

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 497/MP/2020

Coram:

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

Date of Order: 18.12.2023

In the matter of:

Petition under Section 79(1)(c), (d) and (f) and Regulation 103A of Conduct of Business Regulations for clarification/directions in regard to the Order dated 10.10.2019 passed by the Commission in No. L-1/44/2010-CERC for determination of Point of Connection (PoC) rates and transmission losses for the period of October, 2018 to December, 2018.

And in the matter of:

Gujarat Urja Vikas Nigam Limited (GUVNL),
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara-390007, Gujarat.

.....Petitioner

Vs.

1. National Load Despatch Centre (NLDC),
Power System Operation Corporation Limited,
B-9 (1st Floor), Qutab Institutional Area,
Katwaria Sarai, Delhi 110016.
2. Central Transmission Utility India Limited (CTUIL)/PGCIL,
"Saudamini" Plot No:2, Sector -29,
Gurgaon – 122 001, Haryana.

.....Respondent(s)

For Petitioner : Ms. Srishti Khindaria, Advocate, GUVNL
Ms. Ashabari Thakur, Advocate, GUVNL

For Respondents : Shri Alok Mishra, NLDC
Shri Ajay Upadhyay, CTUIL
Shri Siddharth Sharma, CTUIL



ORDER

The Petitioner, Gujarat Urja Vikas Nigam Limited (GUVNL), has filed the instant petition under Section 79(1)(c), (d), and (f) and Regulation 103A of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999, seeking clarification and directions with respect to the Commission's order dated 10.10.2019 in Petition No. L-1/44/2010-CERC (herein referred to as 'impugned order') for the determination/revision of Point of Connection (PoC) rates and transmission losses for the period from October 2018 to December 2018.

2. The Petitioner has made the following prayers in the instant petition:

- “(a) Hold that Gujarat would be under POC Slab IV for the period October to December 2018 i.e. Rs. 2,95,713 per MW per Month and not under Slab III which is Rs. 3,42,274 per MW per Month;*
- (b) Direct the Respondent no: 2 (PGCIL) to refund the amount of Rs. 74.56 Crores with interest; and*
- (c) Pass any such further order or orders as this Hon'ble Commission may deem just and proper in the circumstances of the case.”*

Background

3. The background of the instant petition is as follows:

- (a) The Commission vide order dated 15.11.2018 in No. L-1/44/2010-CERC approved the slab rates for PoC charges, Reliability Support Charge rate, HVDC Charges Rate,
- (b) As well as slabs for PoC losses for the period October, 2018 to December, 2018 under the 2010 Sharing Regulations for various slabs from I to IX applicable to various entities on the basis of their PoC slab. The applicable PoC slab rates for Long Term Open Access (LTOA) and Medium Term Open Access (MTOA) in (₹/MW/month) for each demand zone (for withdrawal DICs) and injection zone (for injection DICs having LTA to target region) is as follows:



PoC Slab	(₹/MW/Month)
I	4,39,419
II	3,92,375
III	3,45,331
IV	2,98,288
V	2,51,244
VI	2,04,021
VII	1,57,157
VIII	1,10,113
IX	63,070

(c) The Petitioner is in the State of Gujarat in the Western Region. The slab rate for LTOA/MTOA billing for Gujarat was ₹2,98,288, which is slab IV for the period from October 2018 to December 2018.

(d) There was a certain modification in the sharing of transmission charges of certain generating stations and HVDC transmission lines etc. Therefore, the Implementing Agency submitted revised slab rates for PoC charges, Reliability Support Charge Rate, and HVDC Charge Rate for various periods, including October 2018 to December 2018 vide letter dated 29.8.2019.

(e) The Commission vide the impugned order approved the revised slab rates for various periods as submitted by the Implementing Agency, i.e. the NLDC, for October 2018 to December 2018. In the said order, Gujarat has been placed with a slab rate of ₹3,42,274, which falls under Slab III as follows:

Slab	PoC Slab Rate (₹/ MW / Month)
I	4,35,394
II	3,88,834
III	3,42,274
IV	2,95,713
V	2,49,153
VI	2,02,593
VII	1,56,033
VIII	1,09,473
IX	62,912



4. The matter was admitted on 20.8.2020, and notice was issued to the Respondents. In response, NLDC, Respondent No. 1, filed its reply vide affidavits dated 11.9.2020, 28.9.2021 and 2.5.2023, and the Petitioner filed its rejoinders to the replies of NLDC vide affidavits dated 30.9.2020 and 30.5.2023. The final hearing in the matter was held on 26.7.2023, and the order was reserved.

