

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 276/TT/2019

Coram:

**Shri P.K. Pujari, Chairperson
Shri I.S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of Order: 09.06.2022

In the matter of:

Approval under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 read with Central Electricity Regulatory Commission (Terms & Conditions of Tariff) Regulations, 2014 for determination of transmission tariff for the period from 1.4.2014 to 31.3.2019 in respect of Combined Asset of (1) LILO of 400 kV S/C Vindyachal-Korba transmission line, (2) 400 kV D/C Gandhar-Hazira transmission line and (3) 400/220 kV GIS Sub-station at Hazira (Stage-I of transmission assets of Essar Power Transmission Company Limited) being part of the ISTS System in Western Region.

And in the matter of

Essar Power Transmission Company Limited (EPTCL),
Lower Ground Floor, Hotel Conclave Boutique,
A-20, Kailash Colony,
New Delhi – 110048.

.... Petitioner

Versus

1. Essar Power M. P. Limited (EPMPL),
Lower Ground Floor, Hotel Conclave Boutique,
A-20, Kailash Colony,
New Delhi – 110048.
2. Power Grid Corporation of India Limited,
"Saudamini", Plot No.2, Sector-29,
Gurgaon -122001.
3. Power System Operation Corporation Limited (POSOCO),
National Load Despatch Centre,
B-9, Qutab Institutional Area, Katwaria Saral,
New Delhi – 110016.
4. Western Region Power Committee (WRPC),



F-3, MIDC Area, Marol, Opposite: SEEPZ, Central Road, Andheri East, Mumbai – 400093.

5. Essar Steel India Limited (ESIL),
27th KM on Surat – Hazira Road, Hazira District,
Surat – 394270.
6. Madhya Pradesh Power Management Company Limited (MPPMCL),
Block No.11, Shakti Bhawan, Vidyut Nagar,
Jabalpur – 482008.

....Respondents

For Petitioner : Shri Alok Shankar Advocate, EPTCL

For Respondents : None

ORDER

The Petitioner, Essar Power Transmission Company Limited (EPTCL), has filed the instant petition for determination of transmission tariff of Combined Asset of (1) LILO of 400 kV S/C Vindiyachal-Korba transmission line, (2) 400 kV D/C Gandhar-Hazira transmission line and (3) 400/220 kV GIS Sub-station at Hazira (Stage-I of transmission assets of Essar Power Transmission Company Limited) being part of the ISTS System in Western Region (hereinafter collectively referred to as “the transmission assets under Stage-I”) for the period from 1.4.2014 to 31.3.2019 in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “ the 2014 Tariff Regulations”).

Background

2. The brief background of the matter is as follows:

- (a) EPTCL was granted transmission licence vide order dated 10.4.2008 in Petition No. 157/2007 to develop transmission system associated with Mahan Thermal Power Plant (TPP) vide License No. 4/Transmission/ CERC dated 8.10.2008. The scope of work under the transmission system for which transmission license was granted to the Petitioner vide order dated 10.4.2018



in Petition No. 157/2007 is as follows:

A. Transmission lines

- a) 400 kV D/C (quad conductor) transmission line from Mahan to Sipat Pooling sub-station: Approximate line length 315 km.
- b) LILO of existing 400 kV S/C Vindyanchal-Korba transmission line of PGCIL at Mahan: Approximate line length 20 km.
- c) 400 kV D/C (twin conductor) transmission line from Gandhar NTPC switch yard to Hazira: Approximate line length 97 km.

B. Sub-stations

- a) 3X500 MVA, 400/220kV sub-station at Hazira
- b) 2x50 MVAR line reactors at Sipat Pooling Sub-station
- c) 2x50 MVAR line reactors at Mahan
- d) 1x80 MVAR, 420 kV Switchable bus reactors at Mahan TPS along with its associated 400 kV bay
- e) 2 numbers 400 kV line bays at Sipat Pooling Sub-station
- f) 2 numbers 400 kV line bays at Gandhar (NTPC) switchyard
- g) 4 numbers 400 kV line bays at Mahan TPS

(b) The assets covered in the transmission licence were put into commercial operation by the Petitioner in two stages i.e. Stage-I and Stage-II. The Stage-I assets were put into commercial operation on 1.4.2013 and Stage-II assets on 22.9.2018. The details of the transmission assets under Stage-I and Stage-II are as follows:

Stage-I		
I	Transmission Lines	Length (in km)
1	400 kV D/C Twin conductor Transmission Line from Gandhar NTPC switchyard to Hazira	104.60
2	LILO of 400 kV S/C Vindhyanchal-Korba Transmission Line at Mahan	22.40
II	400/220 kV GIS Sub-station at Hazira	Number of bays
1	500 MVA (400 kV / 220 kV) transformers at Hazira	3
2	220 kV Bays at Hazira	2
3	440 kV S/S & line bays (GIS) at Hazira	5
4	400 kV line bays (GIS) at Gandhar	2



Stage-II		
I	Transmission Lines	Length (in km)
1	400 kV (Quad Moose Conductor) D/C Transmission Line from Mahan Thermal Power plant to Sipat Pooling Sub-station	336.50
II	Line Bays	Units (in Number)
1	400 kV line bays at Mahan and Sipat	4
III	Reactors	Units (in number)
1	50 MVAR line reactor at Sipat Pooling Sub-station	2
2	50 MVAR line reactors at Mahan TPP	2
3	80MVAR bus reactor at Mahan TPP	1

(c) The Petitioner claimed tariff for Stage-I transmission assets from COD to 31.3.2014 in Petition No.173/TT/2013 and truing-up of 2009-14 period in Petition No.111/TT/2015. The petitions were disposed of *vide* combined order dated 15.6.2016, granting tariff for the transmission assets under Stage-I. Aggrieved with the order dated 15.6.2016, the Petitioner filed Review Petition No. 33/RP/2016 and the Commission *vide* order dated 28.2.2018 disposed of the Review Petition No. 33/RP/2016. The Petitioner has filed an Appeal against the order dated 28.2.2018 before the Appellate Tribunal for Electricity (APTEL) and the same is pending adjudication.

(d) The details of other petitions filed under the subject Project for 2014-19 tariff period is as follows:

Sr. No.	Asset	COD	Petition No.
1	Determination of tariff of 2014-19 tariff period for transmission assets covered under Stage I consists of Combined Assets of LILO of 400 kV S/C Vidhyanchal-Korba Transmission Line and 400 kV D/C Gandhar-Hazira Transmission Line and 400/220 kV GIS Sub-station at Hazira and associated bays.	1.4.2013	Covered under instant petition
2	Determination of tariff from COD to 31.3.2019 of transmission assets covered under Stage II consisting of 400 kV D/C Quad Moose Transmission Line from Mahan Thermal Power Plant-Sipat Pooling Sub-station and associated bays.	22.9.2018	Covered under order dated 14.3.2022 in Petition No. 145/TT/2018



Issues related to discontinuation of LILO of 400 kV Vindhyachal-Korba S/C Transmission Line of PGCIL at Mahan

3. Essar Power MP Limited filed Petition No. 10/MP/2018 seeking continuation of interim LILO arrangement of 400 kV Vindhyachal-Korba Transmission Line at Mahan Super Thermal Power Station (in short, 'LILO') beyond 20.1.2018. The Commission vide order dated 19.1.2018 observed as follows:

"10. Keeping in view the decision in the minutes of the meeting in CEA held on 5.1.2018, we direct the Petitioner to ensure completion of the Mahan-Sipat line by 31.3.2018. Till that time, status quo shall be maintained. If the transmission line is not commissioned by the Petitioner on or before 31.3.2018, CTU shall take immediate necessary action for disconnection of the LILO arrangement with effect from 1.4.2018.

11. The Petitioner is directed to submit the fortnightly progress report of the execution of transmission line."

4. PGCIL filed Petition No. 132/MP/2018 seeking continuation of LILO subject to completion of 400 kV D/C Mahan-Sipat Transmission Line by the Petitioner. The Commission vide order dated 21.1.2020 observed as follows:

"27. On perusal of submissions of the Petitioner and Respondent MPPMCL and reply of the Petitioner to the queries of the Commission vide RoP dated 20.12.2018, we observe that though LILO was considered to be only a temporary element at inception, subsequent system studies suggest that the LILO may be continued as a permanent element in order to enhance grid stability. While hearing the plea of the Respondent 1 and 2 to make the LILO a permanent element, APTEL had granted liberty to Respondents 1 and 2 to approach appropriate legal forum vide its order dated 27.03.2018. The prayer of the Petitioner in this Petition is "... continuation of the LILO till finalization of suitable alternatives (if any) as may be identified through system studies to address the high short circuit level issue". Thus, the Petitioner is similar to that for which liberty was granted to the Respondents 1 and 2 by APTEL.

