



Chhattisgarh State Electricity Regulatory Commission

Civil Lines, G.E. Road, Raipur – 492001

Tel: 0771-4073555, Fax-4073553

Petition No.08 of 2006(M)

In the matter of clarifications regarding reduction in contract demand, determination of transmission charges, wheeling charges, cross-subsidy charges etc.

M/s Real Ispat and Power Ltd. : Petitioner

V/s

Chhattisgarh State Electricity Board : Respondent

ORDER

(Passed on 10/10/2006)

M/s Real Ispat and Power Ltd. has filed petition seeking clarification on some of the issues on which directions were given by the Commission in order dated 06/02/2006 passed in Petition No. 17 of 2005 (M) and 15/02/2006 in Petition No. 3 of 2006 (M), the first relating to power purchase and related dispensation in respect of captive generating plant and the second petition relating to determination of transmission/wheeling charges and other charges under open access.

2. The petitioner seeks clarification on the following issues:

- (i) In para 6.7 of the order dated 06/02/06 passed in Petition No. 17/2005(M), the Commission has directed that the captive and non-captive consumers of a CPP may reduce their CD to the extent desired, on availing power supply from the CPP, any time during the period of the agreement and to any extent. However, such reduction shall be permitted only once in a year. In case, CD is reduced to zero level, to avail only standby power from the Board/licensee, the charges will be tariff for temporary connection to that consumer for the period during which power is availed from the licensee. The petitioner wants clarification regarding the method of recording of maximum demand of a captive consumer who has reduced his demand to zero level.
- (ii) Transmission charge: The Commission in its order dated 15/02/2006 passed in Petition No. 3 of 2006 (M) has fixed transmission charge in cash at Rs. 695 per MW per day and 3.71% in kind. The petitioner wants to know the method for measurement of MW transmitted.
- (iii) Wheeling charge: The Commission in the same order has fixed wheeling charge at Re. 0.22 per unit in cash and 6% losses in kind. The petitioner is availing EHV network for injection of power at 132 KV but using 33 KV network for drawing power. The petitioner's plea is that if both the charges are applicable to him, the charges will be too heavy and unjustified. He has in this regard worked out that he would be required to

pay 16 paise per unit towards transmission charges for availing open access at 132 KV and 40 paise per unit towards wheeling charges for availing open access at 33 KV. He has pleaded that these charges for both be reduced by 50%.

3. Respondent Chhattisgarh State Electricity Board, in its written submission made on 05/04/2006, has stated that the demand recorded during the import of power by the import/export meter will be the demand for the purpose of claiming demand charges. The tariff also incorporates the demand charges which is to be billed at 1.5 times of normal tariff. As regards transmission/ wheeling charges, it has been stated by the CSEB that it would be charged on the MW demand for which open access is availed. As regards levy of both transmission and wheeling charges, the CSEB has stated that the point of injection and point of drawal relate to one open access customer only so there is no question of double charge. Open access charges are levied on the basis of systems which the customer is utilizing. If the customer is utilizing both the systems i.e. transmission and distribution, then he has to pay charges for both the systems and in case he uses only one system he has to pay for that system only.

4. The Commission has heard the petitioner as well as the respondent CSEB. As regard the first issue i.e. the methodology adopted for billing when the contract demand is reduced to zero, the matter was one of the issues under consideration of the Commission in Petition No. 16 of 2006 (M) filed for review of the order relating to captive power plants passed by the Commission on 06/02/06 in Petition No. 17 of 2005 (M). Although, we had heard the parties in the review petition as above, in view of its complexity we had specifically requested the CSEB and the petitioner during hearing in this petition, to discuss the issue in its technical and other aspects and come up to the Commission with an agreed solution. If possible. However, inspite of repeated reminders the parties did not come up with their suggestion. In the meantime, the Commission has considered the issue in question and has passed orders in the review Petition No. 16 of 2006 (M) on the 29th September, 2006. The clarification sought by the petitioner on this issue has been dealt with in this order and the Commission has passed appropriate directions as to methodology for billing. We would, therefore, not like to go into this issue again here.

5. As regards the clarification sought on the method for measurement of MW transmitted, the order dated 15/02/06 is clear that it would be applicable on the quantum in MW of the power for which open access has been availed. The CSEB has also rightly clarified the issue.

6. Regarding the issue that both transmission and wheeling charges should not be applicable even if both systems are used for injection and drawal of power, the CSEB has contended that if a customer uses both the transmission and distribution systems, it is logical that he has to pay both the charges. The petitioner has submitted that if both charges are paid the charges will be so high that it will be a disincentive for CPPs and has requested that in case both the systems are used only 50% charges for transmission and wheeling should be levied. He has also, submitted that had he used only 132 KV or 33 KV line for both injection and drawal, only one charge would have been levied. We have given careful thought to this issue. The Commission has prescribed charges for use of transmission system and

of the distribution system separately in open access, even if the transaction is the same, as in the present case. If it entails use of the transmission lines and the distribution lines, the open access customer is liable to pay charges for the use of both. As present, it does not prima facie appear justified because CSEB is an integrated electricity utility. The legal position, however, is that even at present CSEB is covered under transitional provision contained in Section 172 of the Act. In terms of these provisions, CSEB is deemed to be a State Transmission Utility and a licensee. As a State Transmission Utility, CSEB is entitled to transmission charges for use of its transmission facility. It is also entitled to wheeling charges for use of its distribution network as a deemed distribution licensee. Therefore, the open access customer is liable to pay both the charges i.e. the charges for use of STU's EHV line and the licensee's 33 KV line, even though they may form the part of the same transaction. Therefore, there is no merit in the contention of the petitioner and hence it is rejected.

7. The petitioner had raised certain other issues specially the State Load Despatch Center (SLDC) not allowing them open access which has since been resolved and the issues have been withdrawn by the petitioner which therefore are not being considered.

Copy of this order be given to petitioner as well as the respondent.

Sd/-
Member

Sd/-
Chairman

True Copy

(N.K.Rupwani)
Secretary