

# **ORISSA ELECTRICITY REGULATORY COMMISSION**

**BIDYUT NIYAMAK BHAWAN,  
UNIT – VIII, BHUBANESWAR – 751 012**

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**Present** : Shri S.K. Jena, Member  
Shri K.C. Badu, Member

**Dated the 20<sup>th</sup> day of July, 2007**

## **CASE NO. 15 OF 2007**

In the matter of : Permission for construction of 11kV line from CGP of the  
Petitioner to intake pump house on the bank of River  
Brahmani

M/s. Nava Bharat Ventures Limited,  
Kharagprasad, Dist- Dhenkanal – 759121

..... Petitioner

- Vrs. -

- (1) Chief Executive Officer, CESU,  
IDCO Towers, Janpath, Bhubaneswar.  
(2) Commissioner-cum-Secretary to Govt.  
Department of Energy, Govt. of Orissa  
Bhubaneswar

..... Respondents

## **ORDER**

1. M/s. Nava Bharat Ventures Limited (NBVL) have filed an application in the Commission on 04.05.2007 seeking permission for construction of 11kV line from CGP of the Petitioner to intake pump house at River Brahmani under Section 164 of Electricity Act, 2003. The application has been registered as Case No. 15/2007 and the Commission vide Letter No. 733 dtd. 21.05.2007 issued notice to the above mentioned Respondents to file their reply/response through affidavit on the application of the Petitioner by 31.05.2007 serving a copy thereof to NBVL.
2. CESU through affidavit dtd. 31.05.2007 submitted that the Petitioner had earlier applied to CESU vide their letter dtd 19.12.06 for Open Access permission for

construction of 11 KV line from their CGP at Kharag Prasad to intake pump house at River Brahmani. CESU vide letter No. 2060 dtd. 20.02.07 informed the petitioner through DGM (Elect.) Electrical Circle, Dhenkanal that their application can only be considered after approval of Open Access Charges by the Hon'ble Commission and implementation of phasing schedule for Open Access for load not exceeding 1 MVA.

3. The Commission vide letter No. 953 dtd 16.06.2007 issued notice to the Petitioner as well as Respondents to attend the hearing on 20.07.2007.
4. Accordingly the case is taken up for hearing on 20.07.2007 Mr. P. P. Mohanty, Advocate and Mr. H.P. Mohapatra, GM-PP, NBVL are present on behalf of the petitioner. Mr. L.R. Padhi, Manager (Commerce), CESU is present on behalf of CEO, CESU. Nobody is present on behalf of Govt. of Orissa.
5. During hearing, the Counsel on behalf NBVL submitted as under:
  - (a) The Ferro Alloys Plant at Kharagprasad of Nava Bharat Ventures Ltd. (NBVL) receives power from its Captive Generating Plant (CGP) of 30 MW capacity located in the said premises. The expansion of the CGP is in progress.
  - (b) For meeting the requirements of the Ferro Alloys plant, CGP and for their expansion project, reliable source of supply is needed for continuous running of the pump station at River Brahmani. An intake well with pump house for water supply located on the banks of River Brahmani is receiving power from CESU at 11/0.4 KV, 150 KVA s/s.
  - (c) NBVL submitted that the power supply is frequently interrupted due to its interconnection with rural areas. This forces NBVL to run their DG set to ensure the continuity of water supply incurring additional expenditure.
  - (d) They propose and plan to establish, operate, maintain their own dedicated 11 KV feeder from their existing CGP to the pump station 3 K.M. away

from the bank of River Brahmani. They submitted that such an arrangement is in accordance with provisions under Section 9 (1) and (2) and 10(1) of the Electricity Act, 2003.

- (e) NBVL submitted that the Govt of Orissa at the request of NBVL have advised them to approach CESU and OERC for necessary action.

In view of the above, the counsel of the NBVL requested the Commission to issue clearance (if considered necessary under the statute) for construction of 11kV line from CGP of the Petitioner to intake pump house at River Brahmani.

6. After having heard the parties, the Commission observes as follows: -

- (a) In accordance with Sec 9 (1) Act, 2003, NBVL can construct, maintain or operate a CGP and dedicated transmission lines. Transmission line has been defined in Section 2(72) of the Act as under.

