

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram

1. **Shri Ashok Basu, Chairman**
2. **Shri K.N.Sinha , Member**
3. **Shri Bhanu Bhushan, Member**
4. **Shri A.H. Jung, Member**

**Review Petition No.34/2005
In
Petition No.89/2004**

In the matter of

Review of order dated 24.2.2005 in petition No.89/2004 - Levy of transmission charges and applying Regional transmission losses to NLC Mines.

And in the matter of

Neyveli Lignite Corporation Limited

.... Petitioner

Vs

1. Power Grid Corporation of India Ltd, New Delhi
2. Southern Regional Electricity Board, Bangalore
3. Southern Regional Load Despatch Centre, Bangalore
4. Tamil Nadu Electricity Board, Chennai
5. Transmission Corporation of Andhra Pradesh, Hyderabad
6. Karnataka Power Transmission Corporation Limited, Bangalore
7. Kerala State Electricity Board, Thiruvananthapuram
8. Pondicherry Electricity Department, Pondicherry
9. Central Electricity Authority, New Delhi

.....Respondents

The following were present:

1. Shri S. Ramachandran, DGM, NLC
2. Shri R. Suresh, DGM, NLC
3. Shri S.K. Sinha, ED, PGCIL
4. Shri P.C. Pankaj, AGM (Comml), PGCIL
5. Shri U.K. Tyagi, DGM, PGCIL
6. Shri C. Kanan, CM (Fin), PGCIL
7. Shri S. Sowmyanarayanan, TNEB
8. Shri N. Sree Ramachandra Murty, DE, APTRANSCO

9. Shri V.A. Kishore, JAO, APTRANSCO
10. Shri N.V. Bhaskar, Dir, KPTCL
11. Shri R. Balachandran, KSEB

ORDER
(DATE OF HEARING: 12.7.2005)

The petitioner seeks review of the Commission's order dated 24.2.2005 in petition No.89/2004.

2. The review petition was listed for admission after notice to the respondents. With the consent of the representatives of the parties present at the hearing, the petition has been taken up for final disposal.

3. The petitioner is engaged in the generation of electricity at three generating stations, namely, Thermal Power Station-I (TPS-I), Thermal Power Station-II (TPS-II) and Thermal Power Station-I (Expansion) (TPS-I Expansion) owned by it. These generating stations get supply of lignite from the dedicated linked mines also owned by the petitioner. The power requirements of lignite mines are met from TPS-II Stage-I and Stage-II. With effect from 1.1.2003, the petitioner was allocated 7.94% of the power generated from TPS-II, Stage-I and 5.95% from TPS-II, Stage-II for use of lignite mines. Therefore, from that date, the petitioner is one of the beneficiaries of TPS-II. The electricity allocated to the petitioner is conveyed from the generating station to the lignite mines through its own transmission network and without using any part of the regional transmission system.

4. The petitioner was levied the transmission charges for Southern Regional Transmission System in proportion to the capacity allocated and the transmission losses with effect from 1.4.2004. The petitioner had filed a petition (No.89/2004) wherein it had disputed its liability to share the transmission charges and pay the transmission losses. The Commission by its order dated 24.2.2005 upheld the petitioner's contention that it was not liable to share the transmission charges and transmission losses. However, the Commission decided that the liability of the petitioner to share the transmission losses shall cease with effect from 1.3.2005, that is, prospectively. The petitioner has sought review of this particular direction.

5. In the replies filed by Karnataka Power Transmission Corporation Limited and Kerala State Electricity Board, the petitioner's prayer has been opposed. It has been stated that no case for review as has been made out as none of the grounds for review of order as laid down in Section 114 read with Order 47 of the Code of Civil Procedure is applicable.

6. We have heard Shri R. Suresh, DGM for the petitioner and Shri Sowmyanarayanan for TNEB and Shri N.V. Bhaskar, Director for KPTCL.

7. We are of the firm opinion that it is a fit case for review of the direction contained in the order dated 24.2.2005 as regards the petitioner's liability for transmission losses. Having found merit in the petitioner's case that it was not liable to share the transmission losses since it was not using the regional transmission system, it was desirable that the

relief should have been granted from the date from which the transmission losses were levied. There cannot be any insurmountable difficulty in retrospective adjustment or refund of the transmission losses. In fact, the petitioner has placed on record some basic computation of transmission losses levied, though the correctness thereof remains unverified. This, in any case, points to the feasibility of the re-calculation of transmission losses for the period 1.4.2004 to 28.2.2005. The direction in this regard given in the order dated 24.2.2005 stands modified.

8. In view of the above discussion, we direct that the petitioner shall not be liable to share the regional transmission losses even for the period 1.4.2004 to 1.3.2005. Any recovery on account of transmission losses, if already made, shall be adjusted or refunded to the petitioner.

9. Accordingly, the petition stands disposed of.

SD/-
(A.H. JUNG)
MEMBER

Sd/-
(BHANU BHUSHAN)
MEMBER

Sd/-
(K.N. SINHA)
MEMBER

Sd/-
(ASHOK BASU)
CHAIRMAN

New Delhi dated the 19th July, 2005