

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Coram: Dr. Pramod Deo, Chairperson
Shri V.S.Verma, Member
Shri M.Deena Dayalan, Member**

No. L-1/44/2010-CERC

Date of Order: 28.6.2011

In the matter of

Removal of difficulties for giving effect to certain provisions of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010

And

In the matter of:

Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008

And

In the matter of:

1. National Load Despatch Centre
2. Central Transmission Utility (CTU)

..... Respondents

ORDER

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (hereinafter "Sharing Regulations") were notified on 15th June 2010. These Regulations shall come into effect from 1.7.2011.

2. With the coming into force of the Sharing Regulations from 1.7.2011, certain difficulties have arisen in giving effect to some of the provisions of Central Electricity

Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (hereinafter “Open Access Regulations”), particularly Regulation 16 pertaining to transmission charges for short term open access transaction, Regulation 23 pertaining to transmission losses and Regulation 25 pertaining to collection, disbursement of transmission and operating charges for short term open access transactions.

3. Regulation 16 of Open Access Regulations provides as under:

“Transmission Charges

16. (1) *In case of bilateral transactions, the transmission charges at the rate specified hereunder shall be payable by the short term customer for the energy approved for transmission at the point or points of injection:*

<u>Type of Transaction</u>	<u>Transmission charges(Total)</u> <u>(Rs./MWh)</u>
(a) <i>Bilateral, intra-regional</i>	80
(b) <i>Bilateral, between adjacent regions</i>	160
(c) <i>Bilateral, wheeling through one or more intervening regions</i>	240

(2) *In case of collective transactions, transmission charges at the rate of Rs. 100/MWh for energy approved for transmission separately for each point of injection and for each point of drawal, shall be payable.*

(3) *The intra-State entities shall pay the transmission charges for use of the State network as fixed by the respective State Commission in addition to the charges specified under clauses (1) and (2).*

Provided that in case the State Commission has not determined the transmission charges, the charges for use of respective State network shall be payable at the rate of Rs.80/MWh for the electricity transmitted:

Provided further that non-fixation of the transmission charges by the State Commission for use of the State network shall not be a ground for refusal of open access:

Provided also that the transmission charges payable for use of the State network shall be conveyed to the Regional Load Despatch Centre concerned who shall display these rates on its web site:

Provided also that the transmission charges shall not be revised with retrospective effect.”

4. Clauses (1) and (2) of Regulation 16 of Open Access Regulations have been repealed by clause (1) of Regulation 19 of Sharing Regulations. Consequently, the provisions of Sharing Regulations including the removal of difficulty orders issued by the Commission will be applicable for deciding the rates for transmission charges for bilateral and collective transactions through short term open access.

5. Regulation 23 of Open Access Regulations provides as under:

“Transmission Losses

23 (1) The buyers and sellers of the electricity shall absorb apportioned energy losses in the transmission system as estimated by the Regional Load Despatch Centre and the State Load Despatch Centre concerned, and applied in accordance with the detailed procedure.

(2) The energy losses shall be accounted for by providing a differential between schedules at the points of supply, inter-utility transfer and drawal of electricity.

(3) The applicable transmission losses for the regional transmission system as well as for State network shall be declared in advance and shall not be revised retrospectively.”

6. The Central Transmission Utility had issued the detailed procedure dated 11.6.2009 under the Open Access Regulations. National Load Despatch Centre, designated as the Implementing Agency in terms of Regulation 18(1) of Sharing Regulations has recently submitted the “Procedure for Sharing of ISTS Losses” under the Sharing Regulations for approval of the Commission. The National Load Despatch Centre is directed to carry out necessary changes in the detailed procedure under the Open Access Regulations in accordance with the approved Procedure for Sharing of ISTS Losses and submit the same for the approval of the Commission.

7. Regulation 25 of Open Access Regulations provides as under:

“Collection and Disbursement of Transmission Charges and Operating Charges

25. (1) The transmission charges and operating charges payable by the persons allowed short-term open access shall be collected and disbursed by the nodal agency, except for transmission charges for state network and operating charges for State Load Despatch Centre in the case of the collective transaction.

(2) The transmission charges collected by the nodal agency for use of the transmission system other than State network, for a bilateral transaction shall be directly disbursed to the long-term customers after disbursing 25% of such transmission charges to the Central Transmission Utility in the following manner;

(a) In case of intra-regional bilateral transaction: 75% of the transmission charges to the region concerned.

(b) In case of bilateral transaction between adjacent regions: 37.5% of the transmission charges for each region.

(c) In case of bilateral transaction through one or more intervening regions: 25% of the transmission charges for each of importing and exporting each region and remaining 25% of the transmission charges to be allocated equally among all intervening regions.

(3) The transmission charges collected for use of the transmission system other than State network for a collective transaction for each point of injection and each point of drawal shall be disbursed by the nodal agency in the following manner, namely-

(a) Central Transmission Utility: 25%

(b) Long-term customers of the region of point of injection or drawal, as the case may be, is situate: 75%

(4) The transmission charges shall be disbursed to the long-term customers in proportion to the monthly transmission charges payable by them.

