CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

No.L-_________/2010-CERC   Dated ___________

NOTIFICATION (DRAFT)

In exercise of the powers conferred under section 178 read with Parts V and VI of the Electricity Act, 2003 (36 of 2003), and all other powers enabling it in this behalf, and after complying with previous publication requirements, the Central Electricity Regulatory Commission hereby makes the following regulations:

CHAPTER 1: PRELIMINARY

1. **Short title and commencement.**

(1) These regulations may be called the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010.

(2) These regulations shall come into force on __________, and unless reviewed earlier or extended by the Commission, shall remain in force for a period of 5 years from the date of commencement specified above.

(3) These regulations shall apply to all Designated ISTS Customers, Inter State Transmission Licensees, NLDC, RLDC, SLDCs, RPCs..

2. **Definitions .**

(1) Unless the context otherwise requires, for the purpose of these regulations:-

(a) **Act** means the Electricity Act, 2003 (36 of 2003);

(b) **Application Period** means the period of application of the charges determined as per this regulation and shall ordinarily be 12 (twelve) months coinciding with the Financial Year, which shall be further divided into multiple blocks representing the seasonal conditions;

(c) **Approved Demand** means the simultaneous maximum demand approved by NLDC for the Designated ISTS Customer for any month of the year computed for an aggregation of demand nodes for such customer**;**

(d) **Approved Injection** means the maximum injection approved by NLDC for the Designated ISTS Customer for any month of the year**;**

(e) **Approved Short Term Demand** means the additional demand approved by RLDC over and above the Approved Demand for the Designated ISTS Customer for any month of the year computed for an aggregation of demand notes for such customer**;**

(f) **Approved Short Term Injection** means the additional injection approved by RLDC over and above the Approved Demand for the Designated ISTS Customer for any month of the year;

(g) **Approved Transmission Charge (ATC)** means the Annual Transmission Charges approved by the Commission. These could be determined either by the Commission or discovered through the process of tariff based competitive bidding under the provisions of the Act.

(h) **Bulk Power Transmission Agreement (BPTA)** means the agreements between the ISTS licensees and the DICs of the ISTS under the pre-existing arrangements for ISTS development and operations;

(i) **Connection and Use of System Agreement** (CUSA) shall mean the agreement to be entered into between the Designated ISTS Customer(s) and ISTS Licensee(s) in terms of Chapter 6 below;

(j) **Designated ISTS Customers** ('DIC's) shall mean the users of any segments/elements of the ISTS and shall include all generators or load serving entities connected to the ISTS including generating stations, distribution licensees, State Electricity Boards (SEB), State Transmission Utility (STU), Bulk Consumer and any other entity/person;

(k) **Entire Power System** shall mean the entire transmission network of the country including 765 kV, 400 kV, 220 kV ,132 kV and HVDC transmission network and all Generator and loads connected to it.

(l) **Implementing Agency** shall mean the agency designated by the Commission to undertake the estimation of the transmission charges and transmission losses at the various nodes/zones for the Application Period;

(m) **Loss Allocation Factor** of a bus means the percentage change in losses in the ISTS network as defined in the Attachment-I of these regulations.

(n) **Point of Connection (PoC) Charging Method** shall mean the methodology of computation of sharing of ISTS charges to DICs, which depends on the location of the node in the power system network. For the purposes of this regulation Point of Connection charging method is based on the hybrid of the Marginal Participation and Average Participation method and is described in more detail in Attachment-I hereto. The charges determined using the PoC charging method are referred to as PoC transmission charges in these regulations.

(o) **Participation Factor** of a bus in any line means the change in flow in that line as a percentage of the total change in flow because of incremental changes in all the nodes. The computation if further explained in Attachment-I of these regulations.

(p) **Uniform Charge** means the charge determined by dividing the ATC of the ISTS licensees by the sum of the MWs injected and withdrawn from the grid. This is alternatively referred to as the postage stamp charge and the mechanism for determination of such charges is referred to as the Uniform Charge Sharing Mechanism. ;

(q) **Uniform Loss** means the percentage of energy lost in the grid. In a Uniform Loss Allocation Mechanism, this percentage is uniformly applied to all the demand customers.

