

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 57/MP/2022**

**Coram:**

**Shri I.S. Jha, Member**

**Shri Arun Goyal, Member**

**Shri P.K Singh, Member**

**Date of Order: 23.09.2022**

**In the matter of:**

Petition for approval of Central Electricity Regulatory Commission for inclusion of 220 kV D/C Charor- Banala Transmission line of H.P. Power Transmission Corporation Limited under PoC mechanism for recovery of transmission charges under Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020

**And**

**In the matter of:**

H.P. Power Transmission Corporation Limited  
Himfed Bhawan, Panjari,  
Shimla-171005

**.....Petitioner**

**Versus**

M/S Everest Power Private Limited,  
C/o Greenko Group,  
15<sup>th</sup> Floor, Hindustan Times Building,  
18-20, K.G. Marg, Connaught Place,  
New Delhi-110001

**...Respondent**

**Parties Present**

Shri Anand K Ganesan Advocate, HPPTCL

Shri Amal Nair, Advocate, Rajasthan Discoms

**ORDER**

H.P. Power Transmission Corporation (hereinafter to be referred as ‘the Petitioner’) has filed the present petition for inclusion of 220 kV D/C Charor-Banala Transmission Line (“transmission line”) under PoC mechanism and recovery of transmission charges under Central Electricity Regulatory Commission (Sharing of

Inter-State Transmission Charges and Losses) Regulations, 2020 (2020 Sharing Regulations”). The Petitioner has made the following prayers:

- “
- a) *Admit the instant Petition.*
  - b) *Approve the request of HPPTCL to include the instant asset in PoC mechanism for recovery of transmission charges of the instant asset.*
  - c) *Allow for recovery of payment made for filing of instant Petition and Petition filed before Hon’ble HPERC.*
  - d) *Pass suitable directions, with regard to the Appropriate Commission which shall determine the true up of the instant asset.*
  - e) *And pass such other relief as Hon’ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”*

### **Submissions of the Petitioner**

2. H.P. Power Transmission Corporation Limited has been declared as State Transmission Utility (STU) vide notification dated 10.6.2010 by the Government of Himachal Pradesh and as a result thereof the H.P. Electricity Regulatory Commission (HPERC) recognized the Petitioner as deemed “Transmission Licensee”.

3. The State Government also transferred and vested in the Petitioner ownership, operation and maintenance of Transmission lines of 66 kV and above earlier owned by the Himachal Pradesh State Electricity Board Limited (HPSEBL) including the co-ordination of the lines owned and operated by Power Grid Corporation of India, (PGCIL), Independent Power Producers (IPPs), Haryana Vidyut Prasaran Nigam Limited (HVPNL) and Punjab State Electricity Board (PSEB) vide its notification No. MPP-A (3)-1/2001-IV, dated 21 June, 2010 read with earlier notification of even number dated 10 June, 2010.

4. As per notification dated 21.6.2010 by the Government of Himachal Pradesh, 15 No. of transmission lines were vested with the Petitioner, out of which following three transmission lines are inter-state transmission systems:

S. No.	Name of the Line	Type of Line	S/C or D/C	Voltage Level (kV)	Length (km)	Capital Cost (Rs. Lakh)	Maximum Power Flow (MW)
1	220 kV Jassure-Ranjitsagar Line	AC	S/C	220	25.60	2114.33	34
2	220 kV Majri-Khodri Line	AC	D/C	220	35.02	3674.43	132
3	220 kV Kunihar-Panchkula Line	AC	D/C	220	46.72	2520.23	224

5. Apart from the above referred 3 inter-state transmission lines, which were transferred from erstwhile HPSEB, the Petitioner had developed certain transmission systems which were incidental to inter-state transmission of power and one of such transmission scheme was 220/33 kV, 50/63 MVA GIS Substation at Karian & 220 kV Transmission line from Karian to Chamera-II associated with 220 kV system for Northern Grid considering that the transmission scheme will evacuate power developed from Hydro and other generation within the State of Himachal Pradesh to PGCIL's 220 kV Pooling Station which will evacuate power through PGCIL's Jalandhar line.

6. Considering the inter-state flow of power of the above scheme and in compliance to Commission's Order dated 14.3.2012 in Petition No. 15/SM/2012 wherein the Commission had directed 35 owners of inter-state transmission lines connecting two states to file the appropriate applications for determination of tariff, the Petitioner had filed a Petition (550/TT/2014) before this Commission seeking determination of tariff of the above transmission system anticipating to be Commissioned by December, 2014. The Commission vide its Order dated 23.9.2015

granted liberty to file a fresh Petition for inclusion of the line in PoC computation after the Commercial Operation of the lines and approval of the tariff of the instant asset by the State Commission and further directed to obtain a certificate from the NRPC to the effect that the instant assets are being used for inter-state transmission of power.

7. The Commission vide its Regulation 7(1) (n) of CERC (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended on April 1, 2015 i.e. Third Amendment also specifies for the certification from NRPC.

