutely no physical possibility of any power flow to SAIL-BSP from outside through the lines other than through Khedamara sub-station of CSPTCL. At no point of time during the period from 1.8.2011 till the filing of the affidavit (11.6.2015), there has been any reverse flow on the 2X220 kV transmission line from SAIL-BSP power plants to NSPCL generation bus bar resulting in any supply by SAIL-BSP to any third party including any such supply from SAIL-BSP on the 400 kV transmission line connected to the PGCIL sub-station at Raipur.

(c) The entire power supplied by NSPCL through the 2X220 kV transmission lines is intended for and are consumed by SAIL-BSP at its facilities and no part of the power is sold or traded by SAIL-BSP either through NSPCL bus bar or through the CSPTCL sub-station at Khedamara. Power generated at the captive power plants of SAIL-BSP (other than NSPCL), namely PP-1 and PP-2 is also intended for and consumed at SAIL-BSP's facilities and there is no sale or trading of such power to any third party outside the area beyond NSPCL's bus bar or beyond the CSPTCL's sub-station. Further, the entire power procured by SAIL-BSP from CSPDCL and delivered from CSPTCL's sub-station at Khedamara is also intended for and is consumed by SAIL-BSP and no part of such power is transferred on the 2X220 kV transmission lines to NSPCL's bus bar and is not injected into the 400 kV transmission line leading to Raipur sub-station.

(d) The Petitioner has given a tabular statement for the period 1.4.2013 to 28.2.2015 containing the details of the energy procured by BSP from three sources namely: (i) NSPCL's 2X250 MW; (ii) BSP's captive power plants; PP-1 and PP-2 within the

BSP's facilities of total 125 MW and (iii) consumer connection with contract demand of 225 MW from CSPDCL and (iv) the accidental flow of power from BSP's facilities to CSPTCL's sub-station at Khedamara. The tabular statement is extracted as under:

**Details of Incidental flow of BSP owned Captive Power to CSPDCL**

Months	NSPCL to SAIL BSP Energy Capacity: 2X250 MW	BSP captive Power Plant (PP-1) Capacity: 3X12+1X15 MW	BSP captive Power Plant (PP-2) Capacity: 3X12+1X15 MW	Energy Units supplied from CSPDCL under contract demand of 225 MVA	Total BSP energy consumption	Incidental flow of power to CSPDCL from BSP (kWh)	Incidental flow to CSPDCL wrt total BSP energy consumption
	(kWh)	(kWh)	(kWh)	(kWh)	(kWh)	(kWh)	(in %)
Apr 13	97511687	44804300	15523000	51134978	1578,38,987	13962	0.01
May 13	127190123	47546200	17004000	25947598	1917,40,323	71464	0.04
June 13	129339262	38799000	16944800	28432075	1850,83,062	809	0.00
Jul 13	134039040	34046000	15850700	34900689	1839,35,740	3309	0.00
Aug 13	52741347	37030000	22392700	101138660	1121,64,047	19352	0.02
Sep 13	130869120	43099000	17355000	18325414	1913,23,120	56595	0.03
Oct 13	135236751	46961000	16018400	12246746	1982,16,151	437893	0.22
Nov 13	130867200	47643000	15141700	7831441	1936,51,900	837183	0.43
Dec 13	135210341	48343000	15535200	9770468	1990,88,541	667951	0.34
Jan 14	136157028	47719000	15242800	11477429	1991,18,828	523268	0.26
Feb 14	117560775	44103000	13607300	12534322	1752,71,075	692682	0.40
Mar 14	139457381	45996000	14890600	11227940	2003,43,981	294088	0.15
<b>2013-14</b>	<b>1466180055</b>	<b>526089500</b>	<b>195506200</b>	<b>324967761</b>	<b>21877,75,755</b>	<b>3618557</b>	<b>0.17</b>
Apr 14	1411,86,377	139,80,000	315,10,000	155,66,094	1866,76,377	229388	0.12
May 14	1345,93,880	142,02,000	246,61,000	306,46,970	1734,56,880	42273	0.02
June 14	541,04,694	125,52,400	441,10,000	605,01,606	1107,67,094	192516	0.17
Jul 14	1285,58,200	135,08,710	403,24,000	151,79,966	1823,90,910	193919	0.11
Aug 14	1240,41,479	143,28,590	384,24,000	321,69,744	1767,94,069	8825	0.00
Sep 14	1289,23,857	138,53,300	458,44,000	197,69,436	1886,21,157	429488	0.23
Oct 14	1146,91,389	144,44,400	414,52,000	337,55,433	1705,87,789	1417572	0.83
Nov 14	308,25,688	137,90,000	477,90,000	1023,14,750	924,05,688	0	0.00
Dec 14	251,79,685	149,32,100	488,22,000	1130,69,877	889,33,785	0	0.00
Jan 15	520,08,859	155,30,000	463,30,000	857,65,471	1138,68,859	638306	0.56
Feb 15	1287,41,940	132,90,000	245,50,000	121,48,664	1665,81,940	1044305	0.63

As per the above statement, there are only incidental and unintended flow of a negligible quantum of electricity at lines from SAIL-BSP facilities towards CSPTCL's sub-station at Khedamara. The power requirement and flow into BSP Plant from Khedamara sub-station is controlled by adjusting the operation of the captive power plant within BSP premises which are totally under the control of BSP and thereby ensuring the total power procured from outside BSP premises including NSPCL being consumed at BSP premises. Such power is taken by



CSPDCL at the sub-station at Khedamara against a nominal payment of Re 1 per unit which becomes the property of CSPDCL and the title in the power passes to CSPDCL at that time.

(e) The Petitioner facilities at SAIL-BSP is connected to the sub-station of CSPTCL by an Independent Transmission Line as indicated in the Schematic Diagram. The supply of electricity from the above sub-station to the Petitioner's facilities under an agreement entered into by the Petitioner with CSPDCL as an EHT Consumer with a contract demand of 225 MVA. The energy supplied to the Petitioner from the above sub-station of CSPTCL during the period from 1.8.2011 to till January 2015 (monthly basis) is as per the statement contained in Annexure D to this affidavit. The entire quantum of energy supplied is accounted for as supply by CSPDCL as a distribution licensee to the Petitioner as Heavy Industry-EHT Consumer and is paid for by the Petitioner at the tariff terms and conditions contained in the Retail Supply Tariff Order of the Chhattisgarh State Electricity Regulatory Commission issued from time to time. No part of such supply is accounted for by CSPDCL as a sale to any other person.

(f) The supply of electricity by CSPDCL to the Petitioner through the above mentioned sub-station of CSPTCL at Khedamara is as per the contract demand maintained by the Petitioner with CSPDCL and is not subjected to any scheduling and dispatch mechanism to be undertaken by the Petitioner or by NSPCL. It would therefore be wrong on the part of WRLDC to contend that any power to the Petitioner's facility to be supplied by NSPCL is sourced through the

400 kV line connecting to the CTU sub-station at Raipur or otherwise flows through such CTU sub-station to the integrated transmission network of CTU and the transmission network of CSPTCL and thereafter, through the 220 kV line from CSPTCL sub-station at Khedamara to the facilities of the Petitioner.

- (g) The above is supported by the monthly bills raised by NSPCL in regard to the supply of electricity from the NSPCL's 2 X 250 MW through the dedicated transmission line to the Petitioner and also the independent bills raised by CSPDCL on the Petitioner for the supply of electricity from Khedamara sub-station of CSPTCL which are attached as Annexure E to the affidavit. In the bills raised by NSPCL, there is no reference to any supply of electricity to the Petitioner through the CSPTCL sub-station and similarly in the bills raised by CSPDCL there is no reference to the supply of electricity from NSPCL. The entire quantum is described as energy schedule (kWh) to BSP/SAIL (ex Power Plant Bus). The bills raised by NSPCL refer to the energy meter at the outgoing place of the bus bar connected to 220 kV Dedicated Transmission Lines leading to the facilities of the Petitioner BSP Plant. Similarly, in the monthly bills raised by CSPDCL the reference to the Consumer Number, Legacy Number, Meter Serial Number etc. are with reference to the metering on the Khedamara lines leading to the supply of electricity on the 220 kV lines connected to the said sub-station and not with reference to any metering done at the outgoing line of NSPCL's generating station (2X 250 MW).

