

Before

UTTARAKHAND ELECTRICITY REGULATORY COMMISSION

Misc. Appl. No. 25 of 2025

In the Matter of:

Petition for seeking prior approval of capital investment for Augmentation of transformer capacity of 132 /33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40MVA to 1x80 MVA+1x40 MVA.

And

In the Matter of:

Managing Director,
UJVN Limited,
"UJJWAL", Maharani Bagh, GMS Road,
Dehradun

... Petitioner

And

In the Matter of:

Power Transmission Corporation of Uttarakhand Ltd. (PTCUL),
Vidyut Bhawan, Majra,
Dehradun

... Respondent

Coram

Shri M. L. Prasad

Chairman

Shri Anurag Sharma

Member (Law)

Date of Hearing: May 20, 2025

Date of Order: June 06, 2025

ORDER

This Order relates to the Petition filed by UJVN Ltd. (hereinafter referred to as "Generating Company" or "the Petitioner") seeking prior approval of the Commission for 'capital investment for Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA'.

Background

2. The Petitioner vide its letter No M-259/UJVNL/02/D(O)/B-8 dated 17.03.2025 had submitted its Petition for 'seeking prior approval of capital investment for Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40MVA to 1x80 MVA+1x40 MVA'.
3. The Petitioner under the facts of the case has submitted that:-

" ...

- 3.4 *Sharda Power House, Lohiahead is located in Khatima, Udham Singh Nagar, Uttarakhand. It is hydro power plant with 3x13.8 MW capacity.*
- 3.5 *Power is generated at 11 kV and it is step up to 132 kV with the help of 20 MVA, 11/132 kV power transformer via 132 kV bus bar, power is transferred to 132 kV line i.e. Sitarganj (71 feeder), Pilibhit (72 feeder).*
- 3.6 *Two nos. 40 MVA, 132/33 kV transformers are installed in switchyard of Sharda Power House Lohiahead which receives power from 132 kV bus bar. Output of these transformers are connected in parallel to 33 kV bus. Four nos. 33 kV feeders are fed from this bus namely Khatima town, Khatima industries, spare feeder and DPH feeder. 33 kV bus has sectional isolator which divides bus into two parts. The bus conductors are connected to both sides of isolator with help of hanging disc insulators.*
- 3.7 *Presently current carrying capacity of bus is 1600 ampere. There is no sub-station of PTCUL in this area and power supply from Khatima to Tanakpur is totally fed from these 2X40 MVA, 132/33 kV transformer with the help of 33 kV feeder. These transformers are 21 and 22 years old and are feeding current up to 1100 Ampere during peak period. Due to urbanization, development and growing population these transformers are not able to provide total local needs. Also due to global warming and increasing load, oil and winding temperature are increasing. Maximum current supplied by these transformers as per the details submitted in DPR clearly shows that load is increasing. It is necessary to replace one 40 MVA, 132/33 kV transformer with 80 MVA, 132/33 kV.*
- 3.8 *Further, it has also been observed that whenever shutdown is taken in peak seasons for attending faults in bay of one 40 MVA, 132/33 kV transformer then roasting is to be done in almost half of consumers from Khatima to Tanakpur as no other alternative source of power supply is available in this region. This subsequent outage leads to*

financial loss in repair and replacement, loss of revenue and reduces quality and reliability of supplied power.

- 3.9 *As per CEA guidelines and best practices for operation and maintenance of distribution transformer with good O&M practice, it is desirable to achieve the life span of at least 25 years for distribution transformer and that between 80°C to 140°C, the rate of loss of life due to ageing of transformer insulation is “doubled” for every 6°C rise in temperature.*
- 3.10 *A review meeting was also taken on 02.06.2024 by Hon’ble Chief Minister of Uttarakhand at NHPC, Banbasa in which instruction were given to UJVN Ltd. to replace one no. 40 MVA transformer to 80 MVA transformer.*
- 3.11 *Further, it has been observed that both transformers have fed a total of maximum current of 1136 Amp & 1110 Amp on dated 26.05.2024 & 28.05.2024 respectively during peak demand. Maximum load along with temperature for the month of May-2022, June-2022, May-2023, June-2023, May-2024 are elaborated in the DPR.*
- 3.12 *UJVN Ltd. vide letter no 817/UJVNL/02/D(O)/B-30 dated 31.08.2022, requested PTCUL to take over control of 2x40 MVA 132/33kV transformer and 3 nos. 33 kV feeder. However, PTCUL vide letter no. 306/EE/)&M/division dated 13.09.2022, informed that due to various practical reasons given below, PTCUL cannot take control of above system:-*
- a) 132 kV main and reserve bus bar is connected to generator transformer along with 2x40 MVA, 132/33 kV transformer.*
 - b) There is common D.C. source and D.C. distribution system for control and relay panels for generators and switchyard equipment.*
 - c) There is common control room for all the control panels, relay panel, generator, 132 kV lines, 40 MVA 132/33 kV transformers and feeders.*
 - d) There is a common auxiliary source for power supply for switchyard and generators.*
 - e) Only one access road is available for entrance in switchyard and control room.*
- 3.13 *Due to above various constraints and increasing load, it is necessary to replace one 40 MVA, 132/33 kV transformer by 80 MVA, 132/33 kV transformer at Sharda Power House, Lohiahead.*