8. The asset under consideration for this Petition before the Commission is a 220 kV transmission line from Charor to Banala substation of PGCIL. The Petitioner's Board of Director had approved the proposal for construction of 220 kV D/C Charor-Banala transmission line in the 15<sup>th</sup> Board Meeting held on 22.5.2012. Thereafter, CEA accorded its approval on the Detailed Project Report (DPR) submitted vide letter dated 5.6.2012.

9. Further, details of the transmission scheme are as follows:

Name of the Line	Type of Line	S/C or D/C	No. of Sub-Conductor	Voltage Level (kV)	Line Length (Ckt. km)	Line Length (km)	CoD
220 kV D/C Transmission line from Charor to 400/220kV Banala Substation of PGCIL	AC	D/C	Twin Moose Conductor	220	2x18	18	July 24, 2019 (Energization date)

10. The above project was envisaged to evacuate 289 MW of power from HEPs in Parvati Valley including Malana-II (100MW). The project was also envisaged to improve the reliability and redundancy of the system to evacuate power in case of outage of any of the transmission lines owing to any unforeseen conditions. The works

of above project were to be started in the month of August 2015 and were to be completed in 18 months from thereon. However, owing to various factors the project was energized on no load on 24.7.2019.

11. Even though the asset was envisaged to evacuate 289 MW of power from Small HEPs in Parvati Valley including Malana-II (100MW), currently Malana-II of M/s Everest Power Private Limited is the only beneficiary of the transmission system since most of the Small HEPs are under various stages of construction and some of SHEPs which are Commissioned are not connected to the instant transmission line as Transmission system till the connection point of instant asset are under construction. Currently, the power of SHEPs which are commissioned is being evacuated through HPSEBL system.

12. As per Minutes of Meeting of 32<sup>nd</sup> TCC and 36<sup>th</sup> NRPC Meeting held on 23<sup>rd</sup> & 24<sup>th</sup> December 2015, a transmission line would be construed as inter-state line only if average utilization for inter-state purposes based on the studies for 2<sup>nd</sup> (July-September) and 4<sup>th</sup> (January to March) quarter comes out to be more than 50 %. The studies based on 2<sup>nd</sup> and 4<sup>th</sup> quarter for a particular year will be used for certification of state-owned lines as inter-state lines for next year.

13. In the case of instant asset, even though the asset was energized in the month of July 2019 on no load and the actual power flow in the line only started in the month of December 2019. Accordingly, in the absence of data of Q2 of FY 2019-20, the Petitioner could not apply for certification for the year FY 2020-21 and had to wait till the availability of complete actual data of Q2 and Q4.

14. Since the above methodology of actual data would take time and there shall be no recovery of tariff till the certification and approval of the ARR by the appropriate Commission and also considering that the line was envisaged for power evacuation with no drawal points or interfaces of distribution work and other intra-state transmission system, even before the energization date of the above project, HPPTCL had approached NRPC in 42<sup>nd</sup> TCC & 45<sup>th</sup> NRPC Meetings held on 7<sup>th</sup> & 8<sup>th</sup> June 2019 for certification of the above asset as deemed inter-state line.

15. In the above meeting TCC pointed out that as per CERC (Sharing of Inter State Transmission Charges and Losses) (Third Amendment) Regulations, 2015 , the line shall be certified based on actual flow of power and accordingly was advised to wait till the commissioning of the line and thereafter submit their request for certification of line which would require that the data of previous year (Q2 and Q4) and the line could only be certified during the next years.

16. In the aforesaid meeting, NRPC requested the Petitioner to submit their request to NRPC Secretariat after commissioning of the line and NRPC would act on the same accordingly. Subsequent to the above, the Petitioner, in the subsequent meeting i.e., 43<sup>rd</sup> TCC & 46<sup>th</sup> NRPC Meetings held on 23<sup>rd</sup> & 24<sup>th</sup> September 2019 also raised the similar issue and it was again advised to file the request for certification before NRPC with actual data for two quarters.

17. Subsequently, the Petitioner filed a Petition for approval of capital cost and ARR for the period from 24.7.2019 till FY 2023-24 before the HPERC in the month of May 2020 after the availability of the audited capital cost figures. In the said Petition, the Petitioner had submitted the relevant rulings of this Commission and the references of applicable Regulations with regard to certification of non-ISTS lines and jurisdiction of

approval of ARR by the State Commission. The HPERC admitted the instant Petition and performed the prudence check of the claims of capital cost and ARR. HPERC in its order dated 12.08.2021, considered the following:

- a) Charor-Banala line has been capitalized and is being utilized for energy flow and delay in ARR shall lead to financial difficulties to HPPTCL,
- b) HPPTCL has already approached NRPC for ascertaining the nature of the asset which would help the HPPTCL in resolving the issue of recovery of the cost from respective beneficiaries in an appropriate manner, and;
- c) The responsibility of determination of ARR for such incidental inter-state assets rests with the State Commission,
- d) HPERC has undertaken detailed prudence check of the capital cost of Charor-Banala line and determination of ARR for the Control Period till FY 2023-24.