(h) The nature of the lien from NSPCL's power station to BSP facilities cannot be treated as a part of the inter-State Transmission Network for the purpose of allocating the above inter-State Transmission Losses to BSP notwithstanding that the BSP facilities have been connected both to NSPCL's Power Plant and also to CSPDCL sub-station at Khedamara. The issue of BSP accounting for any charges or losses for the inter-State Transmission facilities used, would arise only and only if BSP avails directly or indirectly the use of the inter-State Transmission Network beyond NSPCL Power Station, namely, the 400 kV line connecting to Raipur sub-station of CTU/Powergrid for getting electricity from NSPCL.

4. The hearings in the Petition No. 211/MP/2011 were held afresh in pursuance to the directions of the Hon'ble Appellate Tribunal. The Commission directed the Chief (Engineering) of the Commission to convene a meeting of the representatives of SAIL/POSOCO/WRLDC, CSPDCL and SLDC Chhattisgarh to discuss and sort out the issues between the parties with regard to the use of the transmission line by SAIL-BSP, which was considered to be an Inter-State Transmission System.

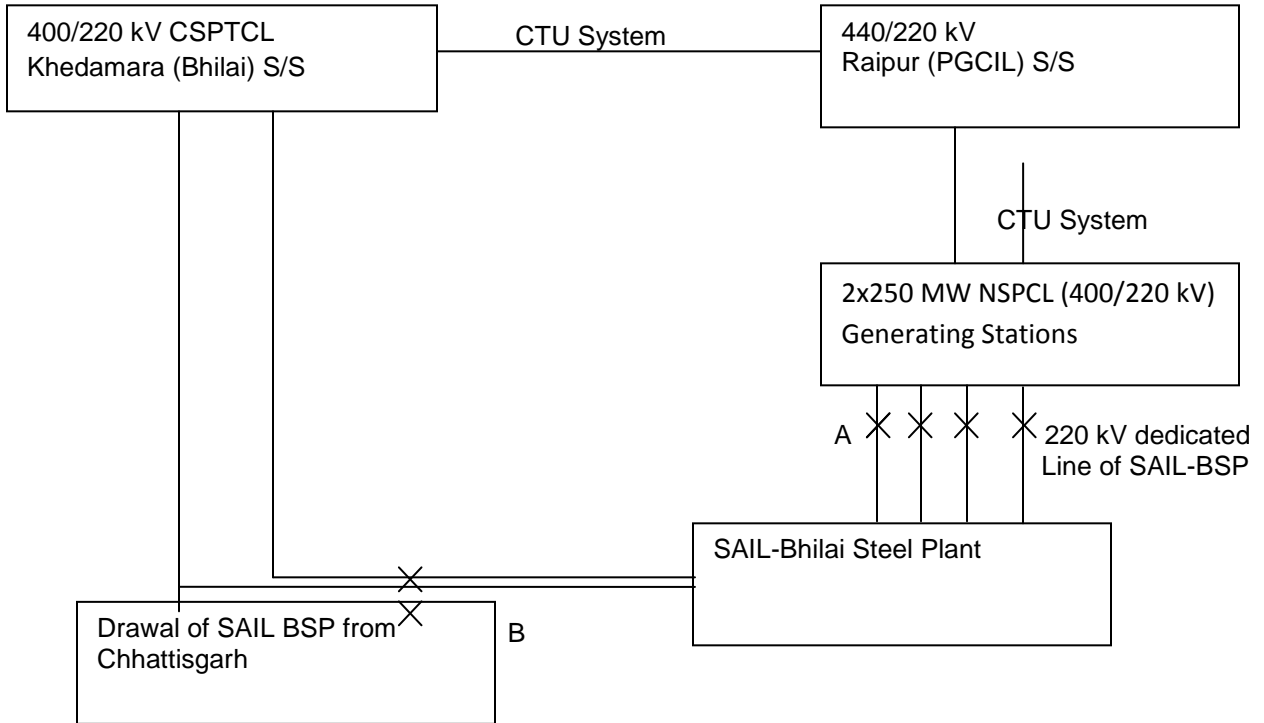
5. In pursuance of the above, the Chief (Engineering) of the Commission after holding meetings with all concerned submitted a report to the Commission. The summary and conclusion of the report is extracted as under:

**“Summary and Conclusions:**

10. The two points which were brought out in APTEL's order regarding wrong flow chart and contract demand of BSP with CSPDCL as well as other suggestions regarding dedicating units to BSP or reverting back the control area to SLDC was discussed in the meetings conducted as per directions of the Commission.

11. The suggestions to either dedicate the units to BSP or to revert back the control area to SLDC Chhattisgarh, were not acceptable to NSPCL.

12. Regarding consideration of wrong flow chart, showing connectivity of CSPTCL Bhilai 400/220 kV sub-station Khedamara with NSPCL Bhilai 2X500 MW, it was noted that Khedamara sub-station is connected to (a) 400 kV Raipur (PGCIL) sub-station through ISTS and (b) BSP. BSP is in turn connected to NSPCL as well. This does not have any impact on the premise of the order of the Commission that BSP-SAIL is connected with NSPCL in parallel with ISTS system and loop flow is possible. The correct connection diagram is given below:



13. BSP SAIL has underlined that it has a contract demand from CSPDCL and as their consumer, draws power from the sub-station of CSPDCL during the exigencies of tripping of captive unit of NSPCL or during reduced generation at NSPCL. Representative of WRLDC stated that it can also be seen from the actual SEM data that many times when the generation at NSPCL is less, power from ISTS is wheeled through 400 kV Raipur-NSPCL D/C to NSPCL bus and then to BSP for its consumption and further to CSPDCL.

14. BSP was of the view that the liability of the Grid being available to the Petitioner is legitimately based on the contract demand as in the case of any other consumers and there is no extra or special privilege taken by the Petitioner. It emerges that the contract demand of 225 MVA, for which SAIL pays Rs. 7.7 crore per month, is for ensuring reliability of power supply to BSP in the event of outage of generating units NSPCL or reduction in their generation or in the event of inability of BSP to draw power from NSPCL due to outage of direct lines interconnecting BSP to NSPCL. This amount is payable by BSP irrespective of the fact whether they draw power from CSPDCL or not.

15. In view of the submission of WRLDC that many times when generation at NSPCL is low, power is wheeled through 400 kV Raipur-NSPCL D/C to NSPCL bus and then to BSP for its consumption and further to CSPDCL, use of ISTS for supply of power from NSPCL to BSP gets substantiated. Further, the correct flow chart and the fact that BSP is having a contract demand with CSPDCL do not change the premise of the main order that losses are applicable to all schedule of ISGS (including BSP in this case) on zonal basis (and not on nodal basis) as per Sharing Regulations.

16. The Commission has already noted in order dated 20.11.2013 in the main Petition no. 211/MP/2011 as under:-

“23. Further, if the contention of the petitioner is upheld, then the States or DICs who draw their share from the ISGS through their own lines may also seek similar exemption from transmission losses which will have to be borne by other DICs.”

17. Further Supreme Court in its judgment in the matter of PTC Vs. CERC reported as (2010) 4 SCC 603 has held that ‘a regulation stands on a higher pedestal vis a vis an order (decision) of CERC in the sense that an order has to be in conformity with the regulation’. Since the Zonal Losses are to be levied as per Sharing Regulations, no exemption is permissible.