5. This order is being issued considering the submissions made by the Petitioner in the petition and the subsequent affidavit dated 13.9.2021, the replies filed by NLDC, and the Petitioner's rejoinder thereto. Having heard the learned counsels of the Petitioner and the representatives of the Respondent and having perused the material on record, we proceed to dispose of the petition.

Submission of the Petitioner

6. The gist of the submissions made by the Petitioner are as follows:

- (a) The Commission, in its order dated 15.11.2018, had approved the slab rates for PoC charges, Reliability Support charges, and HVDC charges as well as slabs for PoC losses for the period from October 2018 to December 2018. As per the said order, the slab rate for LTOA/ MTOA for Gujarat was ₹2,98,288/MW/month i.e. Slab IV for the aforesaid period. However, in view of certain modifications relating to the sharing of transmission charges of various generating stations and HVDC transmission lines, etc., the Implementing Agency, vide its letter dated 29.8.2019, revised the slab rates for PoC charges, Reliability Support charges and HVDC charges for various periods including the period from October 2018 to December 2018. The revised slab rates as submitted by the Implementing Agency were approved by the Commission vide its order dated 10.10.2019, wherein, Gujarat has been considered with a slab rate of ₹3,42,274/MW/month i.e. Slab III (as against the earlier Slab IV) for the period from October, 2018 to December, 2018.



- (b) Considering Gujarat in Slab III for the period from October 2018 to December 2018 in the revised order dated 10.10.2019 is an accidental mistake/ clerical error. No reasoning or rationale has been provided either by the Implementing Agency or in the order dated 10.10.2019 for considering Gujarat in Slab III instead of Slab IV for the aforesaid period. The PoC slab rates of all other DICs of the Western Region have been reduced, and only due to the shifting of Gujarat from Slab IV to Slab III has resulted in an increase in the transmission charges of the Petitioner by ₹74.56 crore, which has been paid by the Petitioner on CTUIL's/PGCIL's, Respondent No. 2, demand in view of the revision.
- (c) Aggrieved with the same, the Petitioner sent a letter dated 24.10.2019, to the Commission regarding the same and subsequently a reminder letter dated 17.1.2020. Thereafter, the Petitioner sought to file an application in No. L-1/44/2010-CERC. However, in the absence of procedure on the e-portal, the Petitioner wrote a letter dated 4.3.2020 to the Commission to accept the application. The Commission vide letter dated 11.3.2020 advised the Petitioner to file a separate petition. Therefore, the Petitioner has filed the instant petition.

Submissions of NLDC

7. NLDC, the Implementing Agency, has made the following submissions:
- (a) PoC charges and losses are computed as per the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (herein referred to as "2010 Sharing Regulations") on the basis of forecasted generation and demand of DICs for a particular application period. Forecasted generation/ demand and basic network are validated by the Validation Committee appointed by the Commission comprising officers from the Commission, the Implementing Agency, each of the RPCs, CTUIL, CEA, STUs and the meetings of the Committee are chaired by a nominee of the Commission. The PoC computation requires total Monthly Transmission Charges (MTC) to be recovered (provided by ISTS Licensees), approved injection and



approved withdrawal for the said application period, new generating units to be commissioned, new transmission lines to be commissioned, line length and conductor types of these transmission lines, indicative cost level for each conductor type (provided by CTU) etc. MTC are to be provided by various ISTS Licensees computed on the basis of provisional/ final tariff orders issued by the Commission.