18. Subsequently, after the prudence check of the claims made the Petitioner, the HPERC vide Order dated 12.8.2021 approved Annual Transmission Charges are as under: **ARR claimed and approved for the Charor Banala Transmission Line**

Particular	FY 2019-20		FY 2020-21		FY 2021-22		FY 2022-23		FY 2023-24	
	(Rs. Lakh)		(Rs. Lakh)		(Rs. Lakh)		(Rs. Lakh)		(Rs. Lakh)	
	Claim ed	Appro ved	Claim ed	Appro ved	Claim ed	Appro ved	Claim ed	Appro ved	Claim ed	Appro ved
O&M	34.70	3.38	76.42	7.04	78.37	7.27	80.39	7.54	82.48	7.82
Depreciation	227.58	166.40	330.53	341.58	330.53	341.58	330.53	341.58	330.53	341.58
Interest on Loan	361.39	265.49	524.88	523.86	489.98	489.71	454.89	455.55	419.90	421.39
Interest on Working Capital	17.64	11.72	26.37	21.84	25.79	19.71	25.21	19.14	24.63	18.57
Return on Equity	323.55	159.78	469.92	320.44	469.92	320.44	469.92	320.44	469.92	320.44
<b>ARR</b>	<b>964.86</b>	<b>606.78</b>	<b>1428.12</b>	<b>1214.76</b>	<b>1394.49</b>	<b>1178.72</b>	<b>1360.94</b>	<b>1144.26</b>	<b>1327.46</b>	<b>1109.80</b>

19. However, with regard to the recovery of transmission charges, HPERC ruled as follows:

*“4.8.4 As discussed in the section ‘Energy Flow and Nature of the Asset’ above, it is observed that the final status update from NRPC is still awaited with respect to the nature of the asset. The Petitioner itself has submitted that the final approval to establish the nature of asset is expected from NRPC. Therefore, it cannot be established currently whether the Charor-Banala line is inter-state or intra-state. Therefore, the Commission directs the Petitioner to follow-up with NRPC in an expeditious manner as power is already being wheeled since December 2019 and the requisite information has already been submitted as per the submission of Petitioner.*

*4.8.5 The Petitioner is directed to take up the matter of recovery of the line under PoC mechanism with CERC in case the Charor-Banala line is declared as inter-state by NRPC. In case of denial of inter-state status, the recovery of the approved ARR is required to be undertaken as per Clause 33 of HPERC MYT Transmission Regulations, 2011:*

*“33. Allocation of Transmission Service Charge and Losses*

*(1) The Annual Transmission Service Charge (ATSC) shall be shared between the long and medium term customers of the transmission system on monthly basis based on the allotted transmission capacity or contracted capacity, as the case may be.”*

*..”*

20. Simultaneous to the tariff proceedings before the HPERC, the Petitioner vide its letter dated 6.8.2020 had requested a study for certification of the above asset stating that there were no drawal points/transmission/sub-transmission/ distribution feeders connected at 220/132 kV Charor Substation of EPPL or even at 400/220 kV Banala Substation. HPPTCL further submitted that it is requesting the study for certification as deliberated in 43<sup>rd</sup> TCC and 46<sup>th</sup> NRPC meeting and the line will be completing one year of operation on December 2020.

21. In reply to the Petitioner’s letter dated 6.8.2020, NRPC vide its letter dated on August 24, 2021 replied that study for certification of the asset for 2020 could not be



conducted due to unavailability of data for two quarters and also stated that the work of certification of non-ISTS lines was withdrawn with the effect from notification of CERC (Sharing of ISTS Charges and Losses) Regulations, 2020 from November 11, 2020. Relevant extracts of the letter dated August 24, 21 are as follows:

*“HPPTCL vide e-mail dated 06.08 2020 had requested NRPC Secretariat for carrying out study for certification of non-ISTS 220 kV Chhaur-Banala transmission line. It was informed that the said line is evacuating power since December 2019.*

*As per the provisions of CERC (Sharing of ISTS Charges and Losses) Regulations (3<sup>rd</sup> amendment) 2015, NRPC had been certifying the non-ISTS lines of NR. In this regard, methodology as approved in the 36<sup>th</sup> NRPC meeting had been adopted in which average utilisation of line by considering the power flow scenario of Q2 and Q4 of preceding year was assessed. However, as 220kV Chhaur-Banala line was charged in December 2019 the required study could not be conducted in 2020 due to unavailability of data for two quarters.*

*Moreover, before conducting the study, CERC (Sharing of ISTS Charges and Losses) Regulations, 2020 came into force with effect from 01.11.2020 and the work of non-ISTS line certification by RPCs was withdrawn.*

*In view of the above, HPPTCL may kindly approach CERC for getting the certification of their 220kV D/C Chhaur-Banala.”*

22. From the above letter, the Petitioner was informed to approach the Commission for getting the certification of the instant asset as inter-state asset considering that the CERC (Sharing of Inter-State Charges and Losses) Regulations, 2020 (hereinafter referred to as CERC Sharing Regulations, 2020) which came in to effect from November 11, 2020 does not provide the mechanism for certification by RPC.