(2) Words and expressions used in these Regulations and not defined herein but defined in the Act or any other regulations issued by the Commission, shall have the same meaning assigned to them respectively in the Act, other regulations and the Indian Electricity Grid Code issued by the Commission from time to time.

CHAPTER 2: OBJECTIVE AND SCOPE

3. **Objective.**

(1) Para 5.3.4 of the National Electricity Policy of the Government of India states that

"To facilitate cost effective transmission of power across the region, a national transmission tariff framework needs to be implemented by CERC. The tariff mechanism would be sensitive to distance, direction and related to quantum of flow."

Further, Para 7.2(1) of the Tariff Policy of the Government of India states that

"Transactions should be charged on the basis of average losses arrived at after appropriately considering the distance and directional sensitivity, as applicable to relevant voltage level, on the transmission system."

(2) The purpose of these regulations is to describe the methodology and the mechanisms, in line with the above stipulations of the National Electricity Policy and the Tariff Policy, for sharing of transmission charges and losses amongst the DICs. The transmission charges and losses will be based on the Approved Transmission Charge (ATC) and transmission losses of the ISTS Licensees and other transmission licensees

whose specific lines form a part of the ISTS for a particular CUSA/transaction of inter state transmission.

(3) These regulations seek to rationally apportion the transmission charges amongst the users of the ISTS, provide appropriate siting signals to DICs, and facilitate secure and reliable operation of the grid, maintenance of adequate margins in transmission system for the present and future needs.

4. **Scope of the regulations.**

ISTS Charges and Losses shall be shared amongst the following categories of DICs who use the ISTS in accordance with these regulations:-

(a) Power Station directly connected with the ISTS;

(b) State Electricity Boards / State Transmission Utilities / Distribution licensees using ISTS; and

(c) Any other bulk consumer directly connected with the ISTS.

CHAPTER 3: PRINCIPLES AND MECHANISM FOR SHARING OF ISTS CHARGES AND LOSSES

5. **Principles for sharing ISTS charges and losses.**

(1) The ISTS charges and losses applicable to each DICs for the use of the ISTS shall be determined by the Implementing Agency by sharing the total approved ATC and approved losses of the ISTS licensee concerned:-

(a) Using load-flow based methods; and

(b) Ensuring that the sharing of transmission charges and losses appropriately captures the distance, direction and quantum of the power-flow, based on the Point of Connection method, as described in the Attachment-I to these regulations.

(2) Each DIC injecting power shall not operate its equipment to export more power into the ISTS than the Ex-Bus Long Term Capacity stipulated in the Power Purchase Agreement (either bilateral, case-I or case-II) declared by the power plant to the Implementing Agency as per procedures specified herein. Short Term transactions (if any), including any commitment on the power exchange shall be as per conditions set out in the CUSA. This shall be subject to contingency measures imposed by the SLDC/RLDC under the Grid Code in the interest of grid security. .

(3) A detailed explanation of the Point of Connection methodology to be applied for sharing the ISTS charges and losses amongst the DICs is set out in Attachment-I to

this regulation, which may be revised by the Commission from time to time upon application by any interested party, or suo-moto.

6. **Mechanism to share ISTS transmission charges**.

(1) The sharing of ISTS transmission charges shall be computed for an Application Period and shall be determined in advance and shall be subject to periodic true-up as described subsequently in these regulations;

(2) The sharing of ISTS transmission charges shall be based on the technical and commercial information provided by the various constituents of the ISTS and any other relevant entity, including the NLDC, RLDC and SLDCs to the Implementing Agency. Provided that in the event of such information not being available within the stipulated timeframe or to the level of detail required, the Commission may authorise the Implementing Agency to obtain or determine such information from alternate sources as may be approved for use by the Commission.

