



**ANDHRA PRADESH ELECTRICITY REGULATORY COMMISSION**  
4<sup>th</sup> & 5<sup>th</sup> Floors, Singareni Bhavan, Red Hills, Hyderabad 500 004

R.P. No.3 of 2011  
in  
O.P. No.23 of 2009

Dated 23-04-2013

Present  
Sri A.Raghotham Rao, Chairman  
Sri C.R.Sekhar Reddy, Member  
Sri R.Ashoka Chari, Member

Between

Transmission Corporation of Andhra Pradesh Ltd

.... Petitioner  
(respondent in O.P.No.23/2009)

And

M/s. Sitapuram Power Ltd

... Respondent  
(petitioner in O.P.No.23/2009)

This petition coming up for hearing on 01.12.2012 in the presence of Sri P.Shiva Rao, Advocate for the petitioner and Sri B.Adinarayana Rao, Advocate for the respondent, the Commission passed the following:

**ORDER**

The case of the petitioner is briefly as follows:

- (i) The Commission issued orders in O.P. No.23 of 2009 dated 26.03.2011, that the transmission line constructed and operated by M/s. Sitapuram Power Ltd. between their power plant and their captive consumption point at M/s Zuari Cements can be declared as "Dedicated Transmission Line" as per the existing provisions of the Act and as such no licence is required. To that

extent the portions of the letters dated 27.09.2008 & 13.11.2008 by the respondent, are set aside as prayed by the petitioner.

And that the petitioner M/s. Sitapuram Power Ltd to give an undertaking in wiring to the State Load Despatch Center (SLDC) stating that they would comply with the conditions specified in the order issued by Ministry of Power, Government of India, dated 08.06.2005 regarding operating or maintaining a dedicated transmission line within 15 days of issue of this order.

(ii) The Commission in the order at para 6(d) noted that the captive consumer M/s Zuari Cements drawing power from two sources (one from dedicated line and the other from Discom) by separating their loads, with certain technical arrangements. However the Commission omitted the fact that the technical arrangement proposed by APTRANSCO for drawing of power from the two sources is a temporary arrangement and the same has come up as the consumer is drawing power from both sources without taking any technical & safety precautions. The arrangement proposed by APTRANSCO is for the safety and security of Grid & persons, and the same cannot be treated as permanent solutions for laying of dedicated lines.

(iii) The Commission in the para 6(h) directed M/s. Sitapuram Power Ltd to give an undertaking to the SLDC stating that they would comply with conditions specified in the order issued by Ministry of Power, Government of India, dated 08.06.2005 regarding operating on maintaining a dedicated transmission line.

Even though load is fed commercially by two sources but technically in principle it is treated as only single source fed to the load, since in both conditions Generator and loads are operated in island mode operation also.

In this situation SLDC will have control over Generators & loads for the system operations. Hence, taking of an undertaking from Generator serves the purpose.

- (iv) But the present arrangements of M/s. Sitapuram Power plant switch yard and M/s Zuari Cements Ltd switchyard as shown in annexure – 3 is distinctly different scenario.

M/s.Zuari Cements Ltd is connected to APTransco network through direct solid tapping from 132 kV grid line and having HT service with CPDCL at 132 kV level with one inter connection metering point at load. In addition to the 132 kV supply from direct solid tapping from 132 kV Grid line, M/s. Zuari Cements Ltd is also connected to M/s. Sitapuram Power Plant through dedicated line which is again connected to APTransco switching station and having HT service with CPDCL at 132 kV level with another inter connection metering point at Generator.

Load receives power supply from Grid and Generator simultaneously through direct solid tapping from 132 kV grid line & dedicated transmission line. Incase generator fails to feed the power (total / partial) to the load it draws power from grid through generator inter connection-metering point in addition to the load draws power from solid tapping grid line through load inter connection – metering point. Then it is treated as Load is fed commercially & technically by two sources through two separate inter connection – metering points. Moreover in this arrangement the consumer is having an option of two sources for drawing of power as he likes.

