

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

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

**Petition No.82/2005**

**In the matter of**

Miscellaneous petition under CERC (Conduct of Business Regulations) 1999 for clarification in the order dated 18.7.2003 in Petition No.49/2002 in the matter of approval of transmission tariff for Korba-Budhipadar Transmission System in Western Region for the period 1.4.2001 to 31.3.2004.

**And in the matter of**

Madhya Pradesh State Electricity Board

.... **Petitioner**

**Vs**

1. Power Grid Corporation of India Ltd., Gurgaon
2. Bihar State Electricity Board, Patna
3. West Bengal State Electricity Board, Kolkata
4. Grid Corporation of Orissa Ltd., Bhubaneswar
5. Damodar Valley Corporation, Kolkata
6. Power Department, Govt. of Sikkim, Gangtok
7. Jharkhand State Electricity Board, Ranchi
8. Gujarat Electricity Board, Baroda
9. Chattisgarh State Electricity Board, Raipur
10. Maharashtra State Electricity Board, Mumbai
11. Electricity Department, Govt. of Goa, Panaji, Goa
12. Electricity Department, Admn. of Daman & Diu, Daman,
13. Electricity Department, Admn. of Dadra

and Nagar Haveli, Silvasa

..... **Respondents**

The following were present:

1. Shri D. Khandelwal, Addl. CE, MPSEB
2. Shri Deepak Srivastava, EE, MPSEB
3. Shri Rakesh Prasad, MPSEB
4. Shri U.K. Tyagi, PGCIL
5. Shri M.M. Mondal, PGCIL
6. Shri P.C. Pankaj, AGM, PGCIL

**ORDER  
(DATE OF HEARING: 22.9.2005)**

The petitioner, Madhya Pradesh State Electricity Board (MPSEB) has prayed for a direction to the first respondent, Power Grid Corporation of India Limited (PGCIL) for

revision of the billing of Korba-Budhipadar transmission line in Western Region for the period 1.4.2001 to 31.3.2004 in accordance with the order dated 18.7.2003 in Petition No.49/2002, which according to the petitioner implies sharing of the transmission charges for the transmission line in the ratio of 50:50 between Eastern and Western Regions.

2. Korba-Budhipadar transmission line, an inter-regional link, traverses the Eastern and Western Regions. The transmission line was declared under commercial operation on 1.9.1999. The transmission charges for the period from the date of commercial operation to 31.3.2001 were approved by the Commission by its order dated 19.6.2002 in Petition No.9/2000. The Commission directed that the transmission charges would be shared by the constituents of Eastern and Western Regions in the following manner:

- (i)  $\frac{1}{2}$  by MPSEB from the date of commercial operation of the assets, till the date of constitution of State of Chattisgarh. The liability on this account between MPSEB and Chhatisgarh State Electricity Board (CSEB) (Respondent No.8) shall be shared in accordance with the Notification No. 238 dated 12.4.2001 issued by Ministry of Power, Govt. of India. After constitution of State of Chhattisgarh,  $\frac{1}{2}$  of the transmission charges shall be shared by MPSEB and CSEB in proportion of energy transmitted,
- (ii)  $\frac{1}{3}^{\text{rd}}$  by constituents of Eastern Region jointly, and
- (iii)  $\frac{1}{6}^{\text{th}}$  by Gujarat Electricity Board.

3. The sharing of transmission charges approved by the Commission was in deviation of the applicable norms contained in Ministry of Power notification dated 3.3.1998, for the reason that the petitioner at WREB meeting held on 17.12.1999 had agreed to share 50% of the charges for the transmission line.  $\frac{1}{6}^{\text{th}}$  of the approved transmission charges were allocated to Gujarat Electricity Board (8<sup>th</sup> respondent herein) as it was found to be using the transmission line for transfer of electricity from Eastern

Region. Ministry of Power notification dated 3.3.1998 laid down the following methodology for sharing of transmission charges:

- a) One third( $1/3^{\text{rd}}$ ) by the beneficiaries of one region
- b) One third ( $1/3^{\text{rd}}$ ) by the beneficiaries of the other region
- c) Remaining one third ( $1/3^{\text{rd}}$ ) as per use, i.e. the beneficiaries of the importing contiguous region which have received the power as per the commitment.

4. The first respondent (PGCIL) sought review of the said order dated 19.6.2002 on the ground that there was some inconsistency in the order because of which MPSEB, the present petitioner was not sharing the fixed monthly transmission charges applicable for Eastern Region and had thus not honoured the bills raised by the first respondent. The application for review (No.117/2002) made by first respondent (PGCIL) was disposed of by order dated 4.4.2003 by clarifying the issue raised therein. This settled the question of sharing of the transmission charges for the period 1.9.1999 to 31.3.2001.

5. The transmission charges for the period 1.4.2001 to 31.3.2004 were approved by the Commission in its order dated 18.7.2003 in Petition No.49/2002. On the question of sharing of these transmission charges, it was directed that the transmission charges approved would be included in the transmission tariff for Western and Eastern Regions and shall be shared by the regional constituents in accordance with the notification dated 26.3.2001 read with the order dated 4.4.2003 in Review Petition No.117/2002 *ibid*. In this manner, the ratio for sharing of transmission charges for the period 1.4.2001 to 31.3.2004 was to be maintained as per order dated 19.6.2002 in Petition No.9/2000 read with the clarificatory order dated 4.4.2003 in Review Petition No.117/2002. The petitioner is being billed by the first respondent accordingly.

6. The petitioner has submitted that para 4.8 of the Commission's notification dated 26.3.2001, governing terms and conditions for determination of tariff laid down that the transmission charges were to be shared in the ratio of 50:50 by Eastern and Western Regions and were to be pooled with the transmission charges of the respective region for further sharing by the constituents of respective region. According to the petitioner, only 50% of the transmission charges approved under order dated 18.7.2003 are required to be shared by the beneficiaries in Western Region and the balance 50% by the constituents of Eastern Region, particularly so when other beneficiaries in Western and Southern Regions are also importing the surplus power from Eastern Region and using the transmission line in question. The petitioner has submitted the following details of the power allocated to the beneficiaries in Southern and Western Regions from Eastern Region.

| CEA Order date | MP  | GEB | Goa | MSEB | DD | DNH | KSEB | CSEB | Total |
|----------------|-----|-----|-----|------|----|-----|------|------|-------|
| 30.4.01        | 125 | 23  | -   | -    | -  | -   | -    | -    | 148   |
| 16.8.01        | 306 | 54  | -   | -    | -  | -   | -    | -    | 360   |
| 24.4.02        | 339 | 59  | -   | -    | -  | -   | -    | -    | 398   |
| 23.4.03        | 300 | 80  | -   | 80   | 10 | 21  | -    | -    | 541   |
| 29.9.03        | -   | -   | -   | -    | 5  | 15  | 40   | -    | 60    |
| 21.5.04        | 300 | 80  | -   | 130  | 26 | 25  | -    | -    | 561   |
| 22.6.04        | -   | -   | 75  | -    | 5  | 20  | -    | -    | 100   |
| 27.7.04        | 300 | 80  | -   | 210  | 26 | 25  | -    | -    | 641   |
| 29.9.04        | 247 | 10  | -   | 95   | 26 | 25  | -    | -    | 453   |
| 3.6.05         | 200 | 77  | -   | 125  | 25 | 26  | -    | 60   | 513   |

7. Para 4.8 of the notification dated 26.3.2001 provides that the transmission charges for inter-regional assets are to be shared in the ratio of 50:50 by two contiguous regions. It further provides that these transmission charges are to be recovered from the beneficiaries of the respective region by pooling these 50% of the transmission charges for such inter-regional assets with the transmission charges for the other transmission system in the region. For facility of reference, the relevant provision is reproduced below:

**“4.8. Principle of sharing of Transmission Charges of the inter-regional assets including HVDC system by the beneficiaries**

The Transmission Charges of the inter-regional assets including HVDC system shall be shared in the ratio of 50:50 by the two contiguous regions. These Transmission Charges shall be recovered from the beneficiaries by pooling 50% of the Transmission Charges for such inter-regional assets with the Transmission Charges for transmission system of the respective regions.”

8. It is seen that para 4.8 of the notification dated 26.3.2001 speaks of sharing of transmission charges at two levels. Firstly, it lays down that the transmission charges for the inter-regional assets are to be shared by two regions on 50:50 basis. Secondly, sharing of the transmission charges by the beneficiaries in the respective region after sharing at inter-regional level is also resolved by para 4.8 of the notification dated 26.3.2001. According to this, the transmission charges pooled for the inter-regional assets are to be pooled with the transmission charges for other regional assets and shared by the beneficiaries accordingly.

9. So far as the sharing of the transmission charges for Korba-Budhipadar transmission line at regional basis is concerned, the methodology has been approved by the Commission in its orders dated 19.6.2002 read with order dated 4.4.2003. To that extent, in view of the specific direction in these orders, the principles of sharing of transmission charges for inter-regional assets on 50:50 does shall not apply. For similar reason, in view of specific allocation of transmission charges between the petitioner (MPSEB) and 8<sup>th</sup> respondent (GEB), these charges are not be shared by other beneficiaries in the Western Region. As regards 1/3<sup>rd</sup> of the transmission charges allocated to Eastern Region, further sharing by the beneficiaries is to be regulated under para 4.8 of the notification dated 26.3.2001 by pooling them with the transmission charges of Eastern Region. The Commission’s direction in the order dated 18.7.2003 is

to be understood accordingly and this has been so understood by the first respondent who has billed the petitioner and other beneficiaries in Eastern and Western Regions.

10. We may point out that the above methodology for sharing of transmission charges for the transmission line was considered by the Commission in slight deviation of the provisions of para 4.8 of the notification dated 26.3.2001 for particular reasons. The first reason for such treatment was that the line was constructed at the behest of the petitioner and petitioner had agreed to sharing of 50% of the transmission charges when the transmission line was to be constructed. The other reason is that the Commission adopted the methodology for sharing of charges approved by the Commission earlier for the period ending 31.3.2001.

11. From the table extracted under para 6 above, it is noted that 8<sup>th</sup> respondent (GEB) has availed of the transmission line for conveyance of electricity from 30.4.2001 onwards on regular basis. It is on this consideration only that 1/6<sup>th</sup> of the transmission charges have been allocated to GEB. Further, some other states are shown to have also availed of the transmission line consequent to allocation to them of unallocated quota from NTPC stations in Eastern Region. This arrangement has become effective from 23.4.2003 onward as per the information placed on record by the petitioner. However, this was not brought to the Commission's notice before issue of order dated 18.7.2003 when transmission charges for the period 1.4.2001 to 31.3.2004 were approved, or immediately thereafter. The present petition has been filed nearly two years after the issue of order. The position on record rules out revision of transmission charges atleast for the period till 23.4.2003. In case, any other State has availed of the transmission line for conveyance of electricity from 23.4.2003 to 31.3.2004 (the period

in question), they may become liable to pay the wheeling charges in accordance with the notification dated 26.3.2001. However, since the matter is not specifically raised before us, we are not expressing any definite view on this issue.

12. In above view of the matter no direction for revision of the billing for the transmission line is called for.

13. With the above, 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 26<sup>th</sup> September 2005.