

(18)

*See to SLDC
copy to the open
access list
7/5/13*

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION
New Administrative Building, Left Wing, 1st Floor
Lower Lachumiere: Shillong – 793001.
Website: www.mserc.gov.in

F.No.MSERC/MePTCL/Cor/2013/11

Dated the 07th May 2013

From: The Secretary
MSERC, Shillong

To: ✓ Director
MePTCL
Lumjingshai
Shillong

Sub: Transmission Open Access Charges – Commission's Order thereof

Dear Sir,

Enclosed please find a copy of the Transmission Open Access Charges Order of the Commission dated 07th May 2013 for your information and necessary action.

Yours faithfully

J B Poon
7/5/13

(J B Poon)

Secretary

MSERC, Shillong

Dated the 03rd May 2013

Enclosed as stated

F.No.MSERC/MePDCL/Cor/2013/09(a)

Copy to:

President, Byrnihat Industries Association, for information with a copy of the Commission order.

(J B Poon)

Secretary

MSERC, Shillong





MSERC

MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

Transmission charges for open access for FY 2013-14

For

MEGHALAYA POWER TRANSMISSION CORPORATION LIMITED

07.05.2013

New Administrative Building, 1ST Floor, Lower Lachumiere, Shillong-793001,
East Khasi Hills District, Meghalaya. Tel No. (0364) 2500069, 2500062 (Fax)
Email : mmserc@gmail.com

BEFORE THE MEGHALAYA STATE ELECTRICITY REGULATORY COMMISSION

In the matter of:

Approval of Open Access Charges of intra state Transmission for Meghalaya Power Transmission Corporation Limited (MePTCL) within the State of Meghalaya for the FY 2013-14.

And

In the matter of:

Meghalaya Power Transmission Corporation Limited, Lumjingshai, Shillong, Meghalaya.

CORAM

Shri Anand Kumar, Chairman

Date of Order: 07.05.2013

ORDER

This Order relates to determination of Open Access Charges for use of intra state Transmission network of Meghalaya Power Transmission Corporation Limited. A petition for Determination of Open Access Charges for the year 2013-14 was filed on 13th March 2013 by MePTCL.

In order to have a consultative process, the Commission directed the licensee to publish a notice in the news papers giving salient features of the petition in accordance with the regulations.

MePTCL issued a public notice inviting objections on the petitions in the following news papers:

SN	Name of the news papers	Language	Date of publication
1	the Shillong Times	English	20.03.2013
2	Mawphor	Khasi	20.03.2013
3	Salatini Janera	Garo	20.03.2013

Objections by consumers

Byrnihat Industries Association filed objections on the Open Access Petition and gave following observations;

1. Legal Deficiency

- (a) The BIA mentioned that the tariff petition is incomplete as no detail is given with respect to cross subsidy surcharge and wheeling charges.

(b) BIA mentioned that MePTCL has not followed the Commission directions given in the order dated 21.08.2012 in respect of energy audit and did not find the exact losses in the Transmission system

2. Approach towards determining cross subsidy surcharge

- (a) No charges for cross subsidy is mentioned in the petition
- (b) Cross subsidy surcharge need to be determined as per the formula given in the National Tariff Policy.
- (c) Reference is given to hon'ble APTEL order in the matter of RVK energy wherein the application of formula for determining the open access surcharge is to be used by all State Commission.
- (d) BIA mentioned that the matter relating to cross subsidy surcharge has been challenged in the hon'ble High Court, Meghalaya and Determination of cross subsidy surcharge at this stage shall affect the proceedings.

3. No clarity on the percentage of losses

- (a) The BIA objected to assigning 4% losses in the Transmission system. They have mentioned that correct level of losses should be measured by MePTCL in each feeder and particularly to the Industrial feeders.
- (b) BIA mentioned the decision of honourable Appellate Tribunal in the matter of TATA Steel and Bihar SERC on the issue of determination of cost of supply at different voltages.

4. Approach towards determining transmission charges.

- (a) BIA suggested that transmission charges should be based on rates related to actual number of units for which the Open access is utilised instead of charging transmission charges on MW capacity basis.
- (b) BIA submitted that since power is purchased by open access consumers from the power exchange, the charges should be based on per unit basis.
- (c) BIA suggested that determination of the opening access charges should be done in accordance with CERC Regulation and on the basis of units only.
- (d) In case the Commission proceed to determine charges of open access on the basis of contracted capacity then the total capacity utilization of the transmission system should be considered for determining open access charges.

5. Transmission charges should be based on the approved ARR

BIA objected to the petitioner's proposal for claiming Rs. 75.35 crores as ARR for calculation of open access charges and suggested that approved ARR of Rs. 58.32 crores should be considered for determination of MePTCL Open Access charges.

Response of MePTCL

MePTCL has submitted their replies on the objection raised by BIA in its letter dated 19.04.2013. The summary of the replies are as follows;

(1) Legal deficiency and approach towards determining cross subsidy surcharge

MePTCL submitted that the present petition pertains to only determination of transmission charges payable to MePTCL by open access consumers. They have clarified that other charge such as cross subsidy surcharge, wheeling charges do not pertain to transmission business and therefore not covered in this petition.

(2) No clarity on the percentage of losses

Regarding losses, MePTCL has submitted that they have already approved a detail project report for boundary metering scheme and is expected to be implemented in FY 2013-14. The energy Audit can be conducted after boundary metering is complete. They have requested the Commission that till the actual losses is known, MePTCL may be allowed 4% losses in the transmission losses.

(3) Approach towards determining transmission charges.

MePTCL submitted that the transmission charges are determined as per regulation of MSERC (Terms and Conditions of Open Access) Regulations 2012.