Supply should not be extended to the single premises through two inter connection metering points as there is always danger with two feeder supplies at single premises.

- (v) In this arrangement the SLDC cannot have any control over system operation of the dedicated line and hence getting of an undertaking alone from generator operating or maintaining a dedicated transmission line is not sufficient.

Yet one more aspect that missed the consideration of commission is that if the generator gives supply to any different voltage level consumer (33kv/11kv) by laying dedicated line as shown in Annexure-4 it will be further hazardous. In such conditions there is possibility of gaming by generator by giving grid supply to consumer in the guise of generator tripping resulting in billing disputes.

The Commission in its order referred that Hon'ble APTEL, New Delhi vide orders on Appeal Nos. 171,172,10 of 2008 and A No 117/2009 stated that "a dedicated transmission line can go from the captive generating station to a load center and such load center can also be a consumer". The actual physical arrangement of those consumers is not clear in the order of ATE. The same may be for the cases shown in annexure 1&2. Whereas the said analogy cannot be made applicable to M/s. Sitapuram case, as shown in annexure-3.

- (vi) As per order issued by Ministry of Power, Government of India, dated 08.06.2005, a generating company or a person setting up a captive generating plant shall not be required to obtain licence under the Electricity Act, for establishing, operating or maintaining a dedicated transmission line if such company or person complies with the following:
- (a) Grid code and standards of grid connectivity;
  - (b) Technical standards for construction of electrical lines;

- (c) System of operation of such dedicated transmission line as per the norms of system operation of the concerned SLDC or RLDC
- (d) Directions of concerned SLDC or RLDC regarding operation of the dedicated transmission line.

As per the present order of commission, the generator has to give undertaking to SLDC regarding operation & maintenance of dedicated line. However the orders of Commission is silent on the establishment of line such as standards followed for construction of line and grid connectivity and certifying authority to check the line, and it is established that the same is as per standards. In this case M/s. Sitapuram Ltd has not produced any documentary evidence from competent authority that they established the line is as per standards.

- (vii) As per 3.5.2 of GTCS approved by APERC, each separate establishment will be given a separate point of supply and as per 5.10.1 of GTCS, consumers shall not make any alternation to his installation or make any extension to any other adjacent premises.

The present order given by APERC is running contrary and offending the rules of GTCS.

- (viii) Hence, it is prayed that the Commission may be pleased to
  - (a) Admit the review petition and review the orders dated 26.03.2011 passed in O.P. 23/2009
  - (b) Hold that getting of an undertaking from generator by the SLDC for complying the conditions specified in the order issued by Ministry of Power, Government of India, dated 08.06.2005 regarding operating or maintaining a dedicated transmission line does not serve the purpose, particularly when the connectivity is as per annexure – 3 & 4.

- (c) Meet the conditions of GTCS, M/s. Zuari Cements Ltd may be directed to have a single source of supply only, without any alterations to their installation or make any extensions to any other existing premises, to avoid possibility of danger when they have access of both 132 kV supplies. 132 kV supply should be availed by M/s.Zuari Cements Ltd either from their CGP or 132 kV grid supplies.
- (d) A clear procedure and guidelines may please be pronounced by a revised order for establishing dedicated transmission lines.