- (b) The nodal PoC charges are computed using the Hybrid method (Average Participation method and Marginal Participation method) as explained in Annexure-1 of the 2010 Sharing Regulations. After the computation of nodal charges based on the Hybrid method, nodal charges are aggregated in zonal charges and then the aggregate PoC rate is calculated by dividing zonal charges by LTOA/ MTOA. Further, Aggregate PoC rates are used for the determination of nine slabs. In case of over/under recovery, slab rates are scaled on a pro-rata basis. Any change in load/generation, LTOA/ MTOA, and charges to be recovered through PoC computation may lead to a change in the value of slabs and placement of entities in different slabs.
- (c) In the computation of slab rates for PoC charges for the period from October 2018 to December 2018, the Aggregate PoC rate for Gujarat was ₹318807/MW which was less than the average of Slab III and Slab IV i.e., ₹321810/MW. Therefore, Gujrat was placed in Slab IV in the order dated 15.11.2018 for the period from October 2018 to December 2018.
- (d) Subsequently, in view of certain modifications related to sharing of transmission charges of HVDC transmission lines, charges payable by generators, inclusion of LTOA/ MTOA and load considered for Odisha etc., the Implementing Agency was directed by the Commission to revise slab rates for PoC charges towards LTOA/ MTOA, Reliability Support Charge rate and HVDC charge rate. The following changes were incorporated in the computation of the PoC rates:



- (i) The sharing mechanism in respect of Pole-I and Pole-II of HVDC Champa–Kuruksheetra was modified as per order dated 31.7.2019 in Petition Nos. 20/RP/2018 and 3/RP/2019.
 - (ii) The sharing mechanisms, as directed vide order dated 6.11.2018 in Petition No. 261/MP/2017, followed for the BRBCL generating station. LTA of 459.50 MW from BRBCL was considered for beneficiaries, and 2/4th of transmission charges for the Nabinagar-Sasaram line were considered under PoC. 2/4th of transmission charges for the Nabinagar-Sasaram line were allocated to BRBCL.
 - (iii) The loads of GRIDCO, which were modeled as “Y (P) Load”, were changed to “P” Loads as per the GRIDCO letter dated 14.3.2019. Accordingly, the Odisha load was changed to 3667 MW from 3846 MW.
 - (iv) The LTA of Suryakanta Hydro Energies Private Limited, which was not considered in the original PoC order dated 15.11.2018, was considered as 14 MW to Delhi, as per additional LTA details furnished by CTU for the application period.
 - (v) MTC for Q3 2018-19 was revised from ₹2887.94 crore to ₹2899.61 crore considering the tariff of Pole-II of HVDC Champa-Kuruksheetra approved vide order dated 6.11.2018 in Petition No. 205/TT/2017, which was not part of original PoC order dated 15.11.2018.
- (e) The Implementing Agency vide letter dated 29.8.2019 submitted the revised slab rates of PoC charges, Reliability Support Charges rate, and HVDC charges rate for various periods to the Commission and the same was approved by the Commission vide order dated 10.10.2019. The modifications in the said order were made in the mechanism for sharing of transmission charges of HVDC transmission, charges payable by generators, inclusion of LTOA/ MTOA and load considered for Odisha etc. Due to these changes, power flows in the network and the cost to be recovered through the PoC mechanism changed, which led to changes in zonal charges and the value of the slabs. The revision of slab rates for the period from October 2018 to December 2018, was made due to the corrections made in the modelling of load in Odisha ‘Y (P)’ load to ‘P’ load



and the charges are apportioned to the nodes based on the utilization of the transmission lines.

- (f) The revised computation of slab rates for PoC charges for the period from October 2018 to December 2018, the Aggregate PoC rate for Gujarat was ₹320135/MW. The aggregate PoC rate for Gujarat was greater than the average of Slab III and Slab IV i.e. ₹318994/MW. Hence, Gujarat was placed in Slab III. In both cases, there was a marginal difference of ₹1328/MW, which is only 0.4% of the Aggregate PoC rate in the previous case. Therefore, the consideration of Gujarat in Slab III for the period from October 2018 to December 2018 was not an accidental/clerical error. It is only because of the marginal difference in aggregate of ₹1328/MW PoC rate, that Gujarat was placed in Slab III.

