

**APPELLATE TRIBUNAL FOR ELECTRICITY AT NEW DELHI
(APPELLATE JURISDICTION)**

Appeal No. 343 of 2018

Dated : 09.05.2022

**Present: Hon'ble Mr. Justice R. K. Gauba, Officiating Chairperson
Hon'ble Mr. Sandesh Kumar Sharma, Technical Member**

IN THE MATTER OF:

Himachal Pradesh State Electricity Board
Vidyut Bhawan, Kumar House,
Building No. 11,
Shimla, Himachal Pradesh.

....Appellant

VERSUS

1. NRSS XXXI (A) Transmission Limited
Core – 4, SCOPE Complex,
7, Lodhi Road,
New Delhi – 110013
2. AD Hydro Power Limited
Bhilwara Towers,
A-12, Sector - 1,
Noida – 201301, Uttar Pradesh.
3. Haryana Power Purchase Centre
Shakti Bhawan, Energy Exchange,
Room No. 446, Top Floor,
Sector - 6, Panchkula - 134109
Haryana.
4. Punjab State Power Corporation Limited
Shed No. T-1-A, Thermal Design,
Near 22 No. Phatak,
Patiala, Punjab – 147001.
5. Himachal Sorang Power Private Limited
D-7, Sector - 1,
Lane -1, 2nd Floor,

New Shimla, Shimla - 171009
Himachal Pradesh.

6. Adani Power Limited
3rd Floor, Achalraj,
Opposite Mayors Bungalow,
Law Garden, Ahmedabad – 380006.
- 7 Jaipur Vidyut Vitran Nigam Limited
Vidyut Bhawan, Janpath,
Jaipur – 302005, Rajasthan.
- 8 Ajmer Vidyut Vitran Nigam Limited
Old Power House, Hathi Bhata,
Jaipur Road,
Ajmer, Rajasthan – 305001.
- 9 Jodhpur Vidyut Vitran Nigam Limited
400 kV GSS Building,
Ajmer Road, Heerapura,
Jodhpur, Rajasthan – 302019.
- 10 Lanco Anpara Power Limited
Plot No. 397, Udyog Vihar,
Phase - 3, Gurgaon - 122016
Haryana.
- 11 Lanco Green Power Private Limited
Plot No. 397, Udyog Vihar, Phase - 3,
Gurgaon – 122016, Haryana.
- 12 Power Development Department, Government of
Jammu and Kashmir
Govt. of Jammu & Kashmir,
SLDC Building, 1st Floor,
Gladani Power House, Narwal,
Jammu, Jammu & Kashmir – 180006.
- 13 North Central Railway, Allahabad
DRM Office, Nawab Yusuf Road,
Allahabad, Uttar Pradesh – 211011.
- 14 Jaiprakash Power Ventures Limited
A Block, Sector - 128,
Noida – 201304, Uttar Pradesh.

- 15 BSES Yamuna Power Limited
2nd Floor, B Block,
Shakti Kiran Building, (Near Karkadooma Court)
New Delhi – 110092.
- 16 BSES Rajdhani Power Limited
BSES Bhawan, 2nd Floor,
B Block, Behind Nehru Place Bus Terminal,
Nehru Place,
New Dehli – 110019.
- 17 Tata Power Delhi Distribution Limited
33 kV S/Stn Building,
Hudson Lane, Kingsway Camp,
New Delhi – 110009.
- 18 New Delhi Municipal Corporation
Palika Kendra, Sansad Marg,
New Delhi – 110001.
- 19 Union Territory of Chandigarh
Div-11, Opposite Transport Nagar,
Industrial Phase - 1,
Chandigarh – 160002.
- 20 Power Grid Corporation of India Limited
B-9, Qutab Institutional Area,
Katwaria Sarai,
New Delhi – 110016.
- 21 Uttar Pradesh Power Corporation Limited
14th Floor, Shakti Bhawan,
Extn Building, 14 Ashok Marg,
Lucknow, Uttar Pradesh – 226001.
- 22 PTC India Limited
2nd Floor, NBCC Tower,
15, Bhikaji Cama Place
New Delhi – 110066.
- 23 Uttarakhand Power Corporation Limited
Urja Bhawan, Kanwali Road,
Near Balli Wala Chowk,
Dehradun, Uttarakhand – 248001.

- 24 Himachal Pradesh Power Transmission Corporation Ltd.,
Himfed Building, Pinjari
Shimla – 171006.
- 25 Member Secretary,
Northern Region Power Committee,
18-A, Katwaria Sarai, Shaheed Jeet Singh Marg
New Delhi – 110016.
- 26 Central Electricity Regulatory Commission
3rd & 4th Floor, Chanderlok Building,
Janpath, New Delhi – 110001.