2. The material averments of the reply filed by the respondent are briefly as follows:

- (i) The present review petition is neither maintainable in law nor on facts and the same has been filed with distorted facts by misinterpreting the orders of this Commission. Hence, the review petition is liable to be dismissed in limine.
- (ii) The petitioner is not entitled to urge, plead and seek review by introducing new facts.
- (iii) The various documents produced before this Commission clearly establish the fact that enough safety precautions were taken for grid safety and security & this fact was considered by the Commission while passing orders in the petition.
- (iv) The averments with reference to the alleged annexures 1&2 are hereby denied and the same are totally on hypothetical views by misreading and misinterpretation and the same are not applicable.
- (v) The annexure-3 relied in this regard is totally wrong and contrary to the documents already produced by the review petitioner in the petition. The power is being drawn by the consumer from two different feeders separately for distinct load

capacities and the both the drawal points are totally separate. Further the line is provided with enough safety precautions and separated with isolators as confirmed by the review petitioner in their own correspondence that was produced by them before this Commission. Said isolators are in open condition and locked by the review petitioners themselves and key is available with them. Incase of outage of the generator, unless the isolator is closed by opening the lock by the review petitioner, the consumer cannot draw the power from the review petitioner.

(vi) On a combined reading of S.9 and S.2(16), it is quite clear that a captive generating plant can construct, maintain and operate a dedicated transmission line. Further, the second provision to S.9(1) clearly says that no licence is required under the Act for supply of electricity generated from a captive generating plant to any licence in accordance with the provisions of the Act and the rules and regulations made thereunder and to any consumer subject to the regulations made under sub section (2) of Section 42.

(vii) The review petitioner having accepted and confirmed in their letter dated 05.11.2009 along with single line diagram stating that enough precautions were taken with circuit breakers and also by providing isolators, and the fact was considered by the Commission while pronouncing the orders.

The contention raised for the purpose of this review petition that load receives power supply from grid and generator simultaneously through solid tapping from 132kV grid line & dedicated transmission line is misleading, false & incorrect.

(viii) The review petitioner misread and understood and came to a wrong conclusion that orders passed by the Hon'ble Tribunal in Appeal Nos. 171,172,10 of 2010 and 117/2009 are not clear.

- (ix) The review petitioner in his counter affidavit filed in main OP No. 23 of 2009 stated that "To avoid parallel operation of two 132 kV sources at M/s.Zuari Cement Ltd and further damage to person and equipment and for the safety of grid system with prior information to M/s. Sitapuram Power Ltd APTransco sealed the 132 kV line isolators at both ends and insisted for segregation of loads. M/s. Sitapuram Power Ltd provided the same by providing an isolator for segregation of bus at M/s.Zuari Cement Ltd switchyard".
- (x) Thus, the review petitioner himself approbating and reprobating with its own pleadings.
- (xi) As per the directions of this Commission this respondent has given undertaking to SLDC regarding operation and maintenance of dedicated transmission line. The other averments are totally baseless and contrary to their own admissions that the dedicated transmission line was erected and made operationalised in their supervision and certification.
- (xii) The fact that has been concealed for this purpose is that Sitapuram Power Ltd is a captive generator and Zuari Cements Ltd is a captive consumer. A captive generator is supplying power to the captive consumer in accordance with the provisions of EA 2003 but not as alleged in the averments.
- (xiii) Right of the captive generator flows from S.9(1) and (2). Under the rules, rule 3 deals with requirements of captive generating plant, rule 3(2) stipulates the obligation of captive user and explanation (b) to the rule defines the meaning of captive user. Having regard to the meaning given to the captive user in explanation (b) to rule 3. Thus, the orders given by APERC is not offending any rules.



- (xiv) The annexure-4 relied in this is a clear imagination on surmises. The review petitioner is trying to mislead the Commission by making reference to irrelevant facts, which have no bearing on the issue decided.
- (xv) S.9 of the Act, is the main provision which confers rights on a person to operate both captive generating plant and dedicated transmission lines, the former is for the purpose of generating energy and the second is for the purpose of transmission of the energy and casts an obligation on the captive generator to the effect that if it is chosen to transmit electricity thus, generated from the captive plant through the grid then it has to be regulated in the same manner as the power generated from generating station. Further, the second proviso to sub section 1 to Section 9 introduced in the 2007 clearly says that the dedicated transmission line does not require any licence. Sub section 2 of section 9 gives right to a captive generator to open access and proviso 2 aforesaid subsection makes such right subject to availability of transmission facilities. Having regards to the definition of the expression dedicated transmission line conclusion is irresistible that captive generator has indefeasible right to transmit the electricity generated from his captive power plant to the destination of its own use through dedicated transmission line without any interference from any authority including a transmission licensee cannot insist on following provisions of the open access terms and conditions regulations, 2005 (Regulation 2 of 2005) so long as the captive generator chooses to sue the grid from transmission of energy then the transmission company can insist upon following of regulation of 2 of 2005 in other words, regulation 2 of 2005 will have no application at all to transmission of power through dedicated