(3) The mechanism for sharing of ISTS charges shall ensure that:-

(a) The ATC of the service providers of the ISTS are fully and exactly recovered;

(b) Any under-recovery or over-recovery during any month shall be recovered in the six subsequent billing months on a rolling basis; and

(4) The PoC transmission charges shall be in terms of rupees per megawatt per hour. The amount to be recovered from any DIC towards ISTS charges shall be computed on a monthly basis, being the summation of the products of:-

(a) The zonal PoC transmission charge;

(b) The applicable MW injection or drawal computed as per these regulations; and

(c) The number of hours in the month

(5) The Implementing Agency may, after seeking approval of the Commission, conduct studies from time to time to refine the allocation methods for ISTS charges. Such studies may also be conducted for the anticipated network for the Application Period, as well as for any other prospective period that the Commission deems necessary.

(6) The recommendations of such studies along with the data and computation of PoC transmission charges proposed by the Implementing Agency shall form the basis of decision making by the Commission, which shall issue appropriate orders to, inter-alia, specify:-

(a) The applicable PoC transmission charges for use of ISTS;

(b) The period of applicability of such charges – which may be determined for a period of 12 (twelve) months, with pre-defined blocks of months, defined in para 7(1(h)) of Chapter 4 of these regulations, carrying differentiated charges;

(c) The information to be periodically provided by the CTU, NLDC, RLDCs, generators, utilities, entities connected to or influencing flows on the ISTS; and

7. **Mechanism of sharing of ISTS losses.**

(1) The transmission loss apportionment factors between the various DICs for the Application Period shall be determined and notified in advance subject to periodic true-up as per mechanisms determined by the Commission.

(2) The sharing of ISTS losses shall be computed based on the information provided by the CTU, RPCs or any other relevant agency to the Implementing Agency. Provided that in the event of such information not being available within the stipulated timeframe or to the level of detail required, the Commission may authorise the Implementing Agency to obtain or determine such information from alternate sources as may be approved for use by the Commission.

(3) The computation of transmission loss apportionment factors and sharing by various DICs shall ensure that the actual levels of transmission losses in the ISTS are fully and exactly accounted for and allocated to the DICs.

(4) The Implementing Agency may, after seeking approval of the Commission , conduct studies from time to time to refine the ISTS loss allocation methods. Such studies may be conducted for the anticipated network for the Application Period, as well as for any other prospective period that the Commission deems necessary.

(5) The recommendations of such studies along with the data and computation of shares of ISTS losses proposed by the Implementing Agency shall form the basis of decision making by the Commission, which shall issue appropriate orders to, inter-alia, specify:-

(a) The applicable share of transmission losses;

(b) The period of applicability of such loss levels. This shall be ordinarily for a period of 12 (twelve) months, but may be seasonally differentiated;

(c) The DICs to whom such losses shall be recovered from; and

(d) Information to be periodically provided by the CTU, NLDC, RLDCs, generators, utilities, entities connected to or influencing flows on the ISTS.

CHAPTER 4: PROCESSES FOR SHARING OF TRANSMISSION CHARGES AND LOSSES

7. **Process to determine PoC Transmission Charges and Losses allocations.**

(1) The process to determine the transmission charges and losses shall be as under, and as per timelines set out subsequently in Chapter 7 of these regulations:

(a) The Implementing Agency shall collect the basic network data pertaining to the network elements and the generation and load at the various network nodes from all concerned entities including DICs, generating stations/companies, transmission licensees, distribution licensees, NLDC, RLDCs, SLDCs, RPCs;

(b) Nodal generation information will be based on the historical generation levels obtained from the NLDC/RLDCs/SLDCs by each generator under specific peak and other than peak conditions identified a-priori by the NLDC. This information will be updated based on information provided by the RLDC /generators/SLDCs regarding forecasts;

(c) Nodal demand data will be based on historical demand of each beneficiary utilities (SEBs/distribution licensees) for all the months during specific peak and other than peak conditions identified by the NLDC. Forecast demand for each month as approved by the distribution utility/SEB and as approved by the SLDC will be used in the determination of the PoC transmission charges and loss allocations;