8. In response, the Petitioner has submitted as follows:

- (i) Shifting from Slab IV to Slab III has resulted in an increase in the charges by ₹44296.00/MW totalling to ₹24,85,36,566.00/month. NLDC has neither provided the clarifications sought by the Petitioner in an order dated 10.10.2019 nor has provided any explanation of how there is impact on Gujarat. The comparison of computation results of Gujarat for the period from October 2018 to December 2018 between previous and revised computations submitted by NLDC, indicates as follows:
- (a) There is no change in the base case load i.e. 14449 MW. POSOCO has not conveyed the net drawl of Gujarat considered in the load flow study from ISTS in both computations.
- (b) The MTC for Q3 2018-19 was revised from ₹2887.94 crore to ₹2899.61 crore, i.e. (an increase of ₹11.67 crore), against which the total monthly share of Gujarat has increased from ₹182.80 crore to ₹183.16 crore i.e., a marginal increase of ₹36 lakh/month. Therefore, the PoC burden on Gujarat has increased around ₹25 crore per month, which cannot be considered reasonable. It is not clear how the increase in ₹11.67 crore



in total transmission charges, which has to be shared among all the DICs, has led to an increase of ₹25 crore per month only for the Petitioner.

- (ii) The mean of the new slab is reduced from ₹2,51,244.00/MW to ₹2,49,153.00/MW, i.e. reduction of ₹2,091 MW, and bandwidth between the slabs has also reduced from ₹47,044/MW to ₹46,560/MW. This has resulted in an increase of Gujarat charges by 15% even when the ISTS charges have reduced Pan India.
- (iii) As regards LTA, POSOCO has submitted that there can be no change in the data to be considered after validation, other than any change in LTA capacity as in the case of GRIDCO, BRBCL and Delhi, which was due to omission or increase in MTC. However, POSOCO has not provided any explanation for the change in the LTA capacity of Gujarat before the revision (5734 MW) and after the revision (5721 MW). Further, CTUIL/PGCIL has raised the transmission charges for Gujarat LTA (MW), including embedded entities shown as 5746.69 MW (Gujarat - 5618.81 MW + Indian Railway - 115 MW + Heavy Water Plant of DAE - 12.88 MW) as per the Regional Transmission Account (RTA) published by Western Region Power Committee (WRPC). It appears that the NLDC has not accounted for the Heavy Water Plant of DAE. This LTA quantum also matches with the LTA quantum considered by WRLDC (POSOCO) for the recovery of fees and charges. The Aggregate PoC rate per MW is computed based on the LTA capacity of the DISCOMS. Therefore, , any change in the LTA capacity would have impacted the aggregate PoC rate and the same has resulted in a scaled slab rate. By considering Gujarat LTA (MW) capacity of 5746.69 MW, even after



considering the revised zonal cost share, the Gujarat Aggregated PoC rate works out to ₹3,18,721/MW which is lower than the average of revised Slab III and Slab IV (₹3,18,994) and accordingly, scaled slab rate of Gujarat shall be the Slab IV. There is no justified explanation for the change in the slab of Gujarat, and, therefore, Gujarat has to continue to be at Slab IV.

9. The Petitioner vide affidavit date 13.9.2021 has reiterated its submissions, and in addition, the Petitioner has made the following submissions:

(a) NLDC has considered only LTA capacity of 5721 MW and has not considered the additional 25 MW (5721 MW + 25 MW). The comparative table of what has been considered earlier and what has been considered in the revised order is as follows:

Gujarat Embedded Entities	As per earlier data	As per revised data submitted by NLDC and considered by the Commission
GUVNL	5618.81	5618.81
Indian Railways- Gujarat	115	102.43
Heavy Water Plant of DAE	12.88	----*
Total	5746.69	5721

* Heavy Water has been excluded.

(b) The difference in the computation in view of the above error in consideration of LTA is as follows:

Sl. No.	Descriptions	Computation as per GUVNL	As per revised data submitted by NLDC and considered by the Commission
1	Base case Load (in MW)	14449	14449
2	Zonal Charges (in ₹)	180,88,02,844	180,88,02,844
3	Merchant Entity Cost share (in ₹)	2,27,90,739	2,27,90,739
4	Total Cost (Rs.) 4 = (1+2+3) (in ₹)	183,15,93,583	183,15,93,583
5	LTA - Gujrat Zone (in MW)	5746.69	5721.31
6	Aggregated PoC Rate 6= (4/5) (in ₹)	3,18,721	3,20,135
7	Average Slab of III and Slab IV (in ₹)		3,18,994
8	Scaled to be slab rate (in ₹)	2,95,713	3,42,274
9	Scaled to be Slab	IV	III

(c) NLDC had wrongly computed the PoC rate as ₹3,19,416/MW, without considering the additional 25 MW and, therefore, Gujrat LTA has been considered to be above the average of Slab III and Slab IV of ₹3,18,994 per



MW, hence, placed in Slab III wrongly. If the ignored 25 MW is considered, the aggregate PoC rate would be below the average of Slab III and Slab IV, i.e. ₹3,18,994/MW and the Petitioner is required to be placed in Slab IV, instead of Slab III.