18. In view of provision in the Sharing Regulations regarding levy of transmission losses on zonal basis, lack of consensus in regard to the alternative suggestions to dedicate the units to BSP or to revert back the control areas of NSPCL to SLDC, Chhattisgarh as well as larger implications of exemption to the petitioner BSP-SAIL, Commission may like to take a view.”

6. The report of Chief (Engg) was shared with SAIL-BSP, POSOCO/WRLDC, CSPDCL and Chhattisgarh SLDC and their comments were invited on the report. Both the Petitioner and WRLDC have filed their responses to the report.

7. The Petitioner vide its affidavit dated 10.6.2016 has submitted as under:

(a) The conclusion reached by Chief (Engg) in para 15 of the report (as quoted in para 5 above) proceeds on a fundamentally wrong premise and ignores the fundamental arrangement existing between SAIL-BSP with NSPCL of one part and an independent agreement between SAIL-BSP with CSPDCL of the other part. The Petitioner has submitted that basic flaw in the conclusion is that some part of the power occasionally or otherwise is supplied by NSPCL to SAIL-BSP through the CTU Network, namely, the 400 kV Transmission Line from NSPCL to Raipur sub-

station of CTU, from where the power flows to CSPDCL (STU) 400/220 kV sub-station at Khedamara and then to SAIL-BSP. The Petitioner has submitted that the said conclusion is wrong due to following reasons:

(i) The power received by SAIL-BSP from Khedamara sub-station of CSPDCL is against the contract demand taken by SAIL-BSP as a HT Consumer of CSPDCL and this specific plea has not been dealt with by WRLDC.

(ii) The supply of power to SAIL-BSP from Khedarmara has nothing to do with the power generated by NSPCL. As a HT consumer, SAIL-BSP is not concerned with sourcing of power by CSPDCL. CSPDCL as a distribution licensee in the area is required to supply power to SAIL-BSP from the pooled power which CSPDCL sources irrespective of whether such power is purchased from NSPCL or any other generating company. The retail supply tariff payable by any consumer of CSPDCL including SAIL-BSP is decided on the aggregate revenue requirements of CSPDCL as determined by Chhatishgarh State Electricity Regulatory Commission (CSERC).

(iii) No part of the power purchased by SAIL-BSP from NSPCL in its capacity as a captive user flow from NSPCL through 400kV transmission line of the PGCIL to Raipur sub-station or from Raipur sub-station to Khedamara sub-station of CSPTCL or in any other inter-State or intra-State lines of inter-State/intra-State transmission licensee.

(b) The report is also wrong in reaching the conclusion that the contract demand maintained by SAIL-BSP with CSPDCL does not change the situation and losses are applicable to all the schedules of ISGS including scheduling of electricity by SAIL-BSP from NSPCL on zonal basis. This ignores the basic feature that SAIL-BSP is receiving power from NSPCL through a dedicated transmission line and the entire transmission charges and losses relating to such dedicated transmission line are entirely a matter between NSPCL and SAIL-BSP and do not have any impact on the transmission losses or charges on any Inter- State Transmission Line. The metering of the power supply by NSPCL to SAIL - BSP is undertaken separately and the entire energy accounting including quantum of electricity injected by NSPCL for supply to SAIL-BSP is accounted for separately.

(c) Reliance on the decision of the Hon'ble Supreme Court in PTC India Limited v CERC {(2010) 4 SCC 603} is not proper as there is no issue at all that a regulation stands on a higher pedestal than the decision or order of the Commission. In the present case, there is no question of any Sharing Regulation being made applicable for levy of transmission losses either on zonal basis or otherwise on the aspect of transmission of electricity from NSPCL to SAIL-BSP through the dedicated transmission line.

(d) SAIL-BSP, during the discussion and also in the petition filed before the Commission, has mentioned that any flow from BSP to CSPDCL on BSP-CSPDCL line is guided by the agreement between SAIL-BSP and CSPDCL and CSPDCL pays to BSPs at Re 1 per unit for such power. Thus, while agreeing to the submission of

WRLDC that in case of low generation at NSPCL, ISTS power flows to BSP and through BSP to CSPDCL, Chief (Engineering) has ignored the existence of a PPA between SAIL & CSPDCL for which SAIL pays Rs. 7.7 Cr per month as contract demand charges.

- (e) The argument regarding application of POC losses on SAIL-BSP in the technical report is based on the actual flow of power in a loop which is not in line with the Open Access and Sharing regulations. As per these regulations, losses are applied on the scheduled route rather than on the basis of loop flow. The transmission planning and strengthening of the power evacuation network for NSPCL was done by CTU for open access of only 170 MW and SAIL-BSP's allocation of 280 MW was identified as to flow through dedicated lines. Accordingly, no open access has been taken for SAIL-BSP's allocation of 280 MW.
- (f) The very suggestion in the report to shift control area to SLDC from WRLDC to avoid applicability of POC losses on SAIL-BSP's schedule establishes that the applicability of losses is related to scheduling and not on the fact that the dedicated 220 KV line of SAIL-BSP is ISTS or not. It is not clear how an ISTS line will become non-ISTS when control area is shifted. This further establishes that applicability of POC losses on SAIL's schedule is merely on the assumption that dedicated line is ISTS, and is not on merit.
- (g) Inter-State Transmission System (ISTS) has been defined in Section 2(36) of the Act and Deemed ISTS has been defined in Regulation 2(k) of the Sharing Regulations. During the deliberation, WRLDC has not been able to establish that



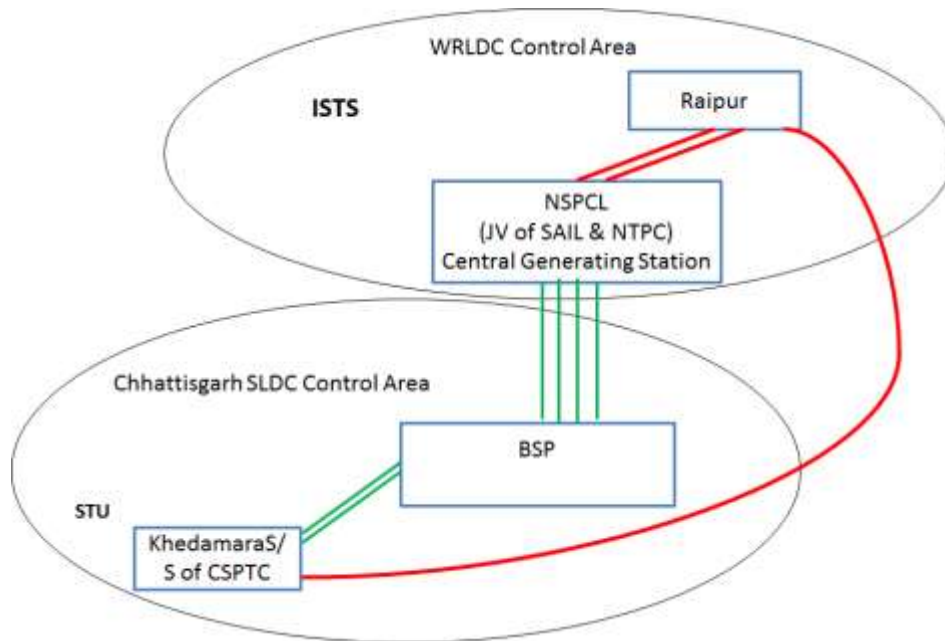
220 kV dedicated lines of SAIL-BSP are conforming to any of the definitions above and therefore, use of 220 kV dedicated line of SAIL-BSP has not been established.

8. WRLDC in its reply dated 13.10.2016 has submitted as under:

(a) The Sharing Regulations came into effect from 1<sup>st</sup> July 2011. The effect of these Regulations was that the respective injection zonal loss and withdrawal zonal loss were to be shared as per the procedure approved. As per clause 6.4.2 of the Grid Code, NSPCL being a Central Generating Station shall come under the respective regional ISTS control area and the respective RLDC (i.e. WRLDC) shall coordinate the scheduling of the said station. Further, NSPCL is also a 'Regional Entity' under clause 2. (kkk) and an Inter-State Generating Station (ISGS) under clause 2 (pp) of the Grid Code.