(d) The Implementing Agency shall run AC load flows for the entire power system. This shall be undertaken based on network information and the generation and load data provided by DICs and licensees. To ensure Load Generation balance, adjustment may be required to be made on the generation and demand forecasts supplied by DICs. The Implementing Agency shall adopt standard and transparent mechanisms for such adjustments. Any changes in the forecast generation and demand shall be communicated to the appropriate DIC by the Implementing Agency. In the event of any conflict between the DIC and the Implementing Agency in the revised generation and demand so obtained, decision of the NLDC shall be final. Such load flows shall form the base for computation of Marginal Participation factors. The mechanism of treatment of HVDC lines in this regard is explained in the Attachment-I to these regulations;

(e) Consequent to the development of the base load flows, the network shall be truncated suitably by the Implementing Agency to certain level(s) of voltages, as explained in Attachment-I. The Point of Connection method shall be applied by the implementing Agency on the truncated system to determine the

PoC transmission charges and losses attributable to each node in the truncated power system;

(f) Overall charges to be allocated among nodes shall be computed based on the ATC apportioned to each of the lines of the ISTS licensees, and any other line that has been designated by the respective RPCs as an ISTS line. The ATC for the lines shall be certified by the respective licensees as approved by the appropriate Commission. The ATC of the sub-stations shall be apportioned to the lines emanating from each sub-station. Average ATC per circuit kilometre for each voltage level shall be used for the computation of nodal charges. The ATC of the transmission assets expected to be commissioned in the Application Period would be incorporated by the Implementing Agency on the basis of provisional approvals or benchmarked capital cost and operating costs as determined using the regulations of the Commission;

(g) The computation of participation factors as per the Point of Connection methodology require costs to be adopted for transmission licensees whose lines feature on the truncated network, including those that are not designated ISTS licensees. The average costs per ckt km. for the ISTS lines at the various voltages shall be used for the non-ISTS lines of the same voltage;

(h) The participation factors, and hence the PoC nodal and zonal charges thus determined, as detailed in Attachment-I, will be computed for each season for peak and other than peak conditions. Ordinarily this shall be undertaken for blocks of months for various seasons, and such blocks shall be (i) April to June, (ii) July to September, (iii) October to November (iv) December to February and (v) March. Peak hours shall be taken from 07:00 hours to 10:00 hours in the morning and from 17:00 to 22:00 hours in the evening and all the other hours have been taken as other than peak hours. However for the ex-ante computations, the Implementing Agency may modify these times and months if so warranted by load conditions. This shall be done only with approval of the Commission;

(i) Annual ATC of each line based on the average ATC per circuit kilometre for that voltage level shall be attributed to peak and other than peak periods of each season based on the hours constituting these periods;

(j) The ATC of each line based on the average ATC per circuit kilometre for that voltage level shall be allocated to the estimated flows on the respective lines. The process shall thereby ensure that the total charges for the lines are fully recovered;

(k) As a part of the transition to the new point of connection based transmission pricing methodology, the recovery of the ATC of the ISTS network shall be based on both the Point of Connection Method and the uniform pricing mechanism (postage stamp method) by giving appropriate weights to both. The Commission will decide the weights based on the impact of such transition on various DICs. For the first two years, the transmission charges shall be computed based on [50%] weight to the zonal charges obtained using the Point of Connection method and [50%] weight to the uniform charge sharing mechanism. After a period of two years from the implementation of these arrangements, the Commission shall review the weightages accorded and consider increasing the locational signal by reducing the proportion of the postage stamp component.

