

CENTRAL ELECTRICITY REGULATORY
COMMISSION NEW DELHI

Coram:
Shri P. K. Pujari, Chairperson
Shri I. S. Jha, Member
Shri Arun Goyal, Member

No.L-1/250/2019/CERC

Date of Order: 14th February 2021

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, 2020.

And

In the matter of

Central Transmission Utility Respondent

ORDER

The Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 (hereinafter referred to as “the 2020 Sharing Regulations”) were notified on 4th May, 2020. These Regulations have come into effect from 1.11.2020.

2. Regulation 15(1) of the 2020 Sharing Regulations provides that the Central Transmission Utility (CTU) shall raise the bills for transmission charges, as per the timelines specified in sub-clause (d) of Clause (5) of Regulation 14 of these regulations.

3. Regulation 22 of the 2020 Sharing Regulations provides for Transition Period as under:

“Transition Period

Notwithstanding anything to the contrary contained in these regulations, bills for the first two billing periods, after these regulations come into force, shall be based on the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010. “

4. The 2020 Sharing Regulations defines billing period as follows:

“Billing period” means the month for which bills are raised in a billing month by the Central Transmission Utility”.

5. The CTU in its letter dated 19th January, 2021 addressed to the Implementing Agency i.e. NLDC with a copy endorsed to the Commission has raised certain difficulties which are being encountered for giving effect to the provisions of Regulation 22 of the 2020 Sharing Regulations. CTU vide the said letter has stated as under:

“As you are aware, the Bill-1 for the billing month of Jan’ 21 was raised by CTU to all DICs as per RTA issued by RPCs based on the billing inputs for the billing period of Nov’20 computed as per the new Sharing Regulations,2020 and provided by NLDC. However, some of the DICs disputed the billing citing the following reasons:

a) Some DICs stated that the Bills have not been raised as per the Transition billing provisions as per CERC Sharing Regulations’ 2020 and stated that the bills for Nov’20 & Dec’20 to be raised in Dec’20 and Jan’21 respectively shall be as per CERC Sharing Regulations, 2010. (KSEB, DNH, HPSEB, TPDDL, Railways etc.)

b) Some DICs stated that two bills have been raised for the same billing period of Nov’2020 and accordingly sought clarifications or sought revised billing for the period of Dec’ 20 or stated that only differential bills for Nov’20 are only required to be raised in Jan’21. Further, some DICs returned the bills. (UP, DB Power, MPPMCL, BRPL etc.)”

6. We have carefully considered the contents of letter of the CTU with regard to the difficulties being encountered by it. Our observations/directions thereon are recorded in the succeeding paragraphs.

7. Regulation 9(1) of the 2020 Sharing Regulations provides for preparation of Base Case by the Implementing Agency corresponding to Peak Block for each billing period. As per Regulation 14(5)(b) of the 2020 Sharing Regulations, the Implementing Agency is required to notify transmission charges payable by DICs by 25th day of the month following the billing period. In terms of Regulation 14(5)(d) of the 2020 Sharing Regulations, the CTU is required to raise the first bill and the third bill for transmission charges on DICs in first week of the second month following the billing period. Since the 2020 Sharing Regulations became effective from 01.11.2020, the actual load and generation data for Peak Block for the month of November 2020 could be collected only in December 2020. Based on such data, NLDC would carry out calculations for transmission charges for each DIC. Consequently, bills for the billing period of November 2020 could be raised by CTU only in the billing month of January 2021. Similarly, bills for the billing period of December 2020 could be raised only in the billing month of February 2021.

8. Accordingly, under the regime of 2020 Sharing Regulations which came into effect from 1st November 2020, it was possible to raise the first monthly bill only in the month January 2021. Thus, but for the provision of the "Transition Period" provided in

the 2020 Sharing Regulations, only 10 monthly bills would have been raised in the calendar year 2020. Therefore, exception has been taken in the 2020 Sharing Regulations that bill to be raised in the month of November 2020 and December 2020, where it was not possible to raise the bills on the basis of 2020 Sharing Regulations, would be on the basis of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 (hereinafter referred to as “the 2010 Sharing Regulations”). As envisaged in Regulation 22 of the 2020 Sharing Regulations, in the transition period of November 2020 and December 2020, bills would be raised as per the provisions of the 2010 Sharing Regulations.

9. Thus, the bills raised in the month of November 2020 and December 2020 shall be based on the notified PoC rates for October 2020 and November 2020 respectively, determined in accordance with the 2010 Sharing Regulations.

10. Accordingly, we direct that bills in the month of November 2020 and in the month of December 2020 would be raised as per the 2010 Sharing Regulations and thereafter, from January 2021 onwards as per the 2020 Sharing Regulations, as clarified in paragraph 8 and 9 above.

11. Thus, it can be seen that there will be 12 monthly bills raised for the 12 months in the calendar year 2020, implying thereby that only one bill (first bill) is raised for each month. Similarly, in the calendar year 2021 also, 12 monthly bills will be raised for the

12 months (i.e. in the billing month of January 2021, bill for the billing period of November 2020 will be raised and in the billing month of February 2021, bill for the billing period of December 2020 will be raised and so on). Thus, the DICs will be required to pay for only 12 monthly bills, one for each month in the calendar year 2020 as well as in 2021. All bills in the calendar year 2020 will be as per the 2010 Sharing Regulation and those in the calendar year 2021 will be as per the 2020 Sharing Regulations.

12. We have observed that more than 30 DICs have already paid the bills raised by the CTU in the month of January 2021 in accordance with the 2020 Sharing Regulations.

13. We also direct that there shall be no transmission deviation bill (fourth bill) under the 2010 Sharing Regulations in the month of December 2020 for the deviations in month of November 2020 and that in accordance with the provisions of the 2020 Sharing Regulations, bill for Transmission Deviation charges for the billing period of November 2020 shall be raised in the billing month of January 2021. RPCs are directed to issue Regional Transmission Deviation Accounts accordingly.

14. Regulation 28 of the 2020 Sharing Regulations vests the Commission with the power to remove difficulty under certain circumstances. Regulation 28 is extracted below:

“28. Power to Remove Difficulties

If any difficulty arises in giving effect to any of the provisions of these regulations, the Commission

may, by general or specific order, make such provisions not inconsistent with the provisions of the Act, as may appear to be necessary for removing the difficulty.”

15. In exercise of power under Regulation 28 of the 2020 Sharing Regulations, we direct that billing in the months of November 2020, December 2020 and January 2021 shall be done by the CTU in terms of the clarifications given in this order.

sd/-
(Arun Goyal)
Member

sd/-
(I.S. Jha)
Member

sd/-
(P.K. Pujari)
Chairperson