

Before

**UTTARAKHAND ELECTRICITY REGULATORY
COMMISSION**

In the Matter of:

Restriction of over-drawal of power by UPCL from the grid based on the CERC (Unscheduled Interchange charges and related matters) (Amendment) Regulations, 2010.

Coram

Shri V J Talwar Chairman

Shri Anand Kumar Member

Date of Order: 16th September 2010

ORDER

The Commission in its Tariff Order dated October 23, 2009 has directed UPCL to restrict the net drawl from the grid within its drawl schedules whenever the system frequency is below 49.2 Hz. Further with regard to UI charges the Commission has clarified in the Tariff Order dated April 10, 2010 that as per the recommendation of the Forum of Regulators, only the additional UI Charges imposed on the utilities under the

UI Regulation of CERC for over-drawal during the period when grid frequency is below 49.2 Hz will not be allowed while truing up the ARR for the year 2010-11.

2. CERC vide notification dated 28.04.2010 has specified amendments to the UI charges and related matters regulations to be effective from 03.05.2010. In terms of Regulation 5(1) of these regulations CERC has notified UI rates applicable on the average frequency of the time block as per Schedule "A" of the regulations. The rates have been specified in the frequency range of 49.5 Hz to 50.2 Hz. Based on UI price vector, the highest rate at 49.5 Hz has been specified as Rs. 8.73 /kWh.
3. Regulation 7 of these regulations specifies the limits on UI volume and consequences of crossing the limits. Sub-regulation (1) of this regulation provides the limit for over-drawal of electricity by any beneficiary during a time block. The relevant portion of the same is reproduced below:

"(1) The over-drawal of electricity by any beneficiary or a buyer during a time block shall not exceed 12% of its scheduled drawal or 150 MW, whichever is lower, when frequency is below 49.7 Hz and 3% on a daily aggregate basis for all the time blocks when the frequency is below 49.7 Hz"

4. Further in terms of Regulation 7(3a), CERC has imposed additional UI charge on the entities for over-drawal of electricity for each time block when grid frequency is below 49.5 Hz. This additional UI charge further increases when the grid frequency is below 49.2 Hz. The relevant provisions for over-drawal as per para 3 of the Schedule "A" of these regulations are reproduced below:

*"(a) the additional Unscheduled Interchange charge for over-drawal of electricity for each time-block when grid frequency is below 49.5 Hz and upto 49.2 Hz shall be equivalent to **40% of the Unscheduled Interchange charge 873.0 paise/kWh** corresponding to the grid frequency of below 49.5 Hz....."*

*Provided that the Additional Unscheduled Interchange charge for over-drawal of electricity for each time-block when grid frequency is below 49.2 Hz shall be equivalent to **100% of the Unscheduled Interchange charge 873.0 paise/kWh** corresponding to the grid frequency of below 49.5 Hz....."*

5. Taking cognisance of the above provisions in CERC regulations, the Commission vide letter no. 417/UERC dated 20.05.2010 has already required the licensee to govern its over-drawal in accordance with Regulation 7 of these regulations and

that UPCL shall endeavour to restrict the over-drawal from the grid whenever the system frequency is below 49.5 Hz.

6. Considering that UI charges and additional UI charges for over-drawal of electricity for each time block when grid frequency is below 49.5Hz are very high, the Commission takes a serious view of the possible incidence of increased power purchase costs on the licensee for any such over-drawal. Therefore, the Commission directs UPCL to restrict itself for any over-drawal at a grid frequency below 49.5 Hz. In case of over-drawal at a grid frequency below 49.5Hz, no UI charges will be allowed to be pass through in the ARR of the distribution licensee over and above the approved cost of additional power purchase to meet the deficit.
7. This Order shall be applicable after 3 days from the date of issuance of this Order i.e. w.e.f 16.09.2010 and the following provisions of para 7.3.13 (Power Purchase through UI) of Tariff Order for UPCL dated 10.04.2010 which reads as:

“As regards the purchase under UI overdrawal, the Commission’s Order dated October 23, 2009 stipulates as under:

“..... The Commission, therefore, directs UPCL to “restrict the net drawal from the grid within its drawal schedules whenever the system frequency is below 49.2 Hz”

The Commission, therefore, clarifies that as per the recommendation of the Forum of Regulators, only the additional UI Charges imposed on the utilities under the UI Regulation of CERC for overdrawal during the period when grid frequency is below 49.2 Hz will not be allowed while truing up the ARR for the year 2010-11.”

shall stand superceded by the provisions contained in para 5 and 6 of this Order. This order shall apply till further orders.

-Sd-

(Anand Kumar)
Member

-Sd-

(V J Talwar)
Chairman