(l) The losses shall be attributed to the demand DICs by reducing their requisitioned MWs. The extent of reduction shall be based on the losses attributed to each DIC based on the Point of Connection Method and the Uniform loss allocation mechanism. As in the case of transmission charges, for application to various demand DICs, the weights on the two mechanism – the Point of Connection Method and the Uniform Loss Allocation Mechanism shall be decided by the Commission. For the first two years, the losses attributable to each demand DIC shall be computed based on [50%] weight to the zonal losses obtained using the Point of Connection Method and [50%] weight to the uniform loss allocation mechanism. After a period of two years from the implementation of these arrangements, the Commission shall review the weighs accorded and consider increasing the locational signal by reducing the proportion of the postage stamp component.

(m) In case of over/under recovery of charges for assets attributed to transmission use of the system charges on account of deviations from the estimated load and generation, the charges shall be adjusted pro-rata in the charges for the subsequent period to ensure recovery of ATC for the transmission company;

(n) The Implementing Agency may aggregate the charges and losses for geographically and electrically contiguous nodes on the ISTS to create zones. As far as possible, such zoning shall not be altered during the term of these regulations. However, in event of the network configuration being altered substantially any year or years, the Implementing Agency may alter the configuration of the zones with the permission of the Commission;

(o) No transmission charges for the use of ISTS network shall be charged to solar based generation. This shall be applicable for the useful life of the projects commissioned in next three years.

(p) No transmission losses for the use of ISTS network shall be attributed to solar based generation. This shall be applicable for the useful life of the projects commissioned in next three years..

(2) Detailed methodological aspects are set out in Attachment-I to these regulations. The Commission may modify or update the above processes from time to time based on the emergent needs for determining the PoC transmission charges and allocation of losses.

8. **Determination of specific transmission charges applicable for a DIC.**

(1) The Implementing Agency shall determine the charges applicable for each DICs for use of the ISTS to the extent of the demand or injection in the ISTS. Each DIC shall ensure that the demand or injection data for each season is furnished to the Implementing Agency as per the timelines described in these regulations for both peak and off-peak conditions as articulated in Chapter 7 of these regulations;

(2) Ordinarily the demand during peak and other than peak periods in each block of months indicated by the DIC shall be considered for computation of transmission access charges for that block of months.

(3) The demand or injection indicated by the DIC shall be validated by the NLDC for transmission constraints and other network security constraints, and the Approved Demand or Approved Injection shall be communicated to the Designated ISTS Customers by the Implementing Agency. The maximum demand indicated by the DIC for any of the conditions (whether peak or other than peak), or any higher quantum declared by the DIC as per the provisions of regulation 8 (2) shall be the Approved Demand or Approved Injection of the DIC for the block of months in the season. A DIC may requisition higher quantum for demand or injection for any of the months of the season, if such higher demand or injection requirement is anticipated by the DIC, and the same shall be considered as the Approved Demand or Approved Injection, after validation by NLDC.

(4) In the event of a Designated ISTS Customer failing to provide its requisition for demand or injection for an Application Period, the last demand or injection forecast supplied by the DIC and as adjusted by the Implementing Agency for Load Flow Analysis shall be deemed to be its forecast for the Application Period.

(5) The transmission charges for any month shall be determined on the following basis:

For Generators:

PoC Transmission Charge for generation for the zone in Rs./MW/hr

X (Approved Injection + Approved Short Term Injection) X No of hours in the month

For Demand:

PoC Transmission Charge for demand for the zone in Rs./MW/hr

X (Approved Demand + Approved Short Term Demand) X No of hours in the month

(6) In case the metered MWs (ex-bus) of a power station or the aggregate demand of a DIC exceeds,

- *In case of generators*: The Approved Injection + Approved Short Term Injection or;
- *In case of demand customers*: The Approved Demand + Approved Short Term Demand,

in more than 5% of the hours in the billing month, the DIC shall be required to pay transmission charges for excess generation or demand at the rate which shall be 25% above the transmission access charges determined for that power station. Approved Short Term Injection / Demand considered above shall include transactions cleared on the Power Exchange.

(7) In the case of the Approved Demand or Approved Generation not materialising either partly or fully for any reason whatsoever, the DIC shall be obliged to pay the transmission charges allocated. This shall apply to all generators whose facility is not in a position to inject into the grid on time, provided if and only if the transmission system is available to transmit the power.