(b) In accordance with Clause 6.5.3 and 6.5.7 of the Grid Code, WRLDC is required to deduct estimated transmission losses before preparing a regional entity's drawl schedule. NSPCL being an ISGS, its despatch schedule is prepared by WRLDC which also prepares the net drawal schedule of Chhattisgarh, of which SAIL-BSP is an embedded entity. Accordingly the estimated transmission losses are applied on both.

(c) A schematic diagram showing the connectivity of SAIL-BSP and NSPCL along with control area jurisdiction (post 01.08.2011) as per clause 6.4.12 of the Grid Code is given under:



From the above diagram it is clear that SAIL- BSP along with the 220 kV BSP-NSPCL lines and 400 kV Raipur-Khedamara (CSPTCL) lines form a parallel loop with the ISTS network. In case of tripping of units of NSPCL, the flow of power from Raipur to NSPCL to SAIL-BSP also takes place. As a matter of fact, SAIL-BSP has been drawing power through the meshed network of ISTS on many occasions, including on 11.9.2011, 30.11.2011 and 12.1.2012 as mentioned by the Commission vide its impugned order dated 20.11.2013 (which has been set aside by the Appellate Tribunal).

- (d) SAIL-BSP falls under the ambit of the Sharing Regulations irrespective of it having a dedicated transmission line. The losses under the Sharing Regulations apply uniformly to the drawee entity (SAIL-BSP in the present case) irrespective of it being connected to ISTS or it being an embedded entity of CSPDCL. Therefore, the sharing of losses shall apply to SAIL-BSP

irrespective of its status, being an embedded entity or being directly connected to the ISTS.

- (e) Even during normal operation when both NSPCL units are on bar and when power flow is from NSPCL to Raipur sub-station of PGCIL, there is still conveyance of electricity within the State which is incidental to such inter-State transmission of electricity. CSPDCL is a designated ISTS customer (hereinafter referred to as “DIC”) and SAIL-BSP is an embedded entity of CSPDCL having a long term contract with the central generating station (i.e. NSPCL). WRLDC schedules power to CSPDCL and by virtue of SAIL-BSP being an embedded entity of CSPDCL, it becomes an integral part to the schedule.
- (f) In accordance with Para 6.2 of the Procedure for Sharing of Inter-State Transmission System Losses, June 2011 (approved by the Commission), the point of connection (PoC) losses shall be applied on the drawee DICs for their own PoC losses as well as injection DIC’s PoC losses for the purpose of scheduling.
- (g) As regards the contracted capacity of SAIL-BSP with CSPDCL, any consumer of a distribution licensee has to have a contracted demand agreement to qualify as ‘customer’ of that particular licensee and such contracts cannot be a reason for being exempted from the Grid Code and Sharing regulations of the Commission. Further, as regards the contention of SAIL-BSP that any power flowing from SAIL-BSP to CSPDCL system is priced at Rs1/kwh, it has been stated that this is part of a mutual arrangement between a consumer and its

distribution licensee and RLDC/SLDC are not obliged under the extant regulations to look into such internal arrangements between a distribution licensee and its consumer while scheduling power from an ISGS to the respective DICs (CSPDCL in this case).

- (h) As regards the 220 kV dedicated transmission line, SAIL-BSP has clarified (which has been noted in para 8.4 of the report) that in the absence of dedicated CSPTCL lines from NSPCL, the 50 MW allocation to CSPDCL is presently wheeled by BSP to CSPDCL". Since the flow on these 220 kV NSPCL-SAIL BSP lines are used for calculation of actual drawal of CSPDCL from the ISTS grid, the dedicated transmission system loses its 'dedicated' nature, the moment it becomes parallel to ISTS. Thus the 220 kV SAIL BSP-NSPCL lines constitute an integral part of the interconnection of CSPDCL with ISTS network and thus the claim of the Petitioner that 'these are dedicated lines' is devoid of merit.
- (i) As per the submission of the Petitioner in Para 7 of its affidavit reply dated 10.6.16, all the four 220 kV BSP-NSPCL lines are metered separately by CTU as per Regulation 6.4.21 of the Grid Code and the meter data is being submitted by NSPCL to WRLDC on weekly basis for preparation of weekly DSM accounts and these interface meters (SEMs) are considered as drawal point of CSPDCL. From this, it is crystal clear that these 220 kV lines are part of the ISTS network and are one of the drawal points of CSPDCL to arrive its net drawal from ISTS network.

## Analysis and Decision

9. The Commission is considering the present case on remand from the Appellate Tribunal. The scope of the remand as noted by the Appellate Tribunal in para 17 of the judgement dated 22.4.2015 is that the Commission has not dealt with the Petitioner's case in respect of the following:

- (a) The Commission has not dealt with the Petitioner's case (Appellant in the appeal) that it has an independent contract demand from CSEB/CSPDCL and it has entered into an agreement with CSPDCL on 26.10.2009 for supply of power during the exigencies of tripping of captive unit of NSPCL and the Petitioner is paying Rs.7.7 crore per month towards contract demand charges to ensure power security.
- (b) The electricity which flows to the Petitioner's facility on the line from the sub-station of CSEB/CSPDCL is entirely such electricity as per the contract which the Petitioner has with CSEB/CSPDCL and not any part of the power supplied by NSPCL to the Petitioner and is settled directly by the Petitioner with CSEB/CSPDCL as per their mutual agreement as a consumer of CSPDCL.
- (c) The Commission has shown a wrong flow chart in para 17 of the order dated 20.11.2013 in which a connectivity of CSPTCL Bhilai 400/220 kV sub-station at Khedarmara with NSPCL Bhilai 2X500 MW has been shown which does not exist.



The Commission has been directed to consider the above mentioned submissions of the Petitioner and pass appropriate order.

10. The Commission referred the matter to the then Chief (Engg) of the Commission to discuss the issues with all concerned parties and submit a technical report. Shri A K Saxena, the then Chief (Engg) of the Commission, carried out detailed deliberation and discussion with all concerned parties and submitted a report to the Commission. The report submitted by the then Chief (Engg.) broadly covers the following aspects:

- (a) Since the transmission losses have been levied after change of control area jurisdiction of NSPCL from SLDC to RLDC, two suggestions were made by WRLDC to solve the problem, i.e. one unit of NSPCL is fully dedicated to SAIL-BSP or in the alternative, control area jurisdiction is reverted back to SLDC, Chhatisgarh. NSPCL did not agree to either of the suggestions as its PPAs have provisions for supply of power to Goa, DD and DNH from both units.
- (b) The chart in para 17 of the order dated 20.11.2013 was considered. In the said chart, NSPCL was shown as being connected to CSPTCL Bhilai 400/220 kV sub-station at Khedamara as well as CTU 400 kV network at Raipur. WRLDC in the meeting submitted that CSPTCL Bhilai 400/220 kV sub-station at Khadamara is connected with BSP-SAIL, and not with NSPCL. WRLDC submitted a diagram which has been accepted by all concerned (referred to as "correct chart"). The said diagram is quoted under para 12 of the report which has been extracted in para 5 of this order. The report has noted that Khedamara sub-station is connected to (a) 400 kV Raipur (PGCIL) sub-station through ISTS and (b) to SAIL-BSP. SAIL-BSP is in

turn connected to NSPCL as well. The report has concluded that the connectivity as per the correct chart does not have any impact on the conclusion of the Commission in order dated 20.11.2013 that BSP-SAIL is connected with NSPCL in parallel with ISTS system and loop flow is possible.