....Respondents

Counsel for the Appellant (s) : Mr. Anand K. Ganesan
Ms. Swapna Seshadri
Mr. Amal Nair
Ms. Neha Garg
Ms. Parichita Choudhary

Counsel for the Respondent (s) : Mr. Sitesh Mukherjee
Mr. Aryaman Saxena
Mr. Divyansh Bhatt for R-1

Mr. R. B. Sharma
Mr. Sachin Dubey
Ms. Akanksha Sharma for R-16

Mr. Raunak Jain
Mr. Apoorva Misra
Ms. Ayushma Awasthi
Mr. Varun Shankar
Mr. Abhishek Upadhyay for R-17

Mr. Rajiv Srivastava
Ms. Garima Srivastava
Ms. Gargi Srivastava for R-21

Mr. Nikunj Dayal for R-24

J U D G M E N T

Per Hon'ble Mr. Sandesh Kumar Sharma, Technical Member

1. The present Appeal has been filed by M/s. Himachal Pradesh State Electricity Board (in short "HPSEB" or "Appellant") assailing the order dated 18/09/2018 ("Impugned Order") passed by the Central Electricity Regulatory Commission (hereinafter called the "CERC" or "**Central Commission**") passed in Petition No. 104/MP/2018 ("Petition).

2. The appellant is aggrieved by the decision of the Central Commission partly allowing the petition filed by the Appellant, through the said order the Central Commission has held that the Appellant is liable to pay about 84.5% of the charges on bilateral basis to the Respondent No. 1 till the commissioning of the downstream asset by the Appellant, while the balance 15.5% would be included in the Point of Connection (PoC) Charges as per the Sharing Regulations of the Central Commission.

Parties

3. The Appellant is a company existing under the provisions of the Companies Act, 2013. The Appellant is a distribution licensee operating in the State of Himachal Pradesh and is the successor entity of the erstwhile Himachal Pradesh State Electricity Board.

4. The Respondents No. 1, NRSS XXXI (A) Transmission Limited, is an inter-state transmission licensee, incorporated as a Special Purpose Vehicle (SPV) for establishing the transmission system for the strengthening of the Northern Region Transmission System inter-alia the Kala Amb 400 kV substation in the State of Himachal Pradesh.

5. The Respondents No. 2 to 19, 21,23 and 24 are the beneficiaries of the subject transmission system established by the Respondent No. 1.
6. The Respondent No. 20, Power Grid Corporation of India Limited, apart from being a beneficiary of the transmission system, is an inter-state transmission licensee under the control of the Central Government.
7. PTC, Respondent no. 22 is an inter-state trading licensee.
8. The Respondent No. 25, Northern Regional Power Committee is a statutory body established by resolution by the Central Government under the Electricity Act, 2003, for facilitating the integrated operation of the power system of the Northern Region
9. The Respondent No. 26 is the Central Commission, which has passed the impugned order.

Factual Matrix

10. The Standing Committee for Power System Planning of the Northern Region held its 31st Standing Committee Meeting on 02/01/2013, wherein deliberations were held on the strengthening and future expansion of the northern regional inter-state transmission network, one of the issues for discussion was the subject matter being establishment of a 400/220 KV sub-station at Kala Amb in the State of Himachal Pradesh along with LILO of both circuits of Karcham Wangtoo – Abdullapur 400 KV D/c line at Kala Amb and 40% Series Compensation on 400 KV Karcham Wangtoo – Kala Amb D/c line. The relevant extract of the minutes of the meeting, inter-alia, reads as under:

“10. System strengthening to overcome constraints in Northern Region

a) High loading in Nathpa Jhakri - Nalagarh lines:

*POWERGRID stated that from the operation experience, it has been observed that during the paddy season loading on 400 kV Nathpa Jhakri – Nalagarh – Patiala lines remains on the very high side i.e. in the range of 800 MW per circuit and outage of one circuit in this corridor results in the overloading on the remaining circuit, thus endangering the grid security whereas loading on Nathpa Jhakri – Panchkula – Abdullapur line remains on the lower side. **To alleviate this problem, it is necessary to provide alternate supply to Patiala.***

Studies were carried out with Panchkula – Patiala 400 kV D/c line to meet this requirement. From the results of the studies, it is observed that this line provides a relief to Nathpa Jhakri – Nalagarh lines as well as help during the contingency of outage of one circuit Nathpa Jhakri – Nalagarh 400 kV line.