transmission lines. In this regard, this respondent seeks leave of this Commission to refer the petition filed.

(xvi) Hence, the Commission maybe pleased to dismiss the review petition in the interests of justice with exemplary costs.

3. The petitioner filed rejoinder to the reply narrating the following grounds:

(i) The contention of M/s. Sitapuram Power Ltd., that with out any interference of any authority, a generator can lay dedicated line is not correct as there are established procedures contemplated in S.68 and 164 of EA 2003 for laying of dedicated lines by a captive generator.

In the case of dedicated line between M/s. Sitapuram Power Ltd and M/s. Zuari Cements Ltd,

(a) The company has not obtained the approval of State Govt. for laying of Overhead line.

(b) The line so erected was also not approved by CEIG of A.P for energisation.

(ii) The consumer load is not a distinct load capacity, and the same was bifurcated conveniently for drawing power from two sources. This type of arrangement may not have in any industry. The claim of respondent made in the para 7 is not correct.

(iii) The temporary arrangements were made by APTransco since an incident occurred at Sitapuram site during trial run period of M/s. Sitapuram Power Ltd, the generator has extended the power supply to the consumer M/s. Zuari Cements through their dedicated transmission line, without notice to the APTransco & CPDCL. The generator tripped and the consumer has drawn the power through the generator service connection from APCPDCL, which lead to abnormal shot up of Maximum Demand level of generator. In that connection a case in WP No.20732/2007 is

- filed and the same is still pending on the file of Hon'ble High Court of A.P.
- (iv) The SLDC have control over the generators and loads for the system operations for annexures 1 & 2 and the SLDC do not have any control over the generators and loads through dedication line for the system operations for annexure 3 (present case M/s. Sitapuram Ltd and M/s. Zuari Cements Ltd).
  - (v) There is a possibility of gaming by generator resulting in billing disputes by giving grid supply to consumer in the shortage of fuel supply period / shut down of generator not only as per annexure-4 even in annexure-3 (present case M/s. Sitapuram Ltd and M/s. Zuari Cements Ltd) that in the short of fuel supply period or high cost of fuel rate period there is a possibility that generator may extend the grid supply (which is taken for the purpose to meet generator auxiliary consumption) to M/s.Zuari Cements Ltd through dedication line which is highly objectionable. In case if the generator fails, the consumer shall be drawing power from both the sources.
  - (vi) M/s. Sitapuram Power Ltd and M/s. Zuari Cements Ltd obtained separate service connections from APCPDCL stating that both entities are different even though both are existing in the same premises.
  - (vii) The generator is having a service connection from APCPDCL and the consumer is having a separate service connection. Both the services are existing in the same premises. As per the GTCS approved by APERC there shall be only one service connection in the same premises for same category of supply.
  - (viii) If approval is not required for erection of dedicated line within the premises and also out of premises of generators, the generator can extend the power supply to his own use and also

other consumers without the knowledge of the DISCOM and TRANSCO which may lead to gaming by the generator and cause revenue loss to the Discom and Transco.

- (ix) A clear procedure and guidelines may please be pronounced by revising the order dt.26.03.2011 for establishing dedicated transmission lines.

4. The material averments of the Additional rejoinder filed by the petitioner are briefly as follows:

During the hearings, the Commission has directed to submit the relevant prayer which actually needs in the case by APTransco.

