

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 92/MP/2021

Coram:

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

Date of Order: 04.05.2023

In the matter of:

Petition by Essar Power Transmission Company Ltd. under Section 79(1)(c) and (d) of the Electricity Act, 2003 in terms of the direction issued pursuant to the 2nd Meeting of Validation Committee for the Application Period from 1.7.2020 to 30.9.2020 for implementation of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 alongwith IA for interim relief for payment of provisional tariff for the Stage-1 assets from the PoC pool from July, 2020 with interest.

And

In the matter of:

Essar Power Transmission Company Limited,
Lower Ground Floor,
Hotel Treebo Conclave Riviera, A-20, Kailash Colony,
New Delhi- 110048

...Petitioner

Vs

1. Power Grid Corporation of India Limited, (Through CTO/CTU)
B-9, Qutab Industrial Area, Katwaria Sarai,
New Delhi-110 016.
2. Western Regional Load Dispatch Centre,
F-3, M.I.D.C. Area, Marol, Andheri (East), Mumbai-400 093.
3. M.P. Power Management Company Limited,



Shakti Bhawan, Rampur, Jabalpur,
Madhya Pradesh- 482 008

4. National Load Dispatch Centre
Power System Operation Corporation Limited
B-9 (1st Floor), Qutab Institutional Area,
Katwaria Sarai, New Delhi -110 016
5. Western Regional Power Committee,
F-3, MIDC Area, Marol, Opp. SEEPZ, Central Road,
Andheri (East), Mumbai-400 093.
6. Essar Power M P Limited, LGF, A-20, Kailash Colony,
Hotel Conclave Complex, Block A, Kailash Colony,
Greater Kailash, New Delhi- 110048

...Respondents

Parties Present:

Shri Anand K. Ganesan, Advocate, EPTCL
Ms. Kritika Khanna, Advocate, EPTCL
Shri Amal Nair, Advocate, EPTCL
Ms. Suparna Srivastava, Advocate, CTUIL
Ms. Astha Jain, Advocate, CTUIL
Ms. Divya Sharma, CTUIL
Shri Siddharth Sharma, CTUIL
Shri Kavya Bhardwaj, CTUIL
Shri Alok Mishra, WRLDC, Grid-India

ORDER

The instant petition has been filed by Essar Power Transmission Company Limited (EPTCL) under Section 79(1)(c) and (d) of the Electricity Act, 2003 for determination of AFC of the LILO of 400 kV S/C Vindhyanchal-Korba transmission line at Mahan (hereinafter referred to as "LILO") and separate the tariff of the LILO at EMPMPL from other assets of the Petitioner. The Petitioner has made the following prayers:



- “a. Admit the present petition;
b. Determine the Annual fixed cost for the LILO assets for 2013-14.
c. Determine the transmission tariff / provisional transmission tariff for the LILO assets for 2013-14.
d. Direct CTU to recover transmission charges of LILO from EPMPPL.
e. Segregate the tariff for the LILO at EPMPPL from other assets of the Petitioner
f. Determine the effective date of billing.
g. To direct CTU to recover interest for Stage-1 tariff and tariff determined for LILO for the unpaid period.
h. Pass any other appropriate Order/ Directions.”

2. Essar Power MP Limited (EPMPPL) has set up a 1200 MW (2x600 MW) thermal power plant at district Singrauli in the State of Madhya Pradesh and had entered into Long Term Power Purchase Agreement (PPA) with Essar Steel for supply of 450 MW of power for a period of 12 years. According to the PPA, power from the Generating Station was to be evacuated through the 400 kV D/C Mahan-Sipat Transmission Line terminating at WR Pooling Station at Bilaspur. The evacuation system from the generating station was developed by the Petitioner, pursuant to the inter-State transmission license granted by the Commission vide order dated 10.4.2008. The license was subsequently modified vide order dated 15.9.2009. The Petitioner was required to develop the following transmission lines and sub-stations:

Transmission lines:

- i) LILO of existing 400 kV S/C Vindyanchal-Korba transmission line of PGCIL at Mahan
- ii) 400 kV D/C (twin conductor) transmission line from Gandhar NTPC switch yard to Hazira
- iii) 400 kV D/C (quad conductor) transmission line from Mahan to Sipat Pooling Sub-station
- iv) 400 kV (triple conductor) D/C transmission line from Mahan to Sipat Pooling Sub-station.

Sub-stations:

- i) 3X500 MVA, 400/220kV Sub-station at Hazira
- ii) 2x50 MVAR line reactors at Sipat Pooling Sub-station



- iii) 2x50 MVAR line reactors at Mahan
- iv) 1x80 MVAR, 420 kV Switchable bus reactors at Mahan TPS along with its associated 400 kV bay
- v) 2 Nos. 400 kV line bays at Sipat Pooling Sub-station
- vi) 2 Nos. 400 kV line bays at Gandhar (NTPC) switchyard
- vii) 4 Nos. 400 kV line bays at Mahan TPS

3. The transmission assets developed by EPTCL were put into commercial operation in two stages. Stage-I and Stage-II transmission assets were put into commercial operation on 1.4.2013 and 21.9.2018 respectively. The details of the transmission elements covered in Stage-I and Stage-II are as follows:

Stage-I:

- a) 400 kV D/C Twin conductor transmission line from Gandhar NTPC switchyard to Hazira
- b) LILO of 400 kV S/C Vindhyanchal –Korba transmission line at Mahan
- c) 500 MVA (400 kV / 220 kV) transformers at Hazira
- d) 220 kV Bays at Hazira
- e) 440 kV Sub-station & line bays (GIS) at Hazira
- f) 400 kV line bays (GIS) at Gandhar