23. The issue of non-clarity of provisions with regard to certification of intra state lines by RPC was pointed out by some of the Utilities during the finalization of Draft Regulations and the same were explicitly recorded in the Statement of Reasons

provided along with the notified CERC Sharing Regulations, 2020. As per this SOR, the Commission had specifically decided that the tariff for the intra-state schemes which are used for inter-state flow of power shall be approved by this Commission if such system is to be considered for recovery of transmission charges under the Sharing Regulations, 2020.

24. Accordingly, the Petitioner, through this Petition pleads to include the instant asset under PoC mechanism for recovery of transmission charges considering that the entire power flow from the line is going out of the State of Himachal Pradesh.

#### **Hearing dated 10.3.2022**

25. The matter was listed for hearing on 10.3.2022. After hearing the leaned counsel for the Petitioner, the Commission reserved the order on admissibility. The relevant extracts of RoP dated 10.3.2022 is as under:

*“2. The learned counsel for the Petitioner submitted that the instant petition has been filed for approval of the Commission for inclusion of 220 kV D/C Charor-Banala Transmission Line („transmission line“) under PoC mechanism and recovery of transmission charges under Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (2020 Sharing Regulations)”. She submitted that the transmission line was energised on “no load” in July, 2014 and the power started flowing in December, 2019, when the 2010 Sharing Regulations are applicable. The Petitioner had filed a petition for approval of capital cost and ARR for the period from 24.7.2019 till 31.3.2024 before Himachal Pradesh Electricity Regulatory Commission (HPERC) in May, 2020. HPERC vide order dated 12.8.2021 approved the capital cost and annual transmission charges. However, as regards the recovery of transmission charges, HPERC observed that the nature of asset is not clear and it cannot be established whether the transmission line is inter-state or intra-state transmission line. Accordingly, directed the Petitioner to follow-up with NRPC regarding the nature of the asset and take up the matter of recovery of the line under PoC mechanism with the Commission in case the transmission line is declared as inter-State transmission line by NRPC. NRPC vide letter dated 24.8.2021 informed the Petitioner that as per the 2020 Sharing Regulations there is no provision of certification of non-ISTS lines and the Petitioner may approach the Commission for the same.*

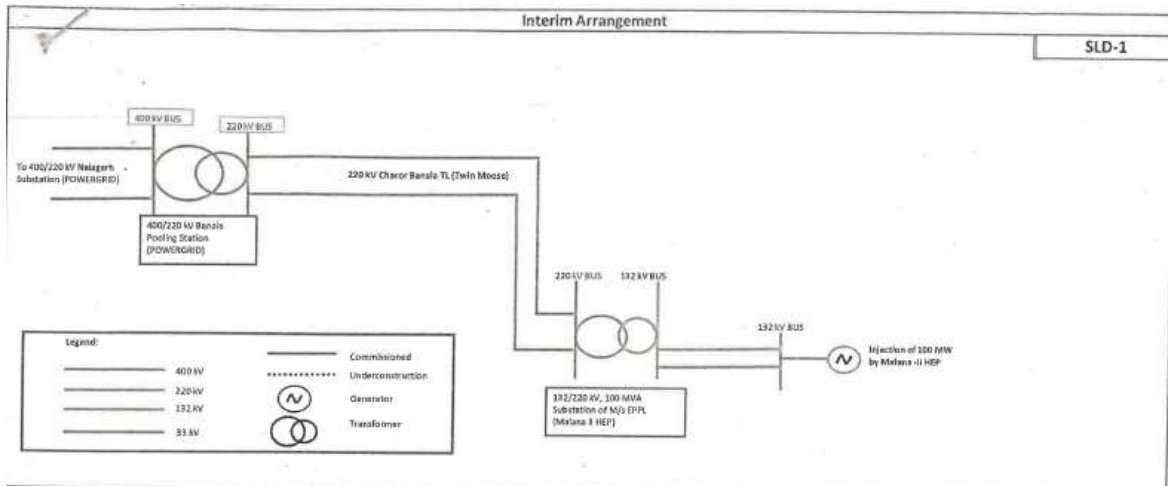
3. In response to a query of the Commission regarding as to why the said transmission line was constructed by STU, if the same is an inter-State transmission line, learned counsel for the Petitioner submitted that it is a 220 kV transmission line and usually CTUIL ask the STU to construct such transmission lines. She submitted that said issue was also taken up at the time of drafting of 2020 Sharing Regulations wherein Petitioner objected to the proposal to discontinue the certification of the inter-State lines as part of ISTS. The Petitioner is constructing number of power plants whose power will be transmitted outside the State of Himachal Pradesh and these projects have been designed considering them as part of inter-State transmission system. The transmission line was planned for evacuation of power within H.P. Thereafter, the EPPL entered into long term PPA with Goa. Thus, 50% of the power is flowing outside the state hence, NRPC is required to certify the transmission line as an ISTS line. She further requested the Commission to implead NRPC as a party in the instant matter.