(c) As regards the submission of SAIL-BSP that it has a contract demand from CSPDCL as a consumer and draws power from the sub-station of CSPDCL during the exigencies of tripping of captive units of NSPCL or during reduced generation from NSPCL, the report has relied upon the submission of WRLDC that as per the actual SEM data, when the generation at NSPCL is less, power from ISTS is wheeled through 400 kV Raipur-NSPCL D/C to NSPCL bus and then to BSP for its consumption and further to CSPDCL. The report has further observed that the contract demand of 225 MVA for which SAIL pays Rs.7.77 crore per month, is for ensuring reliability of power supply to BSP in the event of inability of SAIL-BSP to draw power from NSPCL due to outage of direct lines interconnecting SAIL-BSP to NSPCL and the said amount is payable irrespective of whether they draw power from CSPDCL or not.

(d) The Report has also taken note of the submissions of WRLDC that many times when generation at NSPCL is low, power is wheeled through 400 kV Raipur-NSPCL D/C to NSPCL bus and then to BSP for its consumption and further to CSPDCL. The report has concluded that use of ISTS for supply of power from NSPCL to SAIL-BSP gets substantiated and the correct flow chart and the contract demand of SAIL-BSP with CSPDCL do not change the premise that losses are applicable to all

schedules to ISGS (including SAIL-BSP) on zonal basis as per the Sharing Regulations.

(e) The Report has concluded that on account of the provisions in the Sharing Regulations regarding levy of transmission losses on zonal basis and lack of consensus in regard to the alternative suggestions to dedicate the units to BSP or to revert back the control area of NSPCL to SLDC, as well as larger implication of exemption to SAIL-BSP, the Commission may take a view.

11. The report was shared with all concerned and replies have been filed by WRLDC and the Petitioner. While WRLDC supports the findings in the report, SAIL-BSP has argued against the findings. The main objection of SAIL-BSP is that the report ignores the fundamental arrangement between SAIL-BSP and NSPCL on one part and SAIL-BSP and CSPDCL on other part. The power received by SAIL-BSP from CSPDCL is against the contract demand taken by SAIL-BSP as a HT consumer which has not been dealt with. SAIL-BSP has objected to the finding that contract demand maintained by SAIL-BSP with CSPDCL does not change the situation and losses are applicable on the ground that SAIL-BSP is receiving power from NSPCL through the dedicated transmission line and metering of power supply from NSPCL to SAIL-BSP and the energy accounting thereof are maintained separately.

12. In the light of the scope of the remand, the facts and pleadings in the case, the report of the then Chief (Engg.) and submissions of SAIL-BSP and WRLDC thereon, the following issues arise for consideration:



- (a) Issue No. 1: Whether the dedicated transmission lines between NSPCL and SAIL-BSP acquire the character of ISTS in the light of the correct power flow diagram submitted by WRLDC?
- (b) Issue No. 2: Whether the transmission losses of the dedicated transmission lines from NSPCL which is an ISGS and regional entity for supply of power to a captive user SAIL-BSP are required to be included in the PoC mechanism in terms of the Sharing Regulations?
- (c) Issue No. 3: Whether the case of SAIL-BSP has larger implications on other ISGS/Regional Entity in the matter of calculation of transmission charges and losses under PoC mechanism?
- (d) Issue No. 4: Whether dedication of a particular unit of NSPCL to SAIL-BSP and/or reversion of control area jurisdiction from RLDC to SLDC is a possible solution to the problem?
- (e) Issue No. 5: Relief to be granted to the Petitioner?

**Issue No.(1): Whether the dedicated transmission lines between NSPCL and SAIL-BSP lose the character of dedicated transmission lines and acquire the character of ISTS in the light of the correct power flow diagram submitted by WRLDC?**

13. The Appellate Tribunal has observed that the Commission has shown a wrong flow chart in para 17 of the order dated 20.11.2013 in which a connectivity of CSPTCL Bhilai 400/220 kV sub-station at Khedarmara with NSPCL Bhillai 2X500 MW has been shown which does not exist. Subsequent to the remand, the Petitioner vide its affidavit dated

15.6.2015 has submitted a block diagram which is extracted under para 3(a) of this order. The block diagram shows the connectivity of NSPCL to Raipur sub-station of PGCIL through a 400 kV transmission line, the inter-connection of NSPCL with SAIL-BSP through the 220 kV dedicated transmission lines, and connectivity of SAIL-BSP with CSPTCL sub-station at Khedarmara through a 220 kV transmission line. Chief (Engg.) in his report has relied upon a flow chart submitted by WRLDC which is extracted under para 12 of the report (summary of the report reproduced in para 5 of this order). The said chart shows that on one side, NSPCL is connected to 400/220 kV Raipur sub-station of PGCIL through 400 kV transmission line of PGCIL which is further connected to 400/220 kV CSPTCL sub-station at Bhillai. On the other side, NSPCL is connected with SAIL-BSP through 4X220 kV dedicated transmission lines. SAIL-BSP is also connected through a 220 kV transmission line with 400/220 kV Bhillai sub-station at Khedamara. Based on the block diagram of WRLDC, Chief (Engg) has concluded that SAIL-BSP is connected with NSPCL in parallel with ISTS system and loop flow is possible. Chief (Engg) has based his findings on the submissions of WRLDC that as per the SEM data, many times when the generation at NSPCL is less, power from ISTS is wheeled through 400 kV Raipur-NSPCL D/C to NSPCL bus, then to SAIL-BSP for its consumption and further to CSPDCL through SAIL-BSP. WRLDC has submitted that even during the normal operation when both NSPCL's units are on bar and when power flow is from NSPCL to Raipur sub-station of PGCIL, there is still conveyance of electricity within the State which is incidental to inter-State transmission of electricity. WRLDC has further submitted that as clarified by SAIL-BSP (recorded in para 8.4 of the report), in the absence of dedicated CSPTCL lines from NSPCL, 50 MW allocation to CSPDCL is wheeled by SAIL-BSP to CSPDCL. Since the 220 kV transmission

lines between NSPCL and SAIL-BSP are used for actual drawal of CSPDCL from ISTS grid, dedicated transmission system loses its dedicated nature and becomes parallel to ISTS. The Petitioner has submitted that the power received from the Khedamara sub-station of CSPTCL is against the contract demand taken by SAIL-BSP as a HT consumer of CSPDCL and this specific plea has not been dealt with by WRLDC. The Petitioner has further submitted that no part of the power purchased by SAIL-BSP from NSPCL in its capacity as a captive user flows from NSPCL through 400 kV transmission line of PGCIL to Raipur sub-station or from Raipur sub-station to Khedamara sub-station of CSPTCL or in any other inter-State or intra-State lines of the transmission licensees.

14. According to the Petitioner, 220 KV transmission lines between NSPCL and SAIL-BSP is in the nature of dedicated transmission lines which has not been disputed by WRLDC. The Electricity Act, 2003 (the Act) defines the terms “dedicated transmission lines” as under:

“(16) “dedicated transmission lines” means any electric supply-line for point to point transmission which are required for the purpose of connecting electric lines or electric plants of a captive generating plant referred to in section 9 or generating station referred to in section 10 to any transmission lines or sub-stations or generating stations, or the load centre, as the case may be;”

As per the definition of “dedicated transmission line”, it is in nature of radial line with point to point connections for connecting the captive power plant or a generating station to any transmission line or sub-station or generating station or load centre. Therefore, in so far as the point to point connection is maintained for connecting the electric plants or electric lines of a captive generating plant or generating station with any transmission lines or generating stations or sub-stations or load centre, the electric lines for providing the

point to point connection shall be treated as a dedicated transmission line. In the present case, the 220 kV dedicated transmission lines are connected from NSPCL to SAIL-BSP. SAIL-BSP is neither a generating station nor a transmission line nor a sub-station. The Appellate Tribunal for Electricity in Appeal Nos.139 of 2007 and 140 of 2007 (M/s. Nalwa Steel and Power Ltd. Versus Chhattisgarh State Power Distribution Co. Ltd. & Others) has decided that for the purpose of dedicated transmission line, a single consumer can be considered as load centre. Relevant extract of the judgement is as under:

“12) The Act permits a captive generating company and a generating company to construct and maintain dedicated transmission lines 'Dedicated Line' as per Section 2(16) means any electric supply line for point to point transmission which connects electric lines or electric plants to "any transmission lines or sub stations, or generating stations or load centers". Load centre, it is said is conglomeration of load and not an individual industry/factory as consumer. According to Mr. Ramachandran, advocate for the Commission, a load centre cannot be a consumer because if the two could be the same, Section 10 would permit a generating company to reach a consumer through such dedicated line which will amount to distribution which is not permissible except with a license. We are not in agreement with Mr. Ramachandran. A dedicated line can go, admittedly, from the captive generating plant to the destination of its use. Such destination, i.e. the point of consumption, has to be covered by the term 'load centre'. The consumption point is neither electricity transmission line nor substation or generating station. Hence, the only way such a line can be termed dedicated transmission line when we treat the point of consumption as a 'load centre'. In other words, a single consumer can be a load centre. A dedicated transmission line can go from the captive generating station to a load centre and such load centre can also be a consumer. ....”

In the light of the above, SAIL-BSP is a load centre which is connected to NSPCL through 220 kV dedicated transmission lines.

15. The Act defines “inter-State Transmission Systems” or ISTS as under:

“(36) “ inter-State transmission system” includes –

(i) any system for the conveyance of electricity by means of main transmission line from the territory of one State to another State;

(ii) the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity;

(iii) the transmission of electricity within the territory of a State on a system built, owned, operated, maintained or controlled by a Central Transmission Utility.”

Thus, inter-State transmission system or ISTS includes (a) system for conveyance of electricity from territory of one State to another State by means of main transmission lines; (b) conveyance of electricity across the territory of an intervening State or within the State which is incidental to inter-State transmission of electricity; (c) transmission of electricity within the territory of a State on a transmission system built, owned, maintained, operated or controlled by CTU. The issue for consideration is whether the flow of power on 220 kV dedicated transmission lines between NSPCL and SAIL-BSP is incidental to the inter-State transmission of electricity in terms of section 2(36)(ii) of the Act. The word “incidental” has been defined in Black’s Law Dictionary as “subordinate to something of greater importance; having a minor role.” According to Shroud’s Judicial Dictionary, “a thing is said to be incidental to another when it appertains to the principal thing.” In State of Orissa vs M/s Chakobai Ghlabai and Company (AIR 1961 SC 284), the Hon’ble Supreme Court held that “the word “incidental” does not merely refer to a matter of causal nature. The procedure for disposal of an Appeal includes as a necessary incidental matter the filing of an appeal on a proper fee”. In the Royal Talkies Vs Employee State Insurance Corporation [(1978) 4 SCC 204], the Hon’ble Supreme Court has held that “a thing is incidental to another if it merely appertains to something else as primary. Surely, such work should not be extraneous or contrary to the purpose of the establishment but need not be integral to it either”. In Luxmi Tea Company Ltd vs Pradeep Kumar Sarkar [(1989) Supp (2) SCC 656] it was held that “the incidental power is one that is directly or immediate

appropriate to the execution of the specific power created and not one that is slight or remote relation to it". From the above judicial interpretation, it emerges that a thing is said to be incidental to another if it is subordinate or appurtenant to or in connection with or associated with the principal thing. The term "incidental" does not signify a casual or remote relationship with the principal thing. In section 2(36)(ii), a transmission line within the State which is incidental to the inter-State transmission of electricity is considered as part of ISTS. Therefore, a transmission line within the State must be connected to or associated with the inter-State transmission system in order to satisfy the conditions of Section 2(36)(ii) of the Act. A casual or remote relationship between the dedicated transmission line and the ISTS through the common bus of the generating station cannot render the dedicated transmission line as incidental to ISTS. Therefore, the dedicated transmission lines between NSPCL and SAIL-BSP which is not designed or intended to carry power other than from the NSPCL to SAIL-BSP for the purpose of captive consumption by the latter cannot be considered as incidental to ISTS.

16. WRLDC on the basis of a schematic diagram as quoted in para 8(c) of this order has submitted that SAIL-BSP along with the 220 kV BSP-NSPCL lines and 400 kV Raipur-Khedamara (CSPTCL) lines form a parallel loop with the ISTS network. In case of tripping of units of NSPCL, the flow of power from Raipur to NSPCL to SAIL-BSP also takes place. WRLDC has further submitted that SAIL-BSP had been drawing power through the meshed network of ISTS on many occasions, including on 11.9.2011, 30.11.2011 and 12.1.2012 which was taken note of in the order dated 20.11.2013. In our view, the said power flow from Raipur to NSPCL to SAIL-BSP has taken place on a few occasions on account of tripping of the units of NSPCL since the dedicated transmission lines between

NSPCL and SAIL-BSP share a common bus at NSPCL with NSPCL-Raipur transmission lines. This occasional flow cannot render the 220 kV dedicated transmission lines between NSPCL and SAIL-BSP as incidental to inter-State transmission of electricity.

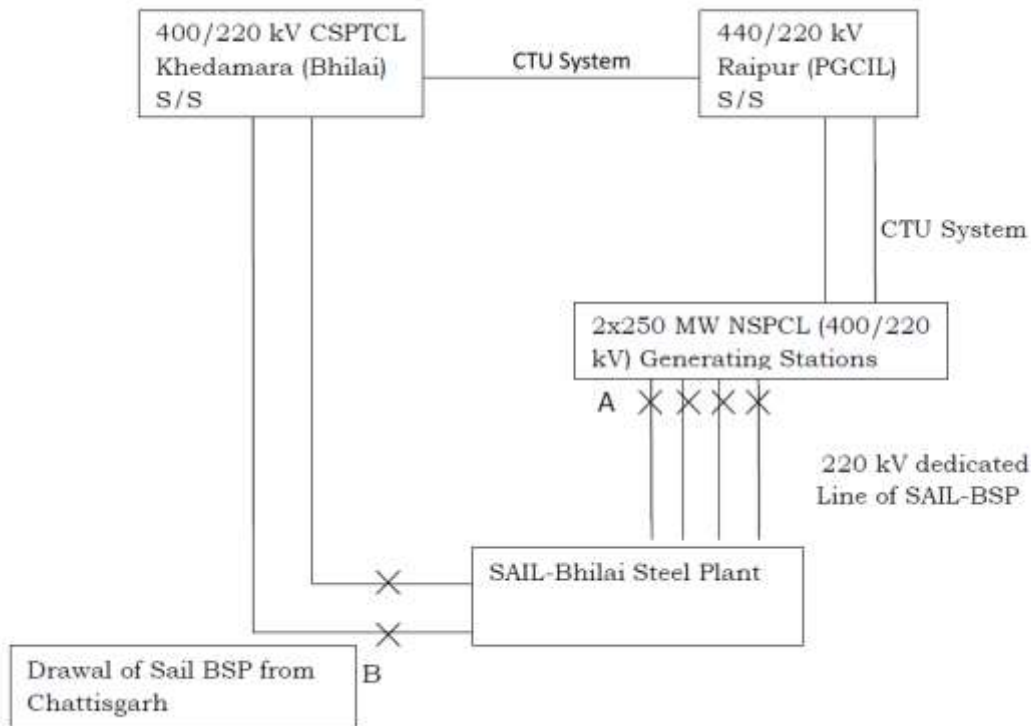
17. The important aspect to be considered in the present case is whether SAIL-BSP has any use of the transmission system either of PGCIL or any other transmission licensee for sourcing and delivery of the power from NSPCL to SAIL-BSP. Admittedly, there exist a dedicated transmission lines of NSPCL connected to SAIL-BSP as shown in the schematic diagram filed by SAIL-BSP and also in the schematic diagram of WRLDC filed in the submissions of 13.10.2016. The existence of the dedicated transmission lines, namely, 2 x 220 KV D/C Line with adequate capacity to transfer the power contracted between NSPCL and SAIL-BSP is not disputed. There is a physical flow of power from NSPCL to SAIL-BSP through such dedicated transmission lines. It is, therefore, not necessary for NSPCL or SAIL-BSP to ordinarily use the other connected transmission system to NSPCL, namely, the 400 KV transmission line connected to Raipur substation of PGCIL or any further Inter State Transmission System to reach Kedarmara substation of CSPTCL for the purpose of supply of electricity generated by NSPCL and supplied to SAIL-BSP.