(d) In the order dated 15.11.2018, the quantum of Indian Railways-Gujarat LTA was considered as 115 MW which has been wrongly taken as 102.43 MW in the revised order dated 10.10.2019, leading to a difference of 12.57 MW. The Heavy Water Plant of DAE was not considered in the earlier computation also however, the change in the slab would materially affect the Petitioner; it is necessary to compute the LTA quantum of Heavy Water in the revised computation.

(e) The order dated 6.11.2018 in Petition No. 261/MP/2017 is related to NTPC, and it has no relation to BRBCL or Indian Railways, and NLDC has not provided any order of the Commission with respect to the sharing of transmission charges related to the "Nabinagar-Sasaram line". NLDC has only referred to the BRBCL without providing any concrete basis for how the non-consideration had affected the LTA capacity for Gujarat. Merely stating that 2/4th of transmission charges are for beneficiaries and 2/4th for BRBCL provides no clarity.

10. NLDC vide affidavit dated 28.9.2021 has reiterated its submissions, and in addition to its submissions, NLDC has submitted as follows:

(a) As per the 2010 Sharing Regulations and amendments thereof, the applicable transmission charges rate (in ₹/MW/Month) are to be computed in advance on a quarterly basis of projected node-wise generation and demand, recently available details of weighted average allocation from ISGS and details of LTOA/ MTOA as furnished by CTUIL for the applicable period of computation. Thus, for the application period from October 2018 to December 2018, computation had been carried out in the month of September 2018 and subsequently approved by the Commission. Details of LTOA/ MTOA for the period from October 2018 to December 2018 as furnished by CTUIL and weighted average allocation from ISGS for the



month of August 2018 as furnished by respective RPCs had been considered to work out reference LTA capacity. The 12.88 MW was allocated from Kakrapar Atomic Power Station (KAPS) to Heavy Water Plant DAE, as per the details of weighted average allocation for the month of October 2018, as provided by WRPC, vide email dated 31.10.2018 for preparation of inputs for RTA. 12.88 MW allocation to Heavy Water Plant DAE is post facto and shall not be considered for computation of slab rates which had to be computed in advance for the application period from October 2018 to December, 2018 on the basis of the available details of allocations/ LTOA/ MTOA as furnished by RPCs/ CTUIL. However, 12.88 MW allocation was considered in RTA on the basis of which CTUIL raised the bill on the Petitioner. Further, NLDC has adopted the sharing mechanism directed by the Commission in an order dated 6.11.2018 in Petition No. 261/MP/2017, and the same has been followed for BRBCL Nabinagar for computations of slab rates for PoC charges, Reliability Support Charge rate, HVDC Charges rate for the period from January 2019 to March 2019 and submitted to the Commission for approval vide letters dated 29.12.2018 and 17.1.2019. The 12.88 MW allocation from KAPS to Heavy Water DEA had been considered for the period from January 2019 to March 2019. The Commission, in an order dated 6.2.2019, had approved the Slab rates for PoC charges, Reliability Support Charge rate, and HVDC Charges rate for the period from January 2019 to March, 2019. The sharing mechanism, as directed in Petition No. 261/MP/2017, had been followed for other generating stations with similar cases like NTPC Lara and NTPC Khargone, as decided in the Validation Committee meeting held on 2.12.2019 for Q4 of 2019-20.