4. The Commission directed the Petitioner to submit the complete schematic diagram of the instant transmission line along with its associated intra and inter-State transmission system on affidavit by 31.3.2022 with a copy to the Respondent. The Commission also directed NRPC to submit its comments on the nature of the transmission line on affidavit by 31.3.2022 with a copy to the Petitioner and Respondents.

5. After hearing the learned counsel for the Petitioner, the Commission reserved the order on admissibility of the petition.

26. In compliance of RoP dated 10.3.2022, the Petitioner has furnished the requisite information as under:

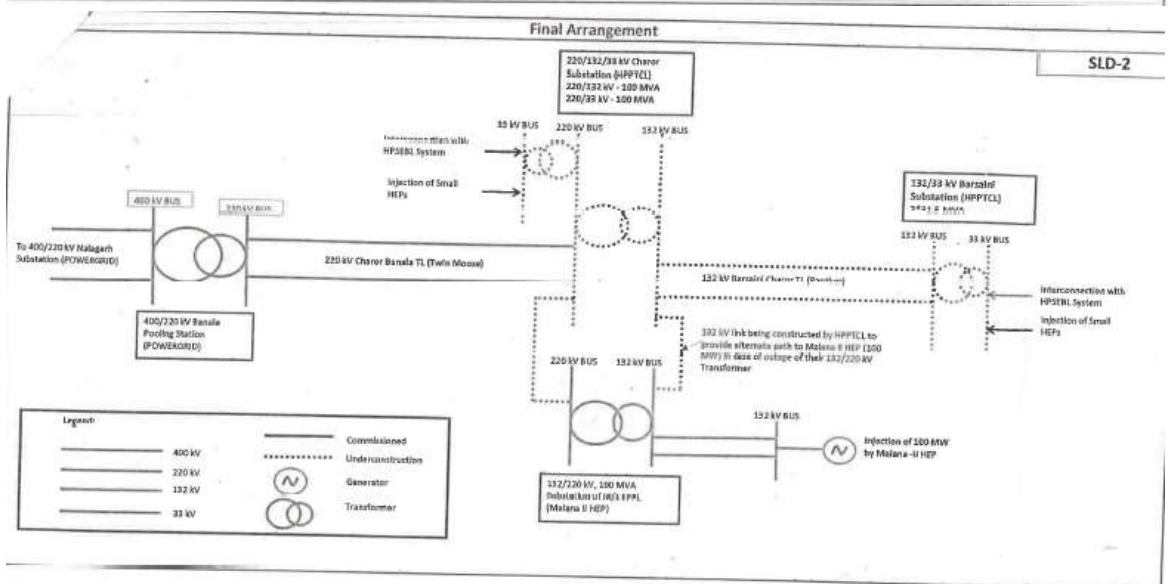
a) Schematic diagram of the instant transmission line along with its associated intra and intra-state transmission system (interim arrangement and final arrangement) is as follows:



**Note:**

1. Present Interim arrangement:  
The 220 kV D/C Charor Banala Transmission line has been commissioned and the line has been terminated at the 220 kV Bus of 220/132 kV, 100 MVA Substation of M/S EPPL for evacuating the power of Malena II HEP (100 MW) as indicated in SLD-1 (Interim Arrangement).

2. Final arrangement:  
After the completion of 220/132/33 kV Charor Substation, the 220 kV D/C Charor-Banala Transmission line shall be terminated at Charor Substation (HPPFCL) as indicated in SLD-2 (Final Arrangement).



b) The misplaced facts recorded by this Commission vide RoP dated 10.3.2022 are as under:

- (i) It has been recorded as a submission of the counsel that transmission line was energised in July, 2014. This is incorrect as the transmission line was energised in July, 2019.
- (ii) It has been recorded as a submission of the counsel that “usually CTUIL asks the STU to construct transmission lines”. This statement was not submitted by the Petitioner;
- (iii) It has been recorded that EPPL has entered into long term Power Purchase Agreement with Goa. This appears to be an inadvertent error as

EPPL has entered into a long-term Power Purchase Agreement with the State of Punjab and not Goa; and

- (iv) It has been recorded that 50% of the power is flowing outside the state. This is incorrect as the entire power by way of the transmission lines is flowing outside the State of Himachal Pradesh.

### **Hearing dated 28.6.2022**

27. ROP for hearing held on 28.6.2022 records as follows:

*“Case was called out for virtual hearing.*

*2. Though order in the Petition was reserved on 10.3.2022, the same has been listed for hearing, since the Petition could not be disposed of prior to Chairperson of this Commission demitting office.*

*3. Learned counsel for the Petitioner submitted that despite clear direction, NRPC has not filed its comments on the nature of transmission line. Learned counsel submitted that submissions already filed may be considered.*

*4. After hearing the learned counsels for the Petitioner, order in the matter was reserved. “*

### **Submission by NRPC Secretariat**

28. In compliance to RoP of hearing dated 10.3.2022 pertaining to the nature of the subject transmission line (220 kV D/C Charor Banala), NRPC vide its letter dated 2.8.2022 has submitted that as per approved methodology of NRPC, an-intra-state transmission line is considered as ISTS line for a FY, only if average utilization of that line for inter-state purpose is more than 50% in the 2<sup>nd</sup> and 4<sup>th</sup> quarter of past financial year. Based on the result of the studies for 220kV Charor- Banala line for FY 2021-22, the average percentage utilization for inter-state purposes during 2<sup>nd</sup> and 4<sup>th</sup> quarter comes out as 61%. Therefore, certification of 220kV D/C Charor-Banala line as ISTS for the FY 2022-23 is recommended.