18. The submissions of SAIL-BSP is that no part of the power generated by NSPCL and supply to SAIL-BSP ever enters the 400 KV Transmission System from NSPCL to Raipur substation of PGCIL and no part of the power supply by NSPCL to SAIL-BSP is ever sold by SAIL-BSP to any person (either CSPDCL or otherwise any other buyer) at the Delivery Point beyond Kedarmara substation. It has also been stated that SAIL-BSP has other captive power generating units within the premise of SAIL-BSP. If at any time the

aggregate quantum of power procured by SAIL-BSP from NSPCL and the quantum of power generated at the Captive Power Plants of SAIL-BSP operated by SAIL-BSP is in excess of the requirement of SAIL-BSP power generated at the CPP owned and operated by SAIL-BSP (not NSPCL) is supplied to CSPDCL at Rupee One/Kwh and delivered at the substation of Kedarmara of CSPDCL. The right, title and interest in the said power gets transferred to CSPDCL at the Delivery Point by CSPTCL's Kedarmara substation. Similarly, if the quantum of power generated by NSPCL is not sufficient to the needs of SAIL-BSP or if there is a break-down of NSPCL at any time, no purchase of power from NSPCL to the extent of such shortage or to the full extent if there is a break-down is accounted for as supply by NSPCL. In such an event, the energy consumed by SAIL-BSP is accounted as supplied by CSPDCL against the contract demand.

19. Let us consider the case of the Petitioner in the light of the correct flow diagram submitted by WRLDC and relied upon by Chief (Engg) in his report. The said diagram is extracted below. NSPCL is delivering the electricity to SAIL-BSP through 4 nos. dedicated lines of BSP. The metering/accounting for same is done by WRLDC at point 'A'. NSPCL's energy is scheduled to BSP at point "A". At the same point A, the drawal of SAIL-BSP is scheduled which implies that the sale and purchase power takes place at the same point without using any ISTS.





Further, SAIL-BSP may be taking power through Khedamara - BSP line during certain load-generation scenario and the same is accounted at point "B" as shown in the drawing above. There may be following possibilities of power flow:

- (a) Power flows from NSPCL to SAIL-BSP and from NSPCL to Khedamara.
- (b) Power flows from NSPCL to SAIL-BSP and also from Khedamara to SAIL-BSP.
- (c) Power flows from Khedamara to SAIL-BSP and not from NSPCL to SAIL-BSP in the event of all the four dedicated lines between NSPCL and SAIL-BSP being under shutdown/outage.

The electricity follows the laws of physics and always takes the least resistance path. Hence the electricity from NSPCL scheduled to SAIL-BSP under most of the circumstances will flow through the dedicated lines between NSPCL and SAIL-BSP rather than through

Raipur (PGCIL) and CSPTCL system. Only in case of outage of all dedicated lines, the SAIL-BSP may draw its share of NSPCL through Khedamara. However, there is no such arrangement between NSPCL and SAIL-BSP that in the event of outage of all dedicated transmission lines, SAIL-BSP would draw its share of power from NSPCL through the CSPTCL line. According to the Petitioner, to meet such eventuality of tripping of NSPCL's units or outage of the dedicated transmission lines, SAIL-BSP has a contract demand of 225 MVA from CSPDCL and pays Rs.7.7 crore per month to CSPDCL. This is an important arrangement which SAIL-BSP has done for its security against any eventuality of non-supply of power by NSPCL.

20. In view of the above, it cannot be said that SAIL-BSP uses the Inter State Transmission System of either the PGCIL or any other licensee or for that matter even the Intra State Transmission System of CSPTCL or any other distribution system for supply of power from NSPCL to SAIL-BSP. As regards the power supply by CSPDCL, the same is in pursuance to the contract demand maintained by SAIL-BSP, namely, as HT consumer. WRLDC does not dispute that till date there has been no claim for transmission charges against SAIL-BSP for any use of ISTS. The claim made by WRLDC is only for adjustment for transmission losses, while there has been no claim for transmission charges. Further, the HT consumer is not concerned with either the Inter State Transmission System or the Intra State Transmission System through which the power is conveyed up to Kedarmara substation from where CSPDCL as a distribution licensee supplies electricity to SAIL-BSP. There is also no supply of power procured by SAIL-BSP from NSPCL to any third party including CSPDCL at the Kedarmara sub-station of CSPTCL.

**Issue No.(2): Whether the transmission losses of the dedicated transmission lines from NSPCL which is an ISGS and regional entity for supply of power to a captive user SAIL-BSP are required to be included in the PoC mechanism in terms of the Sharing Regulations?**

21. There is no dispute that NSPCL is an ISGS since it is supplying power to more than one State. Further, there is no dispute that NSPCL is a regional entity whose metering, scheduling and energy accounting is done by RLDC. WRLDC has submitted that as per Clauses 6.5.3 and 6.5.7 of the Grid Code, WRLDC is required to deduct estimated transmission losses before preparing a regional entity's drawal schedule. Since NSPCL is an ISGS, its dispatch schedule is prepared by RLDC. WRLDC has submitted that it prepares the net drawal schedule of Chhattisgarh of which SAIL-BSP is an embedded entity and accordingly transmission losses are applied on both. WRLDC has further relied upon Regulation 6 of the Sharing Regulations regarding Sharing of transmission losses and has submitted that losses under the Sharing Regulations shall uniformly apply to the drawee entity (SAIL-BSP in this case) irrespective of it being connected to ISTS or being an embedded entity. WRLDC has also referred to para 6.2 of the Detailed Procedure issued under the Sharing Regulations and has submitted that PoC losses shall be applied on the drawee DIC for their own PoC losses as well as injection DICs PoC losses for the purpose of scheduling. Clauses 6.5.3 and 6.5.7 of the Grid Code, Regulation 6 of the Sharing Regulations and Para 6.2 of the Detailed Procedure are extracted as under:

Regulation 6.5.3 & 6.5.7 of the Grid Code:

“6.5.3 By 8 AM every day, the ISGS shall advise the concerned RLDC, the station-wise ex-power plant MW and MWh capabilities foreseen for the net day, i.e., from 0000 hrs to 2400 hrs of the following day.

6.5.7 By 6 PM each day, the RLDC shall convey:



(i) The ex-power plant “despatch schedule” to each of the ISGS, in MW for different time block, for the next day. The summation of the ex-power plant drawal schedules advised by all beneficiaries shall constitute the ex-power plant station-wise despatch schedule.

(ii) the “net drawal schedule” to each regional entity, in MW for different time block, for the next day. The summation of the station-wise ex-power plant drawal schedules from all ISGS and drawal from/injection to regional grid consequent to other long term access, medium term and short-term open access transactions, after deducting the transmission losses (estimated), shall constitute entity-wise drawal schedule.”