- (i) The respondent may be directed to obtain PTCC approval and also requested to direct the CEIG to inspect the line and pass such further directions that any dedicated line shall be laid with prior approval of Govt as per S.68 of the Act.
- (ii) The system of operation of such a dedicated transmission line as per the norms of the system operation of the concerned SLDC or RLDC.
- (iii) Direction of concerned SLDC or RLDC regarding operation of the dedicated transmission line.
- (iv) The respondent may be directed to take consent of SLDC for the switching operations of the said dedicated transmission line and to provide real time data / control of dedicated transmission line to SLDC as required by grid code.
- (v) In case of tripping of power plant in the present arrangement, M/s. Zuari Cements will draw Discom power through Sitapuram SS. Earlier flow occurred during the tripping of the power plant and MD shoot up.

Any scheduled consumer is entitled for supply through one main only as per GTCS. Here Zuari Cements is having two supply mains. This is against GTCS.

(vi) Hence Commission is requested to take necessary view on this issue and give necessary directions.

5. From the above said pleadings the following issues are coming up for consideration:

I. Whether, obtaining an undertaking from the Generator by the SLDC as specified in the Order dated 26-03-2011 passed in main OP No 23 of 2009 is sufficient to meet the conditions of GTCS, in the present case.

II. Whether any direction is required to be given to the respondent to obtain PTCC approval and to the CEIG to inspect the subject dedicated line, and pass such further directions that any dedicated line shall be laid with approval of Govt. as per S. 68 of the Act and shall comply to S 164 of the Act.

**Issue: I**

6. M/s Zuari Cements Ltd is connected to APTRANSCO network through a direct solid tapping from 132 kV Grid line and having HT service with CPDCL at 132 kV level with one interconnection metering at load end.

7. In addition to the 132 kV supply from direct solid tapping, M/s Zuari Cements is also connected to M/s Sitapuram Power through a dedicated line (the dedicated transmission line under contention) which is again connected to APTRANSCO switching station and having HT service with CPDCL at 132 kV level with another interconnection metering point at Generator. Load receives power supply from Grid and the Generator simultaneously, through direct tapping line and dedicated transmission line.

8. As earlier held, as per the order issued by the Ministry of Power, Government of India dated 8<sup>th</sup> June 2005, A generating company or a

person setting up a captive generating plant shall not be required to obtain license under the Electricity Act, for establishing, operating or maintaining a dedicated transmission line if such company or person complies with the following.

- a. Grid code and standards of Grid connectivity.
- b. Technical standards for construction of electrical lines
- c. System of operation of such dedicated transmission line as per the norms of System operation of the concerned SLDC or RLDC.
- d. Directions of concerned SLDC or RLDC regarding operation of the dedicated Transmission line.

9. It is observed that, the Generator M/s Seetapuram Power Ltd has already submitted the undertaking as directed at para 6 (h) of the Order in OP No. 23 of 2009.

10. It is observed that the contentions of the petitioner as submitted in the present review petition that, other Generating plants may also opt for alternate feeder duly bifurcating their loads in addition to the supply from their captive power plant, through dedicated line and also same generator may extend the supply to another load near by the existing captive generating plant at different voltage level which is having another interconnection metering point, is totally misconceived and hypothetical.

11. It is understood that, Generating Plants have supply connection with the incumbent distribution licensees to enable them to draw start up power required to start their plants and once the generation picks up, they stop drawing the power, instead they inject the power into the grid. Drawl of power by the generating companies is not a continuous phenomenon unlike drawl of power by a Load.

12. Even if, as per the contention of the petitioner, supply may get extended to the load point from the Generator side during the periods of generator outage, and thereby load point would have two power sources from the same grid, which violates the conditions of GTCS, the same has to be checked by the incumbent Distribution licensee, and action may be taken in accordance with the provisions of Electricity Act 2003, particularly section 126 which deals with Un-Authorized use of electricity, and other Regulations issued by the Commission in that behalf. Transmission Licensee, i.e. APTRANSCO has no locus standi to take any action in that regard.