(8) For Long Term customers availing supplies from inter-state generating stations, the charges and losses payable by such generators for such Long Term supply shall be billed directly to the respective Long Term customers based on their share of capacity in such generating stations.

(9) In the case of transactions through the power exchange, the demand DIC shall be pay the zonal PoC charges applicable to the zone where such demand customer is physically located and the generator DIC will pay the transmission charges as per the PoC transmission charge applicable to the zone where such a generator is located.

(10) In the case of transactions through the power exchange, the schedule of the demand customer shall be reduced by the percentage loss attributed to the zone where such demand customer is physically located and the scheduled generation of the generator will be increased by the percentage loss attributed to the zone where such a generator is located.

(11) For states where utilities have been unbundled and PPAs have been re-allocated, the demand of the various DIC will be aggregated by the STU and supplied to the Implementing Agency, specifying the demand for each DIC. Billing shall be undertaken by the CTU on pro-rata basis based on the Approved Demand of each DIC. Each DIC shall ensure that the amount billed is paid in full. In the event of inter-se deviations between constituent DICs as compared to the Approved Demand,

the mechanism for redistributing the charges (if any) inter-se between such DICs shall be developed and implemented by the respective STU.

9. **Differentiation among various categories of transmission DICs.**

(1) There shall be no differentiation in rates between the long term, medium term and short term DICs of the transmission system.

(2) However, for the purposes of optimal network management, the NLDC and RLDCs shall schedule Long Term Open Access Users, Medium Term Open Access Users and the Short Term Open Access Users in reducing order of priority.

CHAPTER 5: ACCOUNTING, BILLING AND COLLECTION OF CHARGES

10. **Accounting of charges.**

(1) The RPCs shall maintain accounts of the ISTS charges to be collected from each DIC based on information provided by the CTU.

(2) The ATC of the ISTS licensees and such non-ISTS lines whose charges are to be recovered from DICs shall be trued-up annually with the actual admissible revenue requirements. The resultant adjustment arising from such true-up shall be factored by the Implementing Agency into the allocation of ISTS charges for the ensuing Application Period(s) upon advice from the respective RPCs. The concerned licensees shall route such true-up requests through the RPCs.

11. **Billing.**

(1) The CTU shall be responsible for raising the transmission bills, collection and disbursement of transmission charges to other transmission licensees whose assets have been used for the purpose of inter-State transmission of power. For such services the CTU shall be entitled to levy and recover a charge from DICs as approved by the Commission.

(2) The billing for ISTS charges for all constituents shall be on the basis of Rs./MW/hour, and shall be raised by the CTU on a monthly basis.

(3) Billing shall be done on the basis of:-

(a) The metering data at the ISTS transfer point; and

(b) The energy accounts approved by the RPCs.

12. **Collection.**

(1) The CTU shall collect all charges on behalf of the ISTS service providers and thereafter redistribute the same to Transmission Licensees in the ISTS.

(2) Every DIC shall ensure that the charges payable by them are fully discharged within the time-frame specified in the CUSA or the amended BPTAs. Disputes, if any shall be resolved as per the provisions of the CUSA or the amended BPTAs as described in Chapter 6 of these regulations.

(3) DICs shall provide payment security as determined through detailed procedures developed by the Implementing Agency. The level of such payment security shall be related to the Approved Demand or Approved Injection. .

