

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 266/TT/2019

- Subject** : Petition for identification of 132 kV Neapanagar (from 220 kV Neapanagar Sub-station, Madhya Pradesh to Dharni (132/33 kV Dharni Sub-station, MSETCL Amaravati Zone, Maharashtra) Transmission Line as Inter-state Transmission System and determination of transmission tariff for the 2019-24 Tariff Period, for inclusion in the PoC Transmission Charges.
- Date of Hearing** : 25.11.2021
- Coram** : Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri Pravas Kumar Singh, Member
- Petitioner** : Maharashtra State Electricity Transmission Company Ltd. (MSETCL)
- Respondents** : Power Grid Corporation of India Ltd. & 4 Ors.
- Parties present** : Shri Sudhanshu Choudhari, Advocate, MSETCL
Shri Mahesh Shinde, Advocate, MSETCL
Shri M.G. Ramachandran, Sr. Advocate, MPPTCL
Shri Sajan Poovayya, Sr. Advocate, MSEDCL
Shri Anup Jain, Advocate, MSEDCL
Shri Pratibhanu, Advocate, MSEDCL
Ms. Poorva Saigal, Advocate, MPPTCL
Shri Ganesan Umamathy, Advocate, MPPMCL
Ms. Pavitra Balakrishnan, Advocate, MPPMCL
Shri Dinesh Agarwal, MSEDCL
Shri Dilip Singh, MPPMCL
Shri Vincent D Souza, MPPTCL
Ms. S. Usha, WRLDC
Shri Aditya Das, WRLDC

Record of Proceedings

Case was called out for virtual hearing.

2. Learned senior counsel for MPPTCL made the following submissions:



- a. The matter was heard partly on 13.7.2020 and 15.6.2021.
- b. The Petitioner, MSETCL, was unable to lay a 132 kV transmission line to serve the Dharni area due to Forest and ROW issues. The Petitioner had a 33 kV distribution network joining Dharni from Maharashtra which was not stable and getting affected due to a lot of interruptions. The Petitioner approached MPPTCL with the proposal to lay a 132 kV transmission line from Nepanagar in Madhya Pradesh to Dharni in Maharashtra. Therefore, the instant radial line was envisaged to provide reliable power supply from Nepanagar Sub-station in Madhya Pradesh to Dharni area in Maharashtra. The subject line does not connect to any inter-State or intra-State network of Maharashtra and terminates at Dharni and thereafter it goes to the distribution network.
- c. The power flow from Nepanagar to Dharni is only of MSEDCL and there is no reverse flow of power. The issue that needs to be considered is whether this transmission line should be treated as ISTS and whether it can be put under PoC pool for the utilities of the Western Region.
- d. Approval for commissioning of the 132 kV Nepanagar to Dharni inter-State transmission line was granted in the 33rd WRPC meeting dated 31.1.2017/ 1.2.2017 as per the 38th SCM of WR held on 17.7.2015. In the WRPC meeting, it was further decided that commercial settlement shall be done as per bilateral agreement between the MP Discoms and MSEDCL. Further, in the 33rd WRPC meeting, TCC in principle approved charging of the line on the condition that the line would be operated in radial mode, commercial settlement would be decided as per mutual agreement, the line will be kept idle charged till the commercial settlement is arrived at and the same shall not be treated as ISTS or deemed ISTS and the same was agreed to by MSETCL.
- e. From June 2017, MSETCL started raising the issue for treating the subject line as ISTS and that the transmission charges should be charged to PoC pool.
- f. WRPC came to the conclusion that the matter being contentious in nature needs to be decided by the Commission.
- g. MSETCL has contended that the line connects two States and, therefore, it has to be treated as ISTS. However, the same is contrary to the terms agreed during the 33rd WRPC meeting. Further, the Commission vide order dated 12.6.2019 in Petition No. 24/TT/2018 observed that a radial line being used bilaterally need not be included in PoC. There is no rule that just because a line is connecting two States, transmission charges for the same should be recovered under the Sharing Regulations and should be treated as ISTS.
- h. The Sharing Regulations provides for the definition of “participation factor”. Unless there is utilisation of an asset by other entities, the asset cannot be covered under the Sharing Regulations. Further, in the present case there is no incidental flow of power of anybody else other than MSEDCL. Hundred percent



utilisation of the line is by MSEDCL and there is no average or marginal participation by any other entity.

i. Regulation 7 of the Sharing Regulations clearly demonstrates that the methodology envisaged is also participation based.

j. There is no dispute that the only user of the subject line is MSEDCL and no other State is using the said radial line. There is no connection to CTU network or MSEDCL network at Dharni.

k. MPPTCL extended the facility to MSETCL because of the genuine problems being faced by MSETCL. The overall cost has been incurred by MSETCL.

l. Any dedicated or radial line has to be treated differently because of lack of participation factor. The line is not connected to any other intra/ inter-State transmission system. Further, the Commission in order dated 8.6.2013 in Petition No. 44/TL/2012 has held that point to point connection cannot be considered as an ISTS line unless it is intertwined with intra/ inter-State transmission system.

m. Further, the Commission has the power to relax provisions of regulations under Regulation 20 and 21 of the 2010 Sharing Regulations.

n. In affidavit dated 18.8.2020, the Petitioner has stated that the subject line was commissioned on 10.2.2017 and there is no clarity as to whether the line is intra/ inter-State. Further, MSETCL has also stated that for the 2017-19 period the fixed cost of the asset was considered as a part of ARR of MSETCL.

o. Time was sought to upload the Written Submissions on behalf of MPPTCL.

3. Learned counsel for MPPMCL also sought time to file Written Submissions in the matter.

4. Learned counsel for the Petitioner submitted that Section 2(36) of the Electricity Act, 2003 ('the Act') has to be read with Section 2(42) of the Act which makes it clear that it is not a radial line. There is no difference between main or radial transmission network in the Act. The Commission vide order dated 21.7.2018 in Petition No. 237/TT/2016 has granted ISTS status to all 38 transmission lines of AP TRANSCO which acknowledges the fact that Section 2(36) of the Act does not differentiate between meshed or radial network. He further submitted that WRPC meetings clearly demonstrate that the Petitioner was not in agreement with MPPTCL. He further prayed for time to file short note in the matter.

5. Learned senior counsel for MSEDCL submitted that in the 33rd meeting of WRPC, MSETCL did not raise objection about the status of subject line as ISTS. However, in the 34th meeting of WRPC, the members unanimously agreed that the line is a natural ISTS but because the line is owned by MSETCL, it was for MSETCL to decide whether



it wants to be an inter-State transmission line or intra-State. In the 36th WRPC meeting, MPPTCL submitted that the line naturally qualifies as ISTS, but since the power is flowing in radial mode, the line should not be made an ISTS. However, MPPTCL further added that if the line was to be declared an ISTS, it should also get transmission charges for intervening network. He also relied on order dated 21.7.2018 in Petition No. 237/TT/2016. He further sought time to file a short note of written submissions.

6. The Commission directed the parties to file their respective Written Submissions by 10.12.2021. The Commission observed that the parties should comply with the above direction within the specified timeline and observed that no extension of time shall be granted.

7. Subject to above, the Commission reserved order in the matter.

By order of the Commission

sd/-
(V. Sreenivas)
Deputy Chief (Law)