An extract

*“transmission lines means all high pressure cables and overhead lines (not being an essential part of the distribution system of a licensee) transmitting electricity from a generating station to another generating station or a sub-station, together with any step-up and step-down transformers, switch-gear and other works necessary to and used for the control of such cables or overhead lines, and such buildings or part thereof as may be required to accommodate such transformers, switch-gear and other works ; “*

- (b) According to Section 9 (2) of the Act, NBVL have the right to open access for the purpose of carrying electricity from its CGP to the destination of his use, provided that such open access shall be subject to availability of adequate transmission facility which shall be determined by the Central Transmission Utility or State Transmission Utility, as the case may be. In

accordance with the Section 10(1) of the Act, duty of a Generating Company shall be to establish operate and maintain generating station tie lines, sub-stations and dedicated transmission lines connected therewith in accordance with the provision of the Act, rules and regulations made there under.

- (c) A Generating Company is enabled by Section 10(2) of the Act to supply electricity to any licensee in accordance with the Act and rules and regulations thereunder, may, subject to the regulation made under Section 42(2), can supply electricity to any consumer.
- (d) It will also be appropriate in this context to take note of the following definitions.

*Section 2(16)*

*“dedicated transmission lines” means any electric supply line for point to point transmission which are required for the purpose of connecting electric lines or electric plants of a captive generating plant referred to in Section 9 or generating station referred to in Section 10 to any transmission lines or sub-station, or generating stations or the load centre, as the case may be;*

*Section 2(69)*

*“sub-station” means a station for transforming or converting electricity **for the transmission or distribution thereof** and includes transformers, converters, switch gears, capacitors, synchronous condensers, structures, cable and other appurtenant equipment and any building used for that purpose and the site thereof;*

- (e) The question to be determined is whether the 11 KV line from NBVL premises to the pumping station with a step down transformer satisfies the

definition of a “dedicated transmission line” as intended in Section 9 (1) of the Act.

- (f) In the instant case, the proposed 11 KV line is a high voltage line and is meant for point-to-point connection. It is also a high voltage line. But as required under Section 2(72), it is not meant for carrying power from a generating station to another generating station. To qualify as dedicated transmission line, it is required to connect an electric line or electric plant of a CGP to any transmission line or substations or the load centre or the generating station. Here, this 11 KV line is connected to a step down 11/0.4 KV 150 KVA sub-station.
- (g) Now, let us examine what the proposed transmission line would be connected to. It would obviously not be connected to a transmission line, or a generating station or a load centre. Is it to be connected to a “substation”? A sub-station has been defined as a station for transforming or converting electricity for the transmission or distribution thereof. The objective of the Act is that a sub-station as defined under the Act is much more than a mere transforming device. It is meant for transforming power *for the purpose of transmission or distribution*. In the instant case, this transformer is meant for transforming electricity for the consumption of a particular consumer. It is not meant for transmission. It is not meant for distribution. Distribution as intended in the Act is meant for supply of electricity to the consumers as would appear from Part-VI of the Act read with S.2(15), (17), (18), and (19) thereof. The objective of the Act is to allow the CGPs & Generating Stations to establish tie lines from the Generating stations for the purpose of interconnection for transfer of power between one generating station to another generating station & substations for transmission and distribution.
- (h) The interpretation in (g) above is the basis in the Ministry of Power, Govt. of India Order dated 8<sup>th</sup> June, 2005 in respect of establishing or

maintaining a dedicated transmission line not inconsistent with the provisions of the Act, which inter alia states as under:

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

- i) Grid code and standards of grid connectivity;
- ii) Technical standards for construction of electrical lines;
- iii) System of operation of such a dedicated transmission line as per the norms of system operation of the concerned State Load Despatch Centre (SLDC) or Regional Load Despatch Centre (RLDC).
- iv) Directions of concerned SLDC or RLDC regarding operation of the dedicated transmission line.

In view of the above analysis, this portion of 11 KV line connected to the pumping station on the bank of River Brahmani and the CGP of NBVL can not be considered as a dedicated transmission line as defined in Section 2 (16) of the Act, 2003.

The case is therefore disposed of with a direction to CESU to provide uninterrupted supply of power to NBVL's intake pump house on the bank of River Brahmani transferring the rural load to some other nearby 11 KV feeders.

Sd/-  
**(K.C. Badu)**  
**Member**

Sd/-  
**(S.K. Jena)**  
**Member**