(5) The transmission charges for use of State network shall be disbursed to the State Transmission Utility concerned.

(6) In case a State utility is the short-term customer, the operating charges and the transmission charges collected by the nodal agency shall not include the charges for use of the State network and operating charges for the State Load Despatch Centre.”

8. Clause (9) of Regulation 11 of the Sharing Regulations provides that the governance of short term open access transactions shall be as per the Open Access Regulations as amended from time to time with the exception that the transmission charges for such transactions shall be zonal point of connection charges as determined

by these regulations. Further clause (9) of Regulation 12 of the Sharing Regulations provides that the CTU shall prepare a procedure for billing, collection and disbursement with the approval of the Commission. The Billing, Collection and Disbursement Procedure submitted by the CTU was approved by the Commission in its order dated 29.4.2011. Para 7.3 (b) and (c) of the Procedure provides for the following:

“(b) For STOA, DIC shall have to pay applicable transmission charges to the RLDC/NLDC at the time of application. The payment made for the STOA charges for varying quantum and varying duration with respect to (i) bilateral transactions to the region of LTA granted and (ii) all collective transactions, shall be credited to that DIC in the next month billing subject to the upper limit of the amount paid as LTA charges after accounting for the MTOA charges, if any, as per 7.2 (b) above.

Provided that the STOA is in the direction of the targeted regions mentioned in the LTA granted to the DIC by the CTU. If the STOA is other than the targeted regions mentioned in the LTA, then such STOA, PoC charges shall not be adjusted against the LTA granted by the CTU and a separate applicable PoC charges shall have to be paid by the DIC.

Provided that this adjustment shall not be done for collective transaction and bilateral transactions done through portfolio trader.

(c) For STOA transactions not qualifying for aforementioned credit, the STOA charges after disbursing 25% of such transmission charges to the CTU in accordance with the CERC (Open Access) in inter-State Transmission Regulation 2008 and amendment thereof, shall be adjusted with respect to the paying DICs (for the respective applicable month) by the next 30 days of receipt of such payments.”

9. Para 7.3 (b) of the Procedure has further been modified through para 7 of the order of the Commission dated 15.6.2011 which is reproduced below:

“(b) For STOA, DIC shall have to pay applicable transmission charges to the RLDC/NLDC at the time of application. The payment made for the STOA charges for the quantum with respect to bilateral transactions upto the LTA for the specific Region of LTA granted without identified beneficiaries,, shall be credited to that DIC in the next month billing after accounting for the MTOA charges, if any, as per 7.2 (b) above.

Provided that the STOA is in the direction of the targeted regions mentioned in the LTA granted to the DIC by the CTU. If the STOA is other than the targeted regions mentioned in the LTA, then such STOA, PoC charges shall not be adjusted against the LTA granted by the CTU and a separate applicable PoC charges shall have to be paid by the DIC.

Provided that this adjustment shall not be done for bilateral transactions done through portfolio trader.”

10. On account of the change in the philosophy of determination of transmission charges from postage stamp method to the Point of Connection charges method and consequential financial adjustment as required under Sharing Regulation, difficulties have arisen for collection and disbursement of the short term open access charges. In exercise of our power under Regulation 21 (3) of the Sharing Regulations, we direct that pending appropriate amendment to the Open Access Regulations, the collection and disbursement of the short term open access charges will be governed as per the following provisions:

“(1) The transmission charges and operating charges payable by the persons allowed short-term open access shall be collected by the nodal agency, except for transmission charges for state network and operating charges for State Load Despatch Centre in the case of the collective transaction.

(2) The transmission charges collected by the nodal agency for use of the transmission system other than State network, for both bilateral and collective transaction shall be given to the CTU for further disbursement to long-term customers in accordance to Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010, and the approved detailed procedure there under for Billing, Collection and Disbursement.

(4) The transmission charges collected for use of the transmission system other than State network for a bilateral or collective transaction for each point of injection and each point of drawal shall be disbursed by the CTU after adjusting against the charges for Long Term Access without identified beneficiaries in the same region in accordance with detailed procedure for Billing, Collection and Disbursement in the following manner, namely-

(a) Central Transmission Utility: 25%

(b) Long-term customers of the synchronously connected grid: 75%

(4) The transmission charges for use of State network shall be disbursed to the State Transmission Utility concerned.

(5) In case a State utility is the short-term customer, the operating charges and the transmission charges collected by the nodal agency shall not include the charges for use of the State network and operating charges for the State Load Despatch Centre.”

11. The above provisions will come into effect from the date of operation of the Sharing Regulations.

12. We also direct the staff of the Commission to initiate appropriate measure to amend the Open Access Regulations to appropriately incorporate the charges approved above.

Sd/-
(M.DEENA DAYALAN)
MEMBER

Sd/-
(V.S.VERMA)
MEMBER

Sd/-
(Dr. PRAMOD DEO)
CHAIRPERSON