*POWERGRID informed 400 kV Karcham Wangtoo – Abdullapur D/c line is constructed with Quad conductor and in order to increase loadability of this line for better sharing of load, **it was proposed to provide 40% series compensation on 400 kV Karcham Wangtoo – Abdullapur D/c line. This would not only improve the loadability of Karcham Wangtoo – Abdullapur 400 kV D/c but also help in reducing the oscillations.***

HVPNL stated that there might be R-o-W issue for this line and they have also planned 220kV lines from Panchkula. There is already

constraint in the area as forest area fall en-route of lines from Panchkula S/s.

The scheme was discussed and it was agreed that multi circuit towers for 400 and 220kV lines emanating from Panchkula S/s would be considered to optimally utilize the R-o-W, in consultation with HVPNL (here it is to mention that 220 kV line to UT Chandigarh is also being planned which may also be taken up on the Multi circuit towers in forest area depending upon the requirement & feasibility).

NLDC stated that this line is an urgent requirement for reliable evacuation of power from Karcham Wangtoo / Nathpa Jhakri complex and **should be implemented on priority by Powergrid on compressed time schedule.**

Members agreed to the above proposal.

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Keeping above (point 10 (a to f)) and para 6, 11 17, 36 & 41 in view, following transmission works were proposed as Northern Regional System Strengthening scheme

NRSS-XXXI (Under Tariff Based Competitive Bidding)

- Establishment of a 2X315MVA, 400/220 kV substation at Kala Amb(refer para no-17)
- LILO of both circuits of Karcham Wangtoo – Abdullapur 400kV D/c line at Kala Amb(refer -para no-17)
- 40% Series Compensation on 400 kV Karcham Wangtoo – Kala Amb D/c line
- 400 kV Kurukshetra – Malerkotla D/c line
- 400 kV Malerkotla – Amritsar D/c line

- *Bay extension at existing / under construction substations of POWERGRID, shall be carried out by POWERGRID*

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17. Establishment of 2x315 MVA 400/220 kV substation at Kala Amb

POWERGRID stated that HPPTCL has informed that the present load in Kala Amb /Poanta / Giri area is about 350 MVA, which is likely to increase to about 500 MVA by 2015-16 whereas the available generation and transmission network in the area is not adequate to meet the present load.

In order to meet the present and future load requirement of the area, HPPTCL had proposed for establishment of a 400/220/132 kV substation at Kala Amb by LILO of one circuit of either N’Jhakri – Abdullapur or Karcham Wangtoo – Abdullapur 400kV line. The matter was analysed and it was observed that N’Jhakri – Abdullapur 400kV D/c line has already been looped in looped out at Panchkula and LILO of the same line has been approved at Sainj (near Simla). Considering the capacity of the line, it would not be desirable to LILO the N’Jhakri – Abdullapur line at Kala Amb. Further, as Karcham Wangtoo – Abdullapur 400 kV D/c line is also passing in close proximity to Kala Amb area and to meet the loads in the area, the LILO of the Karcham Wangtoo – Abdullapur 400 kV D/c was proposed to be carried out at Kala Amb. HPPTCL had proposed to LILO only one circuit 400 kV line however LILO of one circuit would result into unbalanced loading, it was therefore proposed that LILO of both the circuits may be carried out at Kala Amb.

*Considering the issues of hilly terrain & scarcity of land in Himachal Pradesh, it was proposed to establish this substation as GIS station. HPPTCL had proposed the substation as 400/220/132 kV substation, however it was decided that the substation be established as 400/220 kV under ISTS and further works of 220kV and 132kV may be carried out by HPPTCL as per their requirement. **It was also agreed that LILO may be carried out on Multi-circuit Towers to conserve R-o-W.***

The constituents agreed to take up the above proposed works as Northern Regional System Strengthening Scheme- NRSS-XXXI.

11. Pursuant to the above decision, the transmission system (Kala Amb Transmission System) for establishment of the following elements was taken up under a tariff based competitive bidding process under Section 63 of the Electricity Act, 2003 and was envisaged to be developed as an integrated system for strengthening of the northern region grid by the Respondent no. 1:

- (a) 400/220 KV sub-station at Kala Amb in the State of Himachal Pradesh (in short “Element 1”);
- (b) LILO of both circuits of Karcham Wangtoo – Abdullapur 400 KV D/c line at Kala Amb (in short “Element 2”); and
- (c) 40% Series Compensation on 400 KV Karcham Wangtoo – Kala Amb D/c line (in short “Element 3”)

12. The downstream network required for catering the load of State of Himachal Pradesh was proposed to be built by the State Utility separately.