- (b) The allocation of 459.50 MW (i.e. 2/4th of 919 MW) from BRBCL had been considered for beneficiaries, and accordingly, 2/4th of transmission charges for the Nabinagar-Sasaram line had been considered under PoC. The remaining 2/4th of the transmission charges for the Nabinagar-Sasaram line had been allocated to BRBCL Nabinagar. The change in LTA Capacity for Gujarat in revised computations is only 12.5 MW which is due to consideration of reduced allocation from BRBCL Nabinagar to Indian



Railways (Gujarat). In the revised computation, usage-based cost share of Gujarat had increased by ₹36 lakh, which is only 0.19% of total usage-based PoC charges. Usage-based cost share for PoC charges is used for the computation of slab rates and cannot be compared with the total transmission charges to be paid by the DIC, which is the sum of PoC charges based on applicable slab rate, Reliability Support charges and HVDC charges. With the revised slab rates, total transmission charges for Gujarat had increased by ₹24.89 crore in RTA of October 2018, which is due to a change in applicable slab rates from Slab IV to Slab III for PoC charges, Reliability Support Charge rate and HVDC Charges rate as explained in the table as follows:

	Approved withdrawal (MW) (A)	Slab rate for PoC Charges (₹/MW/month) (B)	Reliability Charges Rate (₹/MW/month) (C)	HVDC Charges Rate (₹/MW/month) (D)	PoC Charges (E)=B*A	Reliability Charges (F)=C*A	HVDC Charges (G)=D*A	Total Transmission Charges (₹)
With Rates as per Previous Computation (Slab IV)	5618.81	298288	30097	12102	1676024445	169109410	67998873	1913132728
With Rates as per Revised Computation (Slab IV)	5618.81	295713	30350	12159	1661556002	170530970	68319145	1900406117
With Rates as per Revised Computation (Slab III)	5618.81	342274	30350	12159	1923173547	170530970	68319145	2162023662

(c) No changes had been made in the validated demand and generation data as finalized in the Validation Committee meeting. However, demand and generation, as finalized in the Validation Committee meeting, had been normalized in line with the Sharing Regulations (Third Amendment), 2015. In both the computations, normalized demand and generation for Gujarat had been considered as 14449 MW and 10920 MW, respectively. Gujarat generation had been considered, including generation from APL Mundra and Torrent Sugan.

11. In response to the Commission's query during the hearing dated 24.4.2023, NLDC vide affidavit dated 2.5.2023 has reiterated its submissions made in its earlier replies. In response, the Petitioner has also reiterated its submissions vide affidavit dated 30.5.2023.



Analysis and Decision

12. We have considered the submissions of the Petitioner and NLDC. The Petitioner has contended that with the revision in the slab rates for PoC charges, Reliability Support Charge rate, HVDC charges rate and slabs for PoC losses for the period October 2018 to December 2018 vide order dated 10.10.2019 in Petition No. L-1/44/2010-CERC, allowed vide order dated 15.11.2018, the transmission charges of the Petitioner increased by ₹74.56 crore. The Petitioner has submitted that no reasoning has been given either by the Implementing Agency or in the order dated 10.10.2019. The Petitioner has prayed for a refund of excess transmission charges of ₹74.56 crore paid by it, along with interest.

13. The Commission, in an order dated 15.11.2018 in Petition No. L-1/44/2010-CERC approved the slab rates for PoC charges, Reliability Support Charge rate, HVDC charges rate and slabs for PoC losses for the period October 2018 to December 2018 under the 2010 Sharing Regulations. The Petitioner, who is in Gujarat in the Western Region, was placed in Slab IV. Accordingly, the slab rate for LTOA/ MTOA billing for the Petitioner for the period October 2018 to December 2018 was ₹298288/MW/month. The Implementing Agency revised the slab rates for PoC charges, Reliability Support Charge rate, HVDC charges rate and slabs for PoC losses for the period October 2018 to December 2018 due to modification in the sharing of transmission charges of some generating stations and HVDC transmission lines etc. The same was approved by the Commission vide order dated 10.10.2019. As per the revised order dated 10.10.2019, the Petitioner has been placed in Slab III, and the applicable rate for LTOA/ MTOA is ₹342274/MW/month. As a result, the transmission charges to be paid by the Petitioner have increased by ₹74.56 crore. The Petitioner has submitted that the Implementing Agency has wrongly placed the Petitioner in Slab



III instead of Slab IV. The Petitioner has prayed to place it under Slab IV and to refund the excess transmission charges paid for the period from October, 2018 to December, 2018.

14. Per contra, the Implementing Agency submitted that the PoC charges and losses are computed as per the procedure specified under the 2010 Sharing Regulations. The Implementing Agency has submitted that initially, the Aggregate PoC rate for Gujarat was ₹318807/MW which was less than the average of Slab III and Slab IV, i.e. ₹321810/MW, so Gujarat was placed in Slab IV in an order dated 15.11.2018 for the period October, 2018 to December, 2018. The Implementing Agency stated that the slab rates of the period from October, 2018 to December 2018 was revised for reasons as provided in CERC Order dated 10.10.2019 in No.L-1/44/2010-CERC.