#### Regulation 6 of the Sharing Regulations:

“6. Mechanism of Sharing of ISTS Losses:

- (1) The schedule of electricity of Designated ISTS Customers will be adjusted to account for energy losses in the transmission system as estimated by the regional load despatch centre and the State load despatch centre concerned. These shall be applied in accordance with the detailed procedure to be prepared by NLDC within 30 days of the notification of these regulations. The losses shall be apportioned based on the loss allocation factors determined using the hybrid methodology.
- (2) The Sharing of ISTS losses shall be computed based on the information provided by various designated ISTS customers, ISTS licensees and any other relevant entity, including the NLDC, RLDC and SLDCs and submitted to the implementing agency. Provided that in the event of such information not being available within the stipulated time frame to the level of detail required, the Commission may authorize the implementing agency to obtain such information from alternative surface as may be approved for use by the Commission.
- (3) The applicable transmission losses for the ISTS shall be declared in advance and shall not be revised retrospectively.
- (4) The implementing agency may, after seeking approval of the Commission, conduct studies from time to time to refine the ISTS loss allocation methods.”

#### Regulation 6.2 of the Sharing Regulations:

“6.2 Scheduling of Long-term Access and Medium-term Open Access transactions

- (i) The PoC loss is applicable to injecting and withdrawal DICs separately for the purpose of scheduling. However, in line with the existing practice for all the Long-term access and Medium-term Open Access transactions, the PoC losses shall be applied on the drawee DICs for their own PoC losses as well as injecting DIC’s PoC losses for the purpose of scheduling.”

22. After considering the above provisions, we are of the view that WRLDC has been proceeding on a premise that SAIL-BSP is a beneficiary of the NSPCL and is an

embedded entity of CSPDCL having a long term contract with an ISGS, namely NSPCL. The premise in our view is not correct as WRLDC loses sight of the fundamental arrangement between NSPCL and SAIL-BSP. NSPCL is partly a captive generating plant and partly an ISGS supplying power outside the State. For captive consumption of SAIL-BSP, 2X220 kV dedicated transmission lines have been made. The dedicated transmission lines are not connected to ISTS or intra-State transmission system. SAIL-BSP is connected with CSPDCL through another dedicated line for drawal of contract demand. Moreover, SAIL-BSP may be an embedded customer of CSPDCL for drawal of its contract demand of 220 MVA, but certainly SAIL-BSP is not drawing its share of power from NSPCL as an embedded customer of CSPDCL. Both arrangements namely, drawal of power from NSPCL through the dedicated transmission lines and drawal of contract demand from CSPDCL are independent of each other. In our view, drawal of its share of power by SAIL-BSP from NSPCL through the dedicated transmission lines for captive consumption neither can be considered as a long term contract qualifying as long term access from ISGS nor drawal of power by an embedded entity from CSPDCL. Apart from the above, we have concluded that the dedicated transmission lines between NSPCL and SAIL-BSP do not qualify as ISTS in terms of Section 2(36)(ii) of the Act, i.e. “the conveyance of electricity across the territory of an intervening State as well as conveyance within the State which is incidental to such inter-State transmission of electricity”.

Therefore, the injection and drawal losses in respect of the power supplied by NSPCL to SAIL-BSP for captive consumption cannot be included for calculating the transmission losses.

23. In another case involving NSPCL where NSPCL-Bhilai was being scheduled by SLDC, Chhattisgarh and was an intra-state entity, SLDC was levying UI charges at the rate of 105% and 95% on NSPCL. NSPCL filed a petition no. 53/MP/2012 before the Commission stating that it is not using any STU system and hence should be levied UI rates as per CERC, UI Regulations, 2010 only. The Commission vide Order dated 1.10.2014 directed as under:

"Further the station is directly connected to the ISTS for transfer of 170 MW and STU network is not being used. The application of UI Charges @105% and 95% of UI charges under Regulation 30 (5) of the Connectivity Regulations in case of intra-State entity was provided to account for losses in the STU network, if used by the intra-State entity embedded in the State. Since 170 MW is being transferred through ISTS directly, there should not be any question of taking losses into account. Therefore, for the period from 1.1.2010 till 31.7.2011, the petitioner shall be governed by the provisions applicable under UI Regulations. Regulation 30 (5) of the Connectivity Regulations which prescribes the UI rates applicable to intra-State entities would not be applicable in this case."

In the above order, it was directed that in case STU network is not used, its losses should not be considered for accounting. Similarly, in this case ISTS is not being used to wheel power from NSPCL to SAIL-BSP in normal circumstances and therefore, PoC losses should not be charged to SAIL-BSP for supply of power from NSPCL to SAIL-BSP through the dedicated transmission lines. For sample checking, calculations for POC charges for a few quarters was perused whereby it emerged that BSP is drawing its entire share through dedicated line between NSPCL and BSP. Therefore, since the ISTS is not utilized for drawal of power by SAIL-BSP from NSPCL, no transmission losses will be levied on SAIL-BSP.

In a similar case in 291/MP/2015 vide Order dated 30.3.2017 we had directed as follows:

“We are of the view that since the injection point and drawal point for evacuation of power to Andhra Pradesh are the same, there cannot be losses and therefore, for computation of drawal schedule of Andhra Pradesh from Simhadri STPS Stage-I, PoC injection losses and drawal losses shall not be applied. Further, ISTS transmission charges shall not be leviable on Andhra Pradesh for drawal of its share from Simhadri STPS Stage-I as ISTS is not used for transmission of power.”

**Issue No. (3): Whether the case of SAIL-BSP has larger implications on other ISGS/Regional Entity in the matter of calculation of transmission charges and losses under PoC mechanism?**

24. In our view, the present case has implication to similarly placed entities like SAIL-BSP and the States which draw power from the bus-bar of an ISGS through the transmission systems of STU without utilizing the ISTS. We direct the staff to examine the issue and propose amendment to the Sharing Regulations for clarity.

**Issue No.(4): Whether dedication of a particular unit of NSPCL to SAIL-BSP and/or reversion of control area jurisdiction from RLDC to SLDC is a possible solution to the problem?**

25. WRLDC had proposed that the problem of the Petitioner can be solved if a dedicated unit of NSPCL is earmarked for supply to SAIL-BSP or the control area jurisdiction is reverted back to Chhattisgarh SLDC. NSPCL has agreed to neither of the suggestions as power is supplied to the beneficiaries outside the State from both units.

26. The Petitioner has submitted that the very suggestion in the report to shift control area to SLDC from WRLDC to avoid applicability of PoC losses on SAIL-BSP's schedule establish that the applicability of losses is related to scheduling, and not on the fact that the dedicated 220 kV line of SAIL-BSP is ISTS or not. The Petitioner has further submitted

that it is not clear how an ISTS line will become non-ISTS when control area is shifted and that this further establishes that applicability of POC losses on SAIL's schedule is merely on the assumption that dedicated line is ISTS, and is not on merit.

27. In view of our decision on Issue (1) and our direction to amend the Sharing Regulations, there is no need to consider the option of dedicating a unit for captive consumption or change of control area jurisdiction of NSPCL.

**Issue No.(5): Relief to be granted to the Petitioner?**

28. In the light of the above discussion, SAIL-BSP shall not be liable to pay the transmission losses on the conveyance of power from NSPCL to SAIL-BSP for captive consumption. However, this will be subject to two exceptions. Firstly, if SAIL-BSP sell any power scheduled from NSPCL to any other entity, transmission losses will be applied on such power. Secondly, in the event of outage of all the four dedicated lines between NSPCL and SAIL-BSP, if it is proved that SAIL-BSP has drawn its share of power from NSPCL from Khedamara (Bhilai) Sub-Station, then in such cases, POC losses shall be applicable as per the extant regulations. Our decision in this order shall be applicable prospectively from the date of issue of this order.

29. Petition No. 211/MP/2011 is disposed of in terms of the above.

**sd/-**  
**(Dr. M.K. Iyer)**  
**Member**

**sd/-**  
**(A.S. Bakshi)**  
**Member**

**sd/-**  
**(A.K. Singhal)**  
**Member**

**sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**