29. The percentage usage of the subject line by HP during FY 2021-22 as submitted vide aforesaid letter is as under:

<b>Month</b>	<b>Utilization by HP</b>
Apr-21	23%
May-21	27%
June-21	13%
July-21	16%
Aug-21	12%
Sep-21	36%
Oct-21	18%
Nov-21	23%
Dec-21	42%
Jan-22	47%
Feb-22	63%
March-22	61%

### **Analysis and Decision**

30. We have considered the submission of the Petitioner and perused the document available on record. We observe that the petitioner has cited certain errors in the RoP dated 10.3.2022. The same is being addressed as under:

a) **Energisation of transmission line:** The Petitioner submitted that under para 2 of the RoP dated 10.3.2022, it has been wrongly recorded that the transmission line was energised in July, 2014.

The said error in the RoP stands corrected and July 2014 shall be read as July 2019.

b) **CTUIL asks the STU to construct transmission lines:** The Petitioner submitted that under para 3 of the RoP dated 10.3.2022, it has been wrongly recorded that usually CTUIL asks the STU to construct transmission lines. Let it be kept on record.

c) **PPA with Goa:** The petitioner submitted that under para 3 of the RoP dated 10.3.2022, it has been wrongly recorded that EPPL has entered into long term Power Purchase Agreement with Goa.

The inadvertent error pointed out by the Petitioner stands corrected and 'Goa' in ROP shall be read as 'Punjab'.

d) **50% of the power is flowing outside the state:** The Petitioner submitted that under para 3 of the RoP dated 10.3.2022, it has been wrongly

recorded that 50% of the power is flowing outside the state as the entire power by way of the transmission lines is flowing outside the State of Himachal Pradesh. We have kept the submission on record.

31. We observe that the Petitioner in the present Petition has primarily sought inclusion of 220 kV D/C Charor-Banala Transmission Line under the PoC mechanism and recovery of transmission charges in accordance with the 2020 Sharing Regulations.

32. We observe that it has been stated by the Petitioner that 220 kV D/C Charor-Banala was energized on no load on 24.7.2019 and the actual flow on the said line started in the month of December 2019.

33. The relevant extract of the Sharing Regulations, 2020 and Statement of Reasons are as follows:

***“39. Clause (12) of Draft Regulation 11***

*39.1 The draft Regulation provided as under:*

*“(12) An Intra-State Transmission System already certified by the respective Regional Power Committees being used for inter-State transmission of electricity and for which tariff has already been approved by the Commission, shall be covered under these Regulations:  
Provided that such intra-State Transmission System shall be included under these Regulations only for the tariff period for which tariff has already been approved by this Commission.”*

.....

.....

***39.3 Analysis and Decision***

*39.3.1 The rationale for the proposed Clause was provided in the Explanatory Memorandum issued along with the Draft 2019 Sharing Regulations. Such intra-State systems that have already been certified by RPC as being used for inter-State use and for which tariff has already been approved by the Commission shall be covered under these Regulations.*

*39.3.2 Approval of tariff for intra-State system is done by SERCs. However, in circumstances where an intra-State system is used for inter-State flow of power, its tariff is required to be approved by CERC, if such system is to be considered for recovery of transmission charges under the 2020 Sharing Regulations.”*



As per the above, in case an intra-State system is used for inter-State flow of power, its tariff is required to be approved by this Commission, if such system is to be considered for recovery of transmission charges under the 2020 Sharing Regulations.

34. Petitioner has submitted that the instant project has been constructed to evacuate power from 289 MW of Small HEPs in Parvati Valley and other HEP such as Malana-II (100 MW), awarded to various IPP's by HP Govt. The major contribution upstream of Charor to the Parvati valley Power potential is from Barsaini (58.2 MW), up stream of Malana-II (46 MW), Jari (23.7 MW), Lower Parvati valley (56) MW including Malana-II (100 MW). Petitioner has further submitted that as number of projects are coming in Parvati valley (Beas basin) in Himachal Pradesh, therefore HPPTCL is intending to construct Integrated Transmission System in the area due to the limited availability of corridors and as such too many circuits cannot be constructed. Total available potential in the Parvati valley is about 289 MW which will be evacuated through the present transmission system.