15. In response to the Petitioner's contention that the Implementing Agency has not conveyed the net drawl of Gujarat considered in the load flow study from ISTS in both the computations, the Implementing Agency has submitted that in both the computations, normalized demand and generation for Gujarat was considered as 14449 MW and 10920 MW respectively. The Implementing Agency has further stated that the generation from APL Mundra and Torrent Sugem was also considered in Gujarat generation. 15 The Petitioner has contended that the Implementing Agency has not considered excluding the approved LTA of the Heavy Water Plant of DAE and has also reduced the LTA of the Indian Railways in the revised computation of the PoC slab rate. In response, the Implementing Agency has submitted that the applicable transmission charges are computed in advance on a quarterly basis of projected node wise generation and demand, recently available details of weighted



average allocation from ISGS and details of LTOA/ MTOA as furnished by CTUIL for the applicable period of computation. Accordingly, for the applicable period from October 2018 to December 2018, computation was done in September 2018 on the basis of the LTOA/ MTOA for the period from October 2018 to December 2018 furnished by CTUIL and weighted average allocation from ISGS in August 2018 furnished by respective RPCs. had been considered to work out reference LTA capacity. The 12.88 MW was allocated from Kakrapar Atomic Power Station (KAPS) to Heavy Water Plant DAE, as per the details of weighted average allocation for the month of October 2018 as provided by WRPC, vide email dated 31.10.2018 for preparation of inputs for RTA. Since such allocation to the Heavy water plant was not available in August 2018 on the basis of then available details of allocations/ LTOA/ MTOA furnished by RPCs/ CTUIL, based on which POC calculations were required to be made, 12.88 MW allocation to Heavy Water Plant DAE is post facto development and was not considered for computation of slab rates. Further, a 12.88 MW allocation from KAPS to Heavy Water DEA has been considered for the period from January 2019 to March 2019.

16. We have considered the concerns raised by the Petitioner and the clarifications given by the Implementing Agency. As per the 2010 sharing Regulations, the PoC charges and losses are computed on the basis of forecasted generation and demand of DICs for a particular application period in advance. Forecasted generation/ demand and basic network are validated by the Validation Committee comprising officers from the Commission, the Implementing Agency, each of the RPCs, CTUIL, CEA, and STUs. The PoC computation requires total MTC to be recovered, approved injection and approved withdrawal for the application period, new generating units to be commissioned, new transmission lines to be commissioned, line length and conductor



types of these transmission lines, indicative cost level for each conductor type (provided by CTUIL) etc. MTC has to be provided by the ISTS licensees computed on the basis of provisional/ final tariff orders issued by the Commission. The nodal PoC charges are computed using the Hybrid method (Average Participation method and Marginal participation method) as explained in Annexure-1 of the 2010 Sharing Regulations. In the instant case, POC rates for October 2018-December 2018 were calculated by NLDC and submitted to the Commission vide letter dated 2.11.2018 based on which vide Order dated 15.11.2018, the POC rates were notified by the Commission.

17. Subsequently, there were certain developments which required revision of calculation for LTA/MTOA rates for the application period from October 2018-to December 2018, which have been noted in the Order dated 10.11.2019 quoted as follows:

“3. The Commission vide its Orders dated 15.11.2018 had approved the slab rates for PoC Charges towards ‘LTA/MTOA, STOA’, Reliability Support Charge Rate, HVDC Charge Rate as well as slabs for PoC losses for the Application Period October,2018 to December,2018 based upon aforementioned data.

4. Subsequent to aforesaid Order the Commission has issued Order dated 06.11.2018 in petition no. 261/MP/2017 vide which methodology for Sharing of Transmission Charges for associated transmission system of Kudgi Generating Station has been specified. Relevant extract is provided as under.