- 3.14 *Moreover, there is no substation of PTCUL in this area and power is supplied to UPCL at 33 kV vide three nos. feeder. For almost more than 12 to 15 years load has increased considerably and work on strengthening of transmission sector is slow. Whenever, power flow disrupts in peak summer season due to peak load, problem is faced in distribution system.*
- 3.15 *Life extension of switchyard at Sharda Power House, Lohiahead will increase and it will allow to carry out the preventive maintenance work.*
- 3.16 *The proposal for Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA will not only enhance system stability by ensuring additional power stability during high-demand periods and reducing breakdown cost. The proposed works requires the following works:-*
- a) Dismantling of one number 40MVA, 132/33kV transformer and its relocation to other place.*
 - b) Dismantling and storage at site of existing 40 MVA, 132/33 kV transformer.*
 - c) Design, engineering, manufacture, testing, delivery at site including all materials, accessories, spares, unloading, handling, proper storage at site, erection, testing and commissioning of 80 MVA, 132/33 kV transformer, ONAN/ONAF with ester oil as per IS 2026 along with the Nitrogen Injection Fire Prevention and Extinguishing System (NIFPES) with all its necessary equipment and accessories.*
 - d) Supply, installation, testing and commissioning of 33 kV Circuit breaker of 2000 A.*
 - e) Supply, installation, testing and commissioning of 33 kV CT 1600/800/1 A.*
 - f) Supply, installation, testing and commissioning of PT 33 kV/110 Volts.*
 - g) Supply, installation, testing and commissioning of Gang operated 3 phase Isolator 2000 A.*
 - h) Supply, installation, testing and commissioning of Gang operated 3 phase Isolator 2000 A.*
 - i) Supply, installation, testing and commissioning of Lattice structure as required.*

j) Detail design engineering of new 33 kV bus along with supply, installation, testing and commissioning of 33 kV bus with all the accessories (Insulator Strings, Disc Insulators, Hardware, ACSR Moose Conductor, Bus Bar Material, Cable Trays, Bay MB, Clamps, Connectors, Earthwire, Earthing Materials etc.)

3.17 As per Regulation 22 (4) of UERC Tariff Regulations, 2024, a generating company is required to get prior approval for the additional capitalization works exceeding ₹ 5 Crore. The Regulation 22 (4) of UERC Tariff Regulations, 2024 states that:-

“Any addition/modification to the existing assets exceeding Rs. 2.50 Crore in case of distribution licensees, Rs. 5 Crore in case of generating companies/transmission licensees shall be taken up only after prior approval of the Commission. The application for approval of the Commission shall be accompanied with the approval of BoD in accordance with UERC (Conduct of Business), Regulations, 2014.”

3.18 In view of above, a DPR amounting to ₹ 11.82 Crore (excluding taxes) has been prepared in-house & the same has been approved by the Competent Authority for carrying out the works related to Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA.

3.19 The estimated cost for carrying out the capital investment on Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA is summarized as under-

S.No	Particulars	Price Schedule-A (Supply of Material)	Price Schedule-B (Erection Work)	Price Schedule-C (Dismantling & Shifting of 40 MVA Transformer Work)	Price Schedule- D (Civil Work)	Total Amount (Rs)
1	Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA.	10,86,39,142.70	15,20,395.11	11,93,800	24,95,219.20	11,38,48,557.01
					Total	11,38,48,557.01
					Freight and Insurance charges @ 4% of Supply of Material (Price Schedule-A)	43,45,565.71
					Total (2+3)	11,81,94