29. Keeping in view the fact that the Petitioner has stated that the 400 kV Essar Mahan to Sipat requires additional anchoring and that CEA, CTU, WRPC, Respondents 1 and 2 in a meeting held on 28.06.2017 agreed that the LILO would help to take care of oscillations in the grid under outage of one circuit of Mahan TPS Bilaspur pooling station 400 kV D/C line, we agree to the request of the Petitioner to continue the LILO for a further period of six months. However, since the current system studies point out that due to LILO, there is increase in fault level at Vindhyachal, the Petitioner is directed to complete the system studies within two months, deliberate the same in WRPC, discuss with CEA and take appropriate action for rectifying the fault level and submit a report to the Commission along-with copy of the system studies and deliberations for taking an appropriate view with regard to the continuance or otherwise of the LILO.

30. MPPMCL has submitted that continuation of LILO as a permanent element would burden the beneficiaries with the additional PoC charge of LILO of Vindhyachal – Korba



400kV S/c line at Mahan TPS. We observe that Essar Mahan has already relinquished its full LTA as on 30.4.2018 as noted in Order dated 7.10.2019 in Petition No. 187/MP/2017. We also observe that the instant LILO line is the dedicated line of Essar Mahan. Accordingly, the generating station is liable to pay transmission charges for same.....

Accordingly, till the Commission takes a final view as per para 29 above, the Respondent No.1 will be liable to pay the transmission charges for the instant LILO line.”

5. Due to increase in fault level at Vindhyachal due to the LILO, the Commission also directed, vide order dated 21.1.2020, CTU to complete system studies and submit a report to the Commission along with copy of the system studies and deliberations so as to enable the Commission to take an appropriate view with regard to continuance or otherwise of the LILO. The Commission also held that till a final view on the issue is taken, EPMP shall bear the transmission charges of the LILO.

6. Subsequently, in the 2nd Meeting of the Validation Committee for the year 2020-21 held on 29.5.2020 for implementation of the 2010 Sharing Regulations it was decided to exclude the Stage-I transmission assets from the PoC mechanism. The relevant minutes of the meeting are as follows:

“(v) As per CERC Order dated 20.01.2020 in Petition no: 132/MP/2018, CERC had directed M/s Essar Power Ltd. to pay transmission charges for LILO of 400kV Vindhyachal-Korba at Essar Mahan. Thus, YTC of LILO of 400kV Vindhyachal-Korba at Essar Mahan is to be excluded from POC sharing mechanism. However, CERC Tariff Order has no separate tariff for the said asset. The tariff was approved along with other assets (GIS S/s at Hazira and 400kV Hazira-Gandhar line vide CERC Order dated 19.12.18 in Petition No. 173/TT/2013 and 111/TT/2015.). The issue has been discussed in Validation Committee meeting. It was opined that in the absence of exclusive tariff for the LILO asset, the same cannot be excluded separately. Hence, it was decided to exclude entire tariff of the combined assets (i.e tariff for LILO of 400 kV Vindhyachal- Korba at Essar Mahan, GIS S/s at Hazira and 400kV Hazira-Gandhar line) from the POC computations in line with CERC Order dated 20.01.2020. Also, Implementing Agency was directed to inform M/s EPTCL to approach Commission to get the tariff of the LILO of 400kV Vindhyachal-Korba at Essar Mahan in appropriate time so that it can be excluded from the computations.”

7. The Petitioner filed Petition No. 92/MP/2021 for resumption of tariff payment of Stage-I transmission assets. Later, the Petitioner filed IA No. 32/IA/2021 in Petition



No. 92/MP/2021, seeking directions for payment of provisional tariff for the transmission assets under Stage-I (excluding the LILO), from the PoC pool from July 2020 with interest. The Petitioner has further submitted that the capital cost of the LILO is about 7.25% of the approved capital cost of the entire assets under Stage-I. The Commission vide order dated 4.6.2021 in IA No. 32/IA/2021 in Petition No. 92/MP/2021 allowed provisional tariff till disposal of Petition No. 92/MP/2021. The relevant portion of the order dated 4.6.2021 is as follows:

“21. The Commission vide its order dated 15.6.2016 read with Orders dated 28.2.2018 in Review Petition No. 33/RP/2016, dated 19.12.2018 in Petition No. 173/TT/2013 and Petition No. 111/TT/2015 had determined the transmission tariff for the year 2013-14 of the 2009-14 tariff period and trued-up the Annual Fixed Cost in respect of assets under Stage-I

24. However, we recognise that this tariff was granted for the year 2013-14. Considering the reduction in the loan component and recovery of depreciation during the intervening period, it would be appropriate to fix the provisional tariff at 90% of Rs. 73.97 crore, which works out to Rs. 66.537 crore.

25. Accordingly, we direct that the Petitioner shall be entitled to receive provisional transmission charges corresponding to Rs. 66.53 crore from the ISTS transmission charges Pool under CERC (Sharing of inter-State transmission charges and losses) Regulations, or the CERC (Sharing of inter-State transmission charges and losses) Regulations, 2020, as applicable, till the disposal of the Petition No. 92/MP/2021.”

8. As stated above, the Commission vide order dated 21.1.2020 in Petition No. 132/MP/2018 had directed CTUIL to conduct a study regarding the increase in fault level at Vindhyachal owing to the LILO. The said study was to be deliberated before WRPC and discussed with CEA. CTUIL vide its letter dated 20.4.2021 furnished the study. Subsequently, WRPC has filed its report vide its letter dated 9.11.2021, based on discussions carried out at WRPC and CTUIL has filed report dated 19.1.2022 after due consultations at WRPC in Petition No.92/MP/2021.

9. Taking into consideration the report filed by CTUIL, the Commission vide order dated 1.6.2022 in IA No. 4/IA/2022 in Petition No. 92/MP/2021 directed to open



(disconnect) the LILO within 15 days of the issue of the order. The relevant portion of the order dated 1.6.2022 is as follows:

“21. We observe that as per the Report dated 19.1.2022 of CTU and Report dated 9.11.2021 of WRPC, continuation of interim LILO is leading to increase in fault level at Vindhyachal, higher voltages and issues in downstream system of Chhattisgarh. We direct that as recommended by WRPC and CTU vide its report dated 19.1.2022 based on system studies, the LILO shall be opened within 15 days of issue of this Order, if not already opened. The modalities of opening of LILO and design of suitable SPS arrangement shall be as finalized in the WRPC forum in its meeting held on 23.12.2021.

22. The Petitioner in the instant application has prayed to treat LILO as a permanent arrangement and recover tariff from the POC pool and restore the entire tariff disbursement to EPTCL for stage-1 assets from the POC pool. We observe that in light of directions for disconnection of LILO based recommendations of WRPC and CTU at paragraph 21 of this Order, the prayers of the Petitioner does not survive. The Petitioner shall recover tariff in terms of our Order dated 21.1.2020 in Petition No. 132/MP/2018 till disconnection of LILO from Essar Power M.P. Limited. Further unrecovered amount, if any, shall be recovered by the Petitioner from the generating station Essar Power M.P. Limited.”

10. The instant petition has been filed for determination of tariff of 2014-19 tariff period of the Stage-I transmission assets including the LILO. In view of the Commission’s direction in order dated 1.6.2022 for disconnection of the LILO, the tariff claim made by the Petitioner in the instant petition needs to be revised by deducting the capital cost of the LILO from the capital cost of the transmission assets of Stage-I. Accordingly, the Petitioner has to file revised tariff forms deducting the capital cost of the LILO.

11. The Petitioner is likely to take some time to file revised tariff forms. The instant petition has been pending since 2019 and we do not want to keep it pending any further. Accordingly, we dispose of the instant petition and the Petitioner is directed to file a fresh petition within 30 days of issue of this order revising the capital cost of the transmission asset as stated above.



12. The filing fee paid by the Petitioner in the instant petition will be adjusted towards the petition that shall be filed by the Petitioner. Further, the provisional tariff approved by the Commission vide order dated 4.6.2021 in IA No. 32/IA/2021 in Petition No. 92/MP/2021 shall continue to be valid till further directions.

13. This order disposes of Petition No. 276/TT/2019 in terms of the above discussion and findings.

sd/-
(P. K Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(P. K. Pujari)
Chairperson