13. The Respondent has brought to the notice of this Commission, through the counter to the RP filed by the petitioner that, the disputed dedicated line is provided with isolators to prevent any misuse, and the said isolators are locked by the review petitioner themselves and key is available with them. In case of outage of the Generator, unless the isolator is closed by opening the lock by the review petitioner, the Consumer can not draw the power from the Review Petitioner. This point was not contradicted by the Review Petitioner either.

14. Review petitioner has contended that, if approval is not required for erection of dedicated line within the premises and also out of premises of Generators, the generator can extend the power supply to his own use and also other consumers without the knowledge of the DISCOM and APTRANSCO which may lead to gaming by the Generator and cause Revenue Loss to the DISCOM and TRANSCO.

15. Vide the order dated 26-03-2011 in OP No.23 of 2009, based on the facts available on record, the Commission has declared subject Transmission Line as "Dedicated Transmission Line" as per the existing provisions of the Act and as such no license is required. The

Commission has examined the four illustrations enclosed to the Review Petition and come to a conclusion that, the averments made are hypothetical.

16. Since the Generator M/s Seetapuram, is operating their plant in parallel with the Grid, they have to abide by all rules and regulations specified for that purpose by the appropriate authority and need to pay SLDC charges as per, levy and collection of fees and charges by state load despatch centre Regulation (Reg: No.1 of 2006) issued by APERC

17. In view of the aforementioned discussion, the Commission has come to a conclusion that, obtaining an undertaking from the Generator by the SLDC as specified in the Order dated 26-03-2011 passed in main OP No 23 of 2009 is sufficient to meet the conditions of GTCS, in the present case.

**Issue: II**

18. A Captive Generating plant can construct, maintain and operate a dedicated transmission line in accordance with Sec 9 (1) and (2) of Electricity Act 2003, for which no license is required. A dedicated transmission line can go from the Captive generating station to a load center and such load center can also be a consumer.

19. The review petitioner has contended that, a) the company has not obtained the approval of State Govt. for laying of overhead line, b) the line so erected was also not approved by CEIG of Andhra Pradesh for energization. In the above, procedures Applicants have to submit the application to the State Government through the State Transmission Utility (STU) i.e. APTRANSCO in the present case.

20. The petitioner has requested the Commission to direct the respondent to obtain PTCC approval and also requested to direct the



CEIG to inspect the line and pass such further directions that any dedicated line shall be laid with approval of Govt. as per S. 68 of the Act and shall comply to S 164 of the Act.

21. The Commission is of the view that, ample provisions and scope are provided in the Electricity Act 2003, for establishing & operating of dedicated Transmission Line by Generating Plants including Captive Generating Plants. Act is clear with regard to roles, responsibilities & obligations of various agencies with regard to construction, operation of dedicated transmission lines. A separate procedure and guidelines need not be pronounced by this Commission. The APTRANSCO may approach, concerned agency, if it has any issues with regard to requirement of various approvals under the Act for construction, safety issues in operation and maintenance of the dedicated line. The matter will not come in the purview of the Commission.

22. In view of the above, the Commission is of the opinion that, no direction is required to be given to the respondent, to obtain PTCC approval and to the CEIG to inspect the subject dedicated line, and pass such further directions that any dedicated line shall be laid with approval of Govt. as per S. 68 of the Act and shall comply to S 164 of the Act.

Accordingly, the issues are answered and the Review Petition is hereby dismissed.

The order is corrected and signed on this 23<sup>rd</sup> day of April, 2013.

Sd/-  
**(R.Ashoka Chari)**  
**Member**

Sd/-  
**(C.R.Sekhar Reddy)**  
**Member**

Sd/-  
**(A.Raghotham Rao)**  
**Chairman**