35. We observe that the evacuation of power from Malana-II was discussed in 30<sup>th</sup> and 31<sup>st</sup> Standing Committee on Power System Planning of Northern region held on 19.12.2011 and 2.1.2013 respectively. The relevant extracts of the minutes of these meeting are as under: :

Extracts of Minutes of 30<sup>th</sup> Standing Committee Meeting held on 19.12.2011:

*“17. Evacuation of Power from Malana-II*

*Director (SP&PA), CEA informed that the evacuation of power from Malana-II HEP was evacuated by LILO of one ckt of AD HEP – Nalagarh 220 kV D/c line of M/s AD Hydro at 220/132 kV, Chhaur substation of M/s Everest Power Pvt. Ltd. and power from generation project was injected at Chhaur by a 132 kV D/c line. He mentioned that for reliable evacuation of power from both the projects (300 MW), it was proposed to construct a 220 kV D/c line from Chhaur to Parbati Pooling station enabling injection of power from the Malana-II HEP at Parbati Pooling Station (ISTS). From Parbati Pooling Station, power can be evacuated over ISTS system.*



He further proposed that a 400/220 kV ICT alongwith its bays would also be needed as 220 kV level has not been planned at Parbati Pooling Station earlier.

HPPTCL representative informed that 2 nos. 220 kV line bays were required by them at Parbati Pooling Station.

After detailed deliberation, it was decided to provide 2 nos. of 315 MVA ICTs (7x105 MVA single phase units) along with 4 nos. of 220 kV line bays (2 bays for Everest power and 2 bays for HPPTCL). POWERGRID representative informed that space was available at Parbati Pooling Station switchyard for accommodating 2 nos 400/220 kV ICTs and 4 nos 220 kV line bays only. Regarding cost sharing of the above works, following was proposed:

- Chhaur – Parbati pooling station 220 kV D/c line – **to be implemented by M/s Everest Power at their cost.**
- The cost of switchyard extension including 2 nos. of 400 kV ICT bays and complete 220 kV switchyard with 4 nos of 220 kV line bays, 1 bus coupler bay and 2 nos ICT bays - **50% cost to be borne by Everest Power and 50% cost as ISTS scheme.**
- 400/220 kV ICTs - 4x105 MVA single phase ICTs to be provided under ISTS and 3x105 MVA single phase ICTs to be provided at the cost of M/s Everest Power Members agreed to the above proposal.

Extracts of Minutes of 31<sup>st</sup> Standing Committee Meeting held on 2.1.2013:

*“6. Evacuation of Power from Malana-II*

*Director (SP&PA), CEA stated that the evacuation of power from Malana-II HEP was planned by LILO of one circuit of AD HEP – Nalagarh 220 kV D/c line of M/s AD Hydro at 220/132kV Chhaur substation of M/s Everest Power Pvt. Ltd.(EPPL) and power from generation project was to be injected at Chhaur S/s through a 132 kV D/c line. Further, AD HEP – Nalagarh 220 kV D/c line is not adequate for reliable evacuation of power from both the projects especially under contingency condition. In the 30th Standing Committee Meeting of Northern Region, it was agreed to construct a 220 kV D/c line from 220/132kV Chhaur to Parbati Pooling Station enabling injection of power from Malana-II HEP at Parbati Pooling Station (ISTS). From Parbati Pooling Station, power can be evacuated over ISTS system. It was also decided to provide 2 nos. of 400/220 kV, 315 MVA ICTs (7x105 MVA single phase units) alongwith 4 nos. of 220 kV line bays (2 bays for M/s EPPL and 2 bays for HPPTCL).*

*He further mentioned that HPPTCL had informed that only one 220 kV line could be constructed from Chhaur to Parbati Pooling Station due to ROW constraints and HPPTCL also intends to inject about 170 MW power from Small HEPs at Chhaur substation for its further transfer to Parbati Pooling station. As such, HPPTCL proposed that they would construct the 220kV D/c line from Chhaur substation to Parbati Pooling station for which funds are also being tied up with ADB. Further,*

HPPTCL would also take up the ownership of 132/220 kV Chhaur S/s from M/s EPPL to make it a part of their STU system.

Member (PS), CEA enquired HPPTCL about the expected commissioning schedule of the above 220kV line. HPPTCL informed that the same would be ready by 2015.

POWERGRID stated that Malana-II generation is directly connected to ISTS grid, for which Long Term Open Access has been processed and granted by CTU. In case this line is constructed by HPPTCL (STU), the direct connectivity of Malana-II with ISTS would be lost and M/s EPPL would have to bear STU charges in addition to PoC charges.

**Member (PS) stated that under proposed proposal Malana-II would be treated as State-embedded generator and would have to pay applicable charges accordingly. He enquired M/s EPPL for their consent to the above proposal.**

**M/s EPPL informed that they are agreeable to the proposal and they would sort out all commercial issues with HP.**

While finalizing the proposal it was also decided that 400/220 kV, 2x315 MVA ICTs (7x105 MVA single- phase units) along with the associated bays and 2 nos. of 220 kV line bays would be provided at Parbati pooling station (PG) under ISTS scheme and since it is augmentation work in existing switchyard of POWERGRID S/s, the same would be carried out by POWERGRID.