CHAPTER 6: COMMERCIAL AGREEMENTS

13. **Transmission Connection and Use of Service Agreement (CUSA).**

(1) The constituents and service providers on the ISTS shall enter into new transmission services agreement or modify the existing BPTAs to incorporate the new tariff and related conditions. Such agreement shall govern the provision of transmission services and charging for the same shall be called the transmission Connection and Use of Service Agreement (CUSA) and shall, inter-alia, provide for:-

(a) Detailed commercial and administrative provisions relating to sharing of ISTS charges and losses based on principles derived from these regulations;

(b) Provisions on metering, accounting, billing and recovery of charges for the ISTS from the constituents;

(c) Procedures for declaration and approval of contracted capacity at each node or an aggregation of nodes in the ISTS for each DIC;

(d) Detailed procedures and provisions for connection by the DICs at the inter-connection points, including the processes for requisitioning new inter-connection capacity on the ISTS;

(e) Procedures and provisions for treatment of over or under injections by the DICs;

(f) Procedures and provisions for treatment of the delay in injection / withdrawal by DICs;

(g) Treatment of the delay in commissioning of transmission lines;

(h) Payment security mechanisms;

(i) Default and its consequences;

(j) Dispute resolution mechanisms;

(k) Term of the agreement and the termination provisions;

(l) Force Majeure Conditions; and

(m) Any other matter that is relevant for the PoC transmission charge and loss allocation mechanism.

(2) Within 15 days of notification of these regulations, the CTU shall publish the draft CUSA on its website and invite public comments on the same.

(3) The CTU shall, after duly incorporating the public comments, submit the draft CUSA to the Commission for its approval within 45 days of the notification of these regulations.

(3) The final version of the CUSA, as approved by the Commission, shall be notified and used as the base transmission service agreement by the ISTS licensees.

(4) The notified CUSA shall be the default transmission agreement and shall mandatorily apply to all DICs who are desirous of using the transmission system.

(5) The CUSA may have separate provisions for long term and short term access to the ISTS.

(6) Signing of the CUSA shall not be a pre-condition for construction of new network elements by the CTU and Transmission Licensees, provided that such network construction is undertaken after due approval of the Commission.

(7) The CUSA may have aspects that are amended from time to time by the signatories without the entire agreement being replaced or being rendered infructuous. Such aspects may include the contracted capacity, commercial terms, and reliability requirements, if any. Change of such terms shall be guided by the technical configuration and capabilities of the power system.

14. **Amendment of existing contracts.**

All existing users of the ISTS and the Transmission Licensees shall ensure that their existing contracts are realigned to these regulations and the notified CUSA insofar the elements related to determination of PoC transmission charges, allocation of losses, billing and collection, provision of information, and any other matter that requires amendment or realignment consequent to these regulations.

15. **Transition Period/Mechanism**.

(1) Within 2 months of the notification of the final regulations, the Commission will notify detailed procedures as proposed by the Implementing Agency to be followed under these regulations, along with corresponding timelines. Such Procedures will include:-

(a) Procedures for provision of information by DICs and other constituents;

(b) Procedures to be followed by the Implementing Agency for computation of charges;

(c) Procedures for Accounting, Metering and Billing to the extent relevant for the instant regulations;

(d) Procedures for collection of charges by the CTU on behalf of the Transmission Licensees and redistribution of the same (including amounts over or under collected); and

(e) Payment and payment security related procedures.

(2) The Implementing Agency shall ensure smooth transition to the new mechanism and shall take necessary steps to disseminate information and build capacity among the DICs and the ISTS licensees.

CHAPTER 7: INFORMATION PROCEDURES

16. **Provision of information by Designated ISTS Customers and other constituents.**

(1) On or before the end of the second week of December in each Financial Year, each ISTS licensee and owners of non-ISTS lines whose charges are to be recovered from DICs, shall supply the Implementing Agency with transmission line details, ATC computations, and any other information required by the Implementing Agency to compute the transmission charges.

(2) On or before the end of the second week of December in each Financial Year, each DIC shall supply the Implementing Agency with its demand or injection forecast for each season of the following Financial Year to enable the Implementing to use such demand and injection forecast as the basis for calculation of the transmission charge and loss allocators for the period.

Provided that, if necessary, the information may be sought by the Implementing Agency at times other than those indicated in regulation 16 (1) and 16 (2).