Stage -II

- a) 400 kV D/C Quad Moose transmission line from Mahan TPP to Sipat Sub-station
- b) 400 kV line bays at Mahan and Sipat
- c) 50 MVAR line reactors at Sipat Pooling Sub-station
- d) 50 MVAR line reactors at Mahan TPS
- e) 80 MVAR bus reactor at Mahan TPS and its associated bay

4. The Petitioner claimed tariff for Stage-I transmission assets from COD to 31.3.2014 in Petition No.173/TT/2013 and truing-up of 2009-14 period in Petition No.111/TT/2015. The trued-up tariff for Stage-I transmission assets for the period from COD to 31.3.2014 was approved vide order dated 15.6.2016. Aggrieved with the order dated 15.6.2016, the Petitioner filed a Review Petition



No. 33/RP/2016 and the Commission vide order dated 28.2.2018 rejected the Petition No. 33/RP/2016.

5. The Commission in its order dated 21.1.2020 in Petition No 132/MP/2018 filed by CTUIL praying declaration of the LILO at Mahan as permanent held as follows:

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

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

30. MPPMCL has submitted that continuation of LILO as a permanent element would burden the beneficiaries with the additional PoC charge of LILO of Vindhyachal – Korba 400kV S/c line at Mahan TPS. We observe that Essar Mahan has already relinquished its full LTA as on 30.4.2018 as noted in Order dated 7.10.2019 in Petition No.187/MP/2017. We also observe that the instant LILO line is the dedicated line of Essar Mahan. Accordingly, the generating station is liable to pay transmission charges for same.....

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



As per above, it was observed that the instant LILO line is the dedicated line of Essar Mahan and the generating station is liable to pay transmission charges for same.

6. NLDC taking into consideration the order dated 21.1.2020 in Petition No. 132/MP/2018 discussed the impugned order in the Validation Committee and decided as follows:

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

The Petitioner has accordingly filed the instant petition seeking segregated tariff for LILO and other assets of the Petitioner.

7. The Commission, vide order dated 4.6.2021 in I.A. No. 32/2021 in Petition No. 92/MP/2021, granted segregated provisional tariff for the Stage-1 combined assets (excluding LILO) Relevant extract of order dated 4.6.2021 in I.A. No. 32/2021 in Petition No. 92/MP/2021 is quoted below:

“23. We observe that the Commission had approved the total capital hard cost of the entire assets under Stage-I at Rs. 356.16 crore and the capital hard cost of the LILO at Rs. 26.50 crore, which amounts to 7.44% of the entire approved capital hard cost of assets under Stage-I. The transmission charges for assets under Stage-I has been determined as Rs. 79.92 crore and, therefore, excluding the pro-rata transmission charges for the LILO on basis of capital cost of the LILO, transmission charges for the



assets under Stage-I (except the LILO) works out to Rs. 73.97 crore (92.56% of Rs. 79.92 crore).

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

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

8. The Commission, vide another order dated 1.6.2022 in IA No. 4/IA/2022 in Petition No. 92/MP/2021, directed to open (disconnect) the LILO within 15 days of the issue of the order, taking into consideration the study report filed by CTUIL dated 19.1.2022 in Petition No. 92/MP/2021. The relevant portion of the order is as follows:

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

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

9. Petitioner has submitted that it has opened the LILO on 17.06.2022 in pursuance of abovesaid Order.



10. The matter was heard on 28.3.2023 and order was reserved.

11. The instant petition is basically filed for segregation of the tariff for the LILO at EPMPPL from other assets of the Petitioner and determination of the AFC for the LILO for 2013-14 and grant of provisional transmission tariff for the LILO for 2013-14 besides other prayers. On scrutiny of the information submitted by the Petitioner, it is observed that the information on record is not sufficient to either determine the tariff of the LILO or segregate the tariff of the LILO from other assets of the Petitioner. Therefore, the Petitioner is disposed of with the direction to segregate the capital cost of the LILO from other assets of the Petitioner and file a fresh tariff petition for the LILO and other assets of Stage-I separately as per the applicable tariff regulations with all the information as per the tariff forms within two months from the date of issue of this order.

12. The segregated provisional tariff approved for the Stage-1 transmission assets (excluding LILO), vide order dated 4.6.2021 in I.A. No. 32/2021 in Petition No. 92/MP/2021 shall continue to be recovered from the common pool under 2020 Sharing Regulations till further orders.

13. The Petitioner has prayed to direct CTU to recover tariff determined for LILO for the unpaid period. Vide order dated 21.1.2020 in Petition No 132/MP/2018, Commission directed transmission charges for LILO to be recovered from Respondent No.1 in Petition No. 132/MP/2018 (EPMPPL). Hence the transmission charges for LILO post 21.1.2020 are required to be recovered from EPMPPL in terms of our order dated 21.1.2020 in Petition No 132/MP/2018. However, the segregated tariff for LILO has not



been determined in the absence of a specific tariff petition filed by the Petitioner. Accordingly, any directions regarding recovery of the transmission charges of LILO from EPMPPL shall be addressed once tariff for LILO is determined separately in tariff petition to be filed by the Petitioner.

14. The Petition No. 92/MP/2021 is disposed of in terms of the above stipulation.

sd/-
(P.K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

sd/-
(Jishnu Barua)
Chairperson