“39 (vi) In the light of the above, as per Regulation 8(6) of the Sharing Regulations, the petitioner is liable to pay the transmission charges till COD of its delayed units Hence, we direct that the annual transmission charges of the associated transmission system (i.e. Kudgi-Narendra, Narendra-Madhugiri and Madhugiri Bidadi and associated bays) as determined or adopted by the Commission shall be considered in PoC mechanism corresponding only to the unit declared under commercial operation i.e. Unit-I (as per records available in this petition) and the balance transmission charges shall be recovered from NTPC till the remaining units are declared under commercial operation. On COD of Unit-II & Unit-III, proportionate transmission charges corresponding to Unit-II & Unit-III, shall be considered in PoC from their respective CODs.”

5. Further the Commission has issued Order dated 31.07.2019 in Review Petition No. 20/RP/2018 along with I.A. Nos. 46/IA/2019, 48/IA/2019 and 49/IA/2019 and Review Petition No.3/RP/2019 vide which methodology for Sharing of Transmission Charges for



Champa-Kurukshetra HVDC line has been modified. Relevant extract is provided as under:

“55.

.....After the coming into effect of the 2010 Sharing Regulations, the provisions of the Regulations are necessarily to be applied in the present case and having come to the conclusion that the instant transmission assets are created to supply the power to Northern Region, the methodology specified for sharing of transmission charges in the orders dated 22.2.2018 and 6.11.2018 would also require modification as the applicable methodology for sharing of transmission charges would now be as per Regulation 11(4)(3)(i) of the 2010 Sharing Regulations and it would come into effect from the date of commercial operation of the instant assets.”

6. In view of the above, the Implementing Agency vide its letter dated 29.08.2019 has submitted the revised slab rates for PoC Charges towards LTA/MTOA, Reliability Support Charge Rate, HVDC Charge Rate for the Application Period October,2018 to December,2018 in compliance with Regulation 17 of the 2010 Sharing Regulations, considering the following changes incorporated in the calculations with respect to the original POC Order dated 15.11.2018:-

- a) The sharing mechanism in respect of Pole-I and Pole-II of HVDC Champa-Kurukshetra has been modified as per Order dated 31.07.2019 in petition No. 20/RP/2018 & 3/RP/2019.*
- b) The sharing mechanisms as directed vide Order dated 6.11.2018 in Petition No. 261/MP/2017 has been followed for BRBCL Generating Station also. For this Quarter LTA of 459.50 MW from BRBCL has been considered for beneficiaries and 2/4th of transmission charges for Nabinagar- Sasaram line has been considered under PoC. 2/4th of transmission charges for Nabinagar- Sasaram line have been allocated to BRBCL.*
- c) The loads of GRIDCO, which were modeled as “Y(P) Load”, have been changed to “P” Loads as per the GRIDCO letter dated 14.03.2019. Accordingly, the Odisha load has been changed to 3667 MW from 3846 MW.*
- d) The LTA of Suryakanta Hydro Energies Pvt Ltd which was not considered in original POC Order dated 15.11.2018, has now been considered as 14 MW to Delhi, per additional LTA details furnished by CTU for the application period.*
- e) Monthly Transmission Charges (MTC) for Q3 2018-19 has been revised from Rs 2887.94 Crore to Rs 2899.61 Crore considering the tariff of Pole-II of HVDC Champa-Kurukshetra approved vide Order dated 06.11.2018 in Petition no.205/TT/2017, which was not part of original POC Order dated 15.11.2018 has been considered now.”*

As per above, the rates for LTA/MTOA were revised for the reasons cited above, keeping all other data the same as considered in the Order dated 15.11.2018.

18. We observe that the Implementing Agency has confirmed that it has calculated the rates strictly as per the Regulations. Once the POC calculations are carried out as per the 2010 Sharing Regulations, there is a possibility for an entity to be placed at any Slab rate as worked out in terms of the regulations. Once the calculations were



revised in terms of the Commission's directions as quoted above, the Slab Number for Gujarat came out to be different than the Slab Number vide Order dated 15.11.2018. We observe that the Slab rates of all the slabs have also changed as a consequence of the revision. For some entities, the slab rates have increased, and for others, they have got reduced. We are convinced that the transmission charges for the Petitioner have been computed in accordance with the 2010 Sharing Regulations and are in order. There is no merit in the contentions of the Petitioner, and they are accordingly rejected.

19. This order disposes of Petition No. 497/MP/2020 in terms of the above findings and discussions.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(Jishnu Barua)
Chairperson