*Members agreed to the above proposal."*

From the above minutes, we observe that during the 30<sup>th</sup> meeting of Standing Committee on Power System Planning of Northern region, it was decided that Chhaur – Parbati pooling station 220 kV D/c line shall be implemented by M/s Everest Power at their cost. However, during the 31<sup>st</sup> meeting of Standing Committee on Power System Planning of Northern region, HPPTCL informed that only one 220 kV line could be constructed from Chhaur to Parbati Pooling Station due to ROW constraints and HPPTCL also intends to inject about 170 MW power from Small HEPs at Chhaur substation for its further transfer to Parbati Pooling station. Further, HPPTCL proposed that they would construct the 220kV D/c line from Chhaur substation to Parbati Pooling station for which funds are also being tied up with ADB. There is no direction from CTU

to the Petitioner to construct the said line and it was Petitioner's choice and it's proposal to construct the said line as STU line.

36. We also observe that NRPC Secretariat vide its letter dated 2.8.2022 has recommended for certification of 220kV D/C Charor- Banala line as ISTS for FY 2022-23 as average utilisation of the line for inter-state purposes was 61% during the 2<sup>nd</sup> and 4<sup>th</sup> quarter of FY 2021-22. However, the monthly usage of the said line by HP during FY 2021-22 as submitted by NRPC Secretariat is as under:

<b>Month</b>	<b>Utilization by HP</b>
Apr-21	23%
May-21	27%
June-21	13%
July-21	16%
Aug-21	12%
Sep-21	36%
Oct-21	18%
Nov-21	23%
Dec-21	42%
Jan-22	47%
Feb-22	63%
March-22	61%

As per above it is observed that % utilization is varying month on monthly basis by HP.

37. We observe that the Petitioner had also approached HPERC seeking approval of capital cost and determination of tariff for the instant transmission line and HPERC vide order dated 12.8.2021 approved the ARR for the said line. With regards to the transmission charges, the Petitioner has submitted as under:

*“4.8.1 Petitioner has submitted that currently M/s EPPL is the only beneficiary of the transmission line and accordingly the Petitioner has proposed the recovery of entire transmission charges from M/s EPPL.*

*4.8.2 The Petitioner has further submitted that as and when other generators are connected to the transmission line in the future, the recovery may be governed under the POC mechanism.*

*4.8.3 The Petitioner, therefore, has submitted to approve the Transmission charges and allow recovery of the entire ARR/Transmission charges from M/s EPPL.”*

After considering the submission of the Petitioner, HPERC observed as under:

*“4.8.4 As discussed in the section ‘Energy Flow and Nature of the Asset’ above, it is observed that the final status update from NRPC is still awaited with respect to the nature of the asset. The Petitioner itself has submitted that the final approval to establish the nature of asset is expected from NRPC. Therefore, it cannot be established currently whether the Charor-Banala line is inter-state or intra-state. Therefore, the Commission directs the Petitioner to follow-up with NRPC in an expeditious manner as power is already being wheeled since December 2019 and the requisite information has already been submitted as per the submission of Petitioner.*

*4.8.5 The Petitioner is directed to take up the matter of recovery of the line under PoC mechanism with CERC in case the Charor-Banala line is declared as inter-state by NRPC. In case of denial of inter-state status, the recovery of the approved ARR is required to be undertaken as per Clause 33 of HPERC MYT Transmission Regulations, 2011:*

*“33. Allocation of Transmission Service Charge and Losses*

*(1) The Annual Service Charge (ATSC) shall be shared between the long and medium term customers of the transmission system on monthly basis based on the allotted transmission capacity or contracted capacity, as the case may be.”*

38. In view of the details of power flow submitted by NRPC and submissions of the Petitioner on record, we are of the view that Petition needs to be heard in detail. Accordingly, the Petition is ‘admitted’.

39. It is directed that NRLDC and CTUIL shall be impleaded by the Petitioner. NRLDC is directed to submit the following along with its reply to the petition:

- (a) blockwise power flow in the instant line in MW from the date of COD till date of issue of this Order.
- (b) The Surge Impedance Loading of the line and thermal limit of the line.

(c) The monthly % utilization of the said line by HP starting from date of COD till date of issue of this Order, clearly indicating the denominator used for finding out the % usage.

40. CTUIL is directed to submit the details of planning of the said line as inter-state line vs STU line along with its reply to the petition.

41. It is observed that the instant transmission line was originally envisaged to be constructed by Everest Power generating station as a dedicated line as per minutes of 30<sup>th</sup> NR SCM meeting. However Petitioner during 31<sup>st</sup> NR SCM suggested that it also intends to inject 170 MW from small HEPs at Chaur. Petitioner is directed to file the status of such generating stations of 170 MW, details of transmission access sought on the instant line by the embedded generating stations or distribution licensee, the current mechanism of recovery of transmission charges of the instant transmission line since its COD.

42. The Respondent, NRLDC and CTUIL are directed to file their replies along with specific information sought, if any, after serving copy to the Petitioner who shall file its rejoinder.

43. The Petition shall be listed for hearing 'on merits' on 10.11.2022. The parties are directed to complete the pleadings on or before 3.11.2022.

**Sd/  
(P. K. Singh)  
Member**

**Sd/  
(Arun Goyal)  
Member**

**Sd/  
(I.S.Jha)  
Member**