(4) Other issues

For remaining points, MePTCL pointed out that it does not pertain to the transmission business and this petition is related to transmission charges and transmission losses only. MePTCL has further submitted that MePTCL has segregated the transmission cost on the basis of approved ARR and is in the process of installing boundary meters to determine the actual transmission loss. However, in such time boundary meters are installed and the actual transmission loss is known MePTCL proposes for considering the average inter-state loss of North East Grid for the period of July 2011 to July 2012 as transmission loss for MePTCL.

The Commission has considered all the objections and responses made by the petitioner in this regard while deciding the petition. In order to give an opportunity to objectors and general public, the Commission fixed a public hearing on 3rd May 2013. The notice was given in the news papers inviting consumers and stakeholders to attend the same.

The public hearing was attended by BIA and the representatives from transmission licensee. During the hearing MePTCL mentioned that their petition is only related with the transmission

charges and losses in the transmission system. However, for cross subsidy surcharge, MePDCL is responsible to propose such charges. It was explained to the consumers that this petition only relates with the transmission charges and losses and for cross subsidy surcharge there is a separate petition filed by MePDCL. The Byrnihat Industries Association raised following objections in the public hearing:

- (a) The losses in the transmission system are without any energy audit and are high at 4%. BIA suggested carrying out energy accounting in 132 KV lines and the actual losses should be charged from the open access consumers.
- (b) As regard cross subsidy surcharge BIA submitted that their objection given in writing has elaborated in detailed and should be considered at the time of deciding such charges.

MePTCL responded to the objections and submitted that the actual losses can only be determined after replacing all defective meters at the transfer points which may take another eight months. Regarding cross subsidy, MePTCL submitted that the matter is related with distribution licensee and MePTCL has nothing to respond.

Commission Analysis

The Commission has analysed the petition of MePTCL regarding determination of open access charges in accordance with the MSERC (Terms and Conditions of Open Access) Regulation 2012 which was notified on 27.04.2012 after previous publication, consultation and public hearings. This order relates to determination of open access charges for use of intra-state transmission network by open access customers and payable to MePTCL. In this petition, the transmission licensee has proposed transmission charges to be determined in accordance with the regulations and the transmission losses. The regulation prescribes that transmission charges for use of intra state transmission system and associated facilities payable to state transmission utility/transmission licensee by an open access customer for uses of their system shall be determined as under:

$$\text{Transmission charges} = \text{ATC} / (\text{ALST} \times 365)$$

Where ATC = Annual Transmission Charges determined by the Commission for the transmission license for the concerned year.

ALST = Average load projected to be served by the State Transmission system in the concerned year.

1. Determination of open access charges to be paid by customers using intra-state transmission lines.

As per the regulation open access customers using transmission system of Meghalaya shall pay the charges for use of intra-state transmission system is determined as follows:

$$\text{Transmission charges} = \text{ATC} / (\text{ALST} \times 365)$$

The Commission has already approved annual transmission charges (ATC) for FY 2013-14 at Rs. 58.32 crores in its order dated 28.03.2013 for transmission licensee MePTCL. In the petition, MePTCL has projected 248.03 MW as the average load to be served in 2013-14. The average load was estimated on the basis of proposed energy to be handled by MePTCL in 2013-14. Since the average load is based on assessment and not actual, the Commission, as done in the past, tried to find out the actual average load met by MePTCL so as to find out the values near to actual. Accordingly, the Commission has allowed the average load to be handled in 2013-14 on the basis of actual records in the previous months. The Commission has required from SLDC (the nodal agency for intra-state operation) the actual data on average load as served by MePTCL in recent months. The information provided by SLDC shows that the average demand is 181 MW. Accordingly, the Commission allows 181 MW as ALST subject to validation for determining open access charges for transmission for the year 2013-14. Accordingly the Commission approves the following charges as open access transmission charges for FY 2013-14 as given below:

$$\text{Open access charges for transmission} = \text{Rs } 8828 / \text{MW/day}$$

This will be equivalent to 36.7 paise per unit.

2. Losses for intra state open access

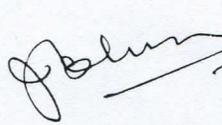
MePTCL in its proposal has submitted transmission loss at 4% to be considered for open access customers for 2013-14. In accordance with the regulation the open access users shall bear average energy losses in the transmission system as allowed by the Commission from time to time. The losses in the transmission system shall be compensated by additional injection or drawl at the injection power, drawl points. The Commission directed MeECL in its Order dated 21.08.2012 to carry out energy audit and accounting. However, MePTCL informed the Commission in the public hearing that they may be given time up to the end of this year for completion of metering at transfer points and thereafter they will be in position to determine the correct level of losses. MePTCL requested the Commission till such time Commission may allow 4% losses as transmission losses for the purpose of open access. Since the Commission has approved a separate ARR for FY 2013-14 for MePTCL on 28.03.2013 as a separate entity, MePTCL is directed to complete the energy audit by the time next ARR for 2014-15 is filed. Since the losses in the system has a bearing in implementation of

open access as licensee has to compensate the amount of electricity given to an open access customer over and above the approved level of losses, the Commission is allowing on the provisional basis 4% losses as the transmission loss for 2013-14 subject to validation at the time of actual results of energy audit.

Regarding determination of cross subsidy surcharge and other charges the Commission shall decide at the time of disposal of the petition filed by MePDCL for open access charges in distribution system. At the time of deciding the cross subsidy surcharge for transmission and distribution open access, the Commission shall consult all the stakeholders in the process and take a final view. The above charges are approved for financial year 2013-14 to be effective from 01.04.2013 up to 31.03.2014 as decided in the Tariff Order dated 28.03.2013.


7.5.2013

(ANAND KUMAR)
CHAIRMAN, MSERC.


7/5/13

Secretary
Meghalaya Electricity Regulatory Commission
Shillong