(3) Data to be submitted by CTU:

(a) **In the first year of implementation**: the entire network data including that used for load flow analysis in the formats prescribed by the Implementing Agency, line-wise / network element-wise ATC;

(b) **In the subsequent years**: the CTU shall provide the Implementing Agency with data and dates of commissioning of any new transmission asset in the next financial year and their ATC approved by the Commission / provisional

ATC, based on Commission norms in case such ATC is not approved by the Commission.

(4) Data to be submitted by DICs connected to ISTS:

(a) MW Data for injection or drawal at various nodes. This data shall be submitted for peak and other than peak conditions for January 15 (for the block of months from December to February) , March 15 (for the month of March), May 15 (for the block of months from April to June), August 31 (for the block of months from July to September), and October 30 (for the block of months from October and November), such that any of these days is not a Weekend/Public Holiday;

(b) In case any of the above fall on a Weekend/Public Holiday, the data should be submitted for working days immediately after the dates indicated.

(5) In the first year of the implementation of these regulations, the DICs and Transmission Licensees shall submit the Injection / Demand data, network data and ATC data to the Implementing Agency not later than 60 days of the notification of these regulations.

(6) DICs may request revisions to the Approved Demand or Approved Injection on or before such dates as indicated by the Implementing Agency for the following season. Such revisions shall not exceed +/- 15% of the existing Approved Demand or Approved Injection. Ordinarily this will not necessitate a recomputation of the charges, and only the Approved Demand or Approved Injection quantities shall be revised by the Implementing Agency if such changes are approved by the RLDC. However, in extreme cases where large changes in the charges are foreseen on account of the network or its usage undergoing substantial change, the Implementing Agency may file a petition before the Commission, and undertake the revised computations only upon the Commission’s orders in this regard;

17. **Information to be published by the Implementing Agency.**

(1) The information to be provided by the Implementing Agency consequent to the computations undertaken shall include:

(a) Basic Data and Assumptions, if any

(b) Zonal or nodal transmission charges for the next financial year differentiated by season;

(c) Zonal or nodal transmission losses data;

(d) Schedule of charges payable by each constituent for the future Application Period, after undertaking necessary true-up of costs as per these regulations and detailed procedures.

(2) Such information shall be made public by Implementing Agency after undertaking the computations for the Application Period, and upon being approved by the Commission.

(3) To ensure maximum information disclosure, the Implementing Agency shall ensure that the underlying network information and base load flows used are available on its website.

CHAPTER 8: IMPLEMENTATION ARRANGEMENTS

18. **Implementing Agency.**

(1) The transmission charges shall be determined by any entity authorised by the Commission to determine the charges and losses and shall be designated as the Implementing Agency. For the first two years after the notification of these regulations the NLDC shall be the Implementing Agency.

(2) The Implementing Agency shall submit, for approval of the Commission, a detailed procedure within 30 days of notification of these regulations for the Implementation of the Point of Connection method, guidelines for which have been detailed in the Attachment-I to these regulations.

(3) The Implementing Agency shall determine the sharing of transmission charges and losses for each financial year, which may be differentiated on a seasonal basis.

(4) The Implementing Agency shall be paid charges for the computation of transmission tariffs. The software for the implementation of transmission tariffs will be audited by the Commission before it is commissioned, and thereafter before any changes are made to the software or implementation methodology.

(5) All DIC shall comply with the requests of the Implementing Agency in a timely manner.

(6) The Implementing Agency shall be compensated for services consequent to these regulations at rates determined by the Commission. The Implementing Agency shall bill the CTU, which shall in-turn bill the DIC for the same amount, through the Common Charge. The CTU shall in-turn compensate the Implementing Agency for its services.

CHAPTER 9: MISCELLANEOUS

19. **Savings and Repeal.**

(1) Save as otherwise provided in these regulations, Regulation 33 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 is hereby repealed.

(2) Not withstanding such repeal, anything done or any action taken or purported to have been done or taken under the repealed regulations shall be deemed to have been done or taken under these regulations**.**

20. **Power to Relax.**

The Commission, for reasons to be recorded in writing, may relax any of the provisions of these regulations on its own motion or on an application made before it by an interested person.