

BEFORE THE UTTAR PRADESH ELECTRICITY REGULATORY COMMISSION

Quorum

Shri Desh Deepak Verma, Chairman
Shri I. B. Pandey, Member

In the matter of:

Fixation of transmission tariff for 7.2 KM 400 KV dedicated transmission line constructed to connect Rosa TPP to PGCIL grid as per memorandum of understanding (MOU) signed between UPPCL and RPSCL.

Petitioner

Rosa Power Supply Company Ltd. (the Company), Administrative Block, Hardoi Road, P.O. Rosar Kothi, Tehsil Sadar, District Shahjahanpur, UP-242401

Petitioner

Uttar Pradesh Power Corporation Ltd., 14, Ashok Marg, Shakti Bhawan, Lucknow.

Respondent

Present in the Hearing:

1. Shri V. P. Srivastava, Chief Engineer, PPA, UPPCL
2. Shri R. Bhatnagar, Superintending Engineer, PPA, UPPCL
3. Shri Haroon Aslam, Executive Engineer, PPA, UPPCL
4. Shri Vibhav Agarwal, Rosa Power Supply Co. Ltd.
5. Shri Sumit Notani, Rosa Power Supply Co. Ltd.
6. Shri Himanshu Agarwal, Rosa Power Supply Co. Ltd.
7. Shri Ambuj Shukla, Rosa Power Supply Co. Ltd.
8. Shri Santosh Singh, Rosa Power Supply Co. Ltd.
9. Shri Avadhesh Kumar Verma, Chairman, U.P. Rajya Vidyut Upbhokta Parishad
10. Shri Ramashankar Awasthi

ORDER
(Hearing on 21.09.2015)

Rosa Power Supply Company limited (RPSCL) filed a petition for fixation of transmission tariff for 7.2 km dedicated transmission line constructed to connect Rosa (2 x 600 MW) Thermal Power Project to PGCIL substation in accordance with the MoU signed between UPPCL and Rosa Power Supply Company Ltd.

Commission vide Order dated 25.06.2012 in Petition no 786/2012 had directed the petitioner to file separate petition for the transmission & associated works has provided in principle approval of Rs 45.07 Crores for 400 kV transmission line. The order of the Commission is reproduced below:

- “1. M/s Rosa Power Supply Company Limited has filed the petition for approval of additional capital cost of Rs. 595.09 Cr. incurred on Balance of Plant (BoP) and 400 kv transmission line and associated works of Rosa Thermal Power Station. In the matter, vide order dated 16.05 2012, the Petitioner was directed to file the cost incurred by them on 400 KV transmission line and associated works through a separate petition and the Respondent in response to their request was given additional time for submission of their reply. The reply has not been filed by the Respondent so far.
2. During the hearing, UPPCL submitted that the additional cost incurred on BoP has substantial impact on the tariff so it has to be examined under the provisions of PPA, Regulations and approved cost of stage I and stage II. The Petitioner submitted that since stage II of the plant has also become fully operational. To operate the plant on full capacity, they require immediate finances to meet the additional expenditure of capital nature. Hence, the Hon’ble Commission is requested to approve provisionally, the additional capital of Rs. 550.02 Cr. (after reducing the cost of transmission system) subject to prudence check and final approval of the Commission.
3. In view of above, the Commission deems it appropriate to provisionally approve the additional capital cost of Rs. 550.02 Cr. on the BoP of the project subject to

prudence check and final approval of the Commission under the provisions of PPA, Regulations and earlier orders of the Commission.”

The 400 KV transmission line was charged on 15.3.2012 and evacuation of power is through this transmission line, the Petitioner had filed a separate petition for fixation of tariff for this transmission line as directed by the Commission.

RPSCL has submitted that the final cost of the transmission line shall be Rs. 45.07 Cr. And Rs. 25.49 has been incurred till 1.4.2012.

During the hearing on 17.3.2015 the petitioner submitted that Rs. 27.78 Cr. has been incurred in 31.3.2013 and has been capitalized and the rest Rs. 17.29 Cr shall be incurred in 2015.

He further requested the fixed charges for the transmission line calculated on the basis of capital cost and additional capitalization may be approved. Shri S.K. Sinha, Superintending Engineer appearing on behalf of PPA Unit of UPPCL submitted that in 4 & 5 are not concerned with the present petition as there is no para 8.3 in the present petition and no matter pertains to procurement of coal.

The Commission directed the petitioner to file the supplementary affidavit making necessary amendments in the petition.

The Commission admits the petition and directs the respondent to file its reply within one month.

The Commission published the public notice in Hindustan Times and Amar Ujala on 29.8.2015 which is as follows:-

PUBLIC NOTICE

In the matter of

Fixation of transmission tariff for 7.2 Km 400 KV Dedicated Transmission Line constructed to connect ROSA TPP to CTU Network as per MOU signed with the Rosa Power Supply Company & UPPCL Petition No. 837 / 2012 filed by Rosa Power Supply Company. In the present matter capital cost and transmission tariff shall be discussed.

The petitioner M/s Rosa Power Supply Company is directed to place the soft copy of its petition and supporting documents on its website i.e. www.reliancepower.co.in within two days from the date of publication of this notice with an intimation to the Commission. The petition along with supporting documents shall also be available at UPERC website i.e. www.uperc.org.

Notice is hereby given to be stakeholders and interested parties to submit comments in the above matter in writing directly to the Commission at Kisan Mandi Bhawan, IInd Floor, Vibhuti Khand, Gomti Nagar, Lucknow personally or by Post so as to reach before 9.9.2015 with a copy to the petitioner who shall file reply upto 14.9.2015.

The Public Hearing in the matter shall be held on 15.9.2015 at 11:30 hrs in the office of the Commission.”

The letter regarding the same was sent to Rosa Power Supply Co. Ltd. and the petitioner vide letter dated 31.8.2015 submitted that the petition along with the annexure have been uploaded on their website www.reliancepower.co.in. The petition along with annexures was also uploaded on the website of the Commission namely www.uperc.org. The petition along with the annexures was uploaded in facilitate the

stakeholders to submit their comments / objections in the public hearing. The public hearing was rescheduled on 21.9.2015, and the notice regarding the same was published in the news papers namely Hindustan Times and Amar Ujala on 15.9.2015

During the Public Hearing on 21.9.2015, UPPCL submitted the following:-

1. That the order dated 14.7.2015 passed by this Commission upon the hearing held in the matter on 17.3.2015 was received in the office of the deponent on 24.7.2015.
2. That upon perusal of the revised petition supported by the affidavit, a serious legal infirmity has come to the notice of the deponent that while the affidavit in support of the revised petition by one Sri Sumit Notani is of 14th day of July, 2015 whereas the petition itself for Rosa Power Supply Company Ltd. is dated 15.7.2015.
3. That the affidavit in support of the petition dated 15.7.2015 being of 14.7.2015 raises doubt about the validity of the petition filed before this Hon'ble Commission.
4. That in view of the discrepancy pointed out in paragraph 4 as above, rendering the filing of the petition before this Hon'ble Commission as invalid, it is prayed that this Hon'ble Commission may kindly be pleased to direct the petitioner to file a fresh petition in case the petitioner is desirous of raising the grievance before this Hon'ble Commission.

The operative portion of the Commission's order dated 14/07/2015 is reproduced below:

"During the hearing on 17.3.2015 the petitioner submitted that Rs. 27.78 Cr. has been incurred in 31.3.2013 and has been capitalized and the rest Rs. 17.29 Cr shall be incurred in 2015.

He further requested the fixed charges for the transmission line calculated on the basis of capital cost and additional capitalization may be approved. Shri S.K. Sinha, Superintending Engineer appearing on behalf of PPA Unit of UPPCL submitted that in 4

& 5 are not concerned with the present petition as there is no para 8.3 in the present petition and no matter pertains to procurement of coal.

The Commission directed the petitioner to file the supplementary affidavit making necessary amendments in the petition.

The Commission admits the petition and directs the respondent to file its reply within one month.”

The Commission had already pronounced the verdict after the hearing on 17/03/2015 in the Open Court directing the petitioner to file the supplementary affidavit making necessary amendments in the petition in presence of petitioner as well as the respondent. No objection was raised by the respondent. It was the bound down duty of the petitioner to comply with the directions of the Commission given as above within the stipulated time without waiting for further written directions. It simply coincidence that the date of order and of the supplementary filed by the petitioner are the same.

Shri Rama Shankar Awasthi raised the issue that how a generating company can file a petition for transmission tariff when the company has no transmission license.

As per the order Ministry of Power order dated 1.6.2005 called electricity (removal of difficulty) (fifth) order 2005 published in Gazette of India extra ordinary, part II, section 3 (ii) states as follows:

Establishment, operation or maintenance of dedicated transmission lines:-

A generating company or a person setting up a captive generating plant shall not be required to obtain license under th Act for establishing, operating or maintaining a dedicated transmission line if such company or person complies with the following:

- a. Grid code and standards of grid connectivity;
- b. Technical standards for construction of electrical lines;

- c. System of operation of such a dedicated transmission line as per the norms of system operation of the concerned State Load Despatch Centre (SLDC) or Regional Load Despatch Centre (RLDC).
- d. Directions of concerned SLDC regarding operation of the dedicated transmission line.

The salient features of Memorandum of understanding between RPSCL and UPPCL for evacuation of power from Rosa Thermal Power Plant are as follows:

- viii. As per the condition of LTOA, RPSCL has entered into a Bulk Power Transmission Agreement (BPTA) with PGCIL on 23.11.2009 and has agree to bear the applicable Inter State Transmission System (ISTS) charges for Northern Region corresponding to 300 MW from March 2012 or earlier subject to completion of interconnection bays at 400 kv sub-station at Shahjahanpur of PGCIL.
- ix. RPSCL has also entered into an agreement for construction of bays at 400 KV substation of PGCIL at Shahjahanpur for inter-connection to the network of PGCIL. A copy of the aforementioned agreements including BPTA, Connectivity Agreement, Transmission Services Agreement and Agreement for Construction of Bays are attached herewith and shall form part of this MOU.
- x. As per the condition of LTOA, RPSCL is constructing a 400 KV dedicated transmission lines connecting phase II switchyard with 400 KV Substation of PGCIL at Shahjahanpur.
- xi. UPPCL is desirous of evacuation of entire 300 MW power from Phase II using 400/220 KV ICT as well as ISTS network of PGCIL through above mentioned 400 KV dedicated transmission line.

Now, Therefore, in view of the foregoing premises and in consideration of the mutual covenants and agreements herein set forth and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, and intending to be legally bound hereby, UPPCL and RPSCL entered into this MOU as follows:

1. RPSCL shall operate and maintain 400 KV dedicated transmission line connecting phase II switchyard with the network of PGCIL, to the extent of capacity available and feasible, for evacuation and transmission of power from any of the units including Unit, I, II, III and IV of Rosa TPP.
2. UPPCL shall bear all applicable connectivity and transmission charges inclusive of all applicable taxes and duties and transmission losses for IST network

including all the charges payable under the BPTA including charges for applicable Bank Guarantees by reimbursing the same to RPSCL.

3. Any subsequent change in charges payable arising out of revision of regulations for connectivity and LTOA in ISTS System shall also be on account of UPPCL.
4. UPPCL shall bear all transmission charges for 400 KV dedicated transmission line as determined by U.P. Electricity Regulatory Commission (UPERC) on a petition to be filed by RPSCL excluding the transmission losses for 400 KV dedicated transmission line which shall be to RPSCL's account.
5. RPSCL shall extend its full cooperation to UPPCL in obtaining necessary permissions for evacuation of power through ISTS network to the extent required by UPPCL and permitted by appropriate authority. On signing of this MOU RPSCL shall forthwith apply to PGCIL for making UPPCL as target beneficiary under the BPTA signed by RPSCL with PGCIL.
6. To enable UPPCL to draw the power at the point of drawl on ISTS network of PGCIL, UPPCL has given its consent to RPSCL to seek change from PGCIL in target beneficiaries as per clause 14 of BPTA.
7. The cost of infrastructure developed by RPSCL towards 400 KV dedicated transmission line for connectivity of Rosa TPP with ISTS network shall be kept separate and put up to the UPERC for determination of tariff for transmission of power from Rosa TPP to interconnection point of PGCIL.
8. RPCL and UPPCL shall jointly develop the operating procedure for scheduling and dispatching the Energy through UPPCL's 200 KV network using 400/220 KV ICT and / or through ISTS network using dedicated transmission network.
9. The 400 KV DC network will be operated and maintained by RPSCL and UPPCL will not be liable for payment of any deemed energy charges in case of breakdown of 400 KV dedicated transmission line affecting the evacuation of power.
10. All relevant terms and conditions contained in the PPA, SPPA and amendments thereon, regarding sale of power by RPSCL, to the extent not in any manner inconsistent with the terms and conditions hereof shall be deemed to have been included or contained herein.

It has been brought to the notice of the Commission that as per order dated 8.6.2005 of Ministry of Power stated above it is ample clear that a generating company shall not be required to obtain license under the Act for establishing, operating or maintaining a dedicated transmission line if such company complies with the conditions mentioned in the order.

The Commission further notice that as per point no. 4 of the MOU between RPSCL and UPPCL, UPPCL has agreed to bear all transmission charges for 400 KV dedicated transmission line as determined by U.P. Electricity Regulatory Commission (UPERC) on a petition to be filed by RPSCL excluding the transmission losses for 400 KV dedicated transmission line which shall be to RPSCL's account.

No other submissions have been received in the matter

With this, the hearing in this matter is closed and the Commission will pass final order regarding the transmission tariff of the dedicated DC 400 KV transmission line from its TPS to 400 KV Shanjahanpur sub-station of PGCIL.

(I. B. Pandey)
Member

(Desh Deepak Verma)
Chairman

Dated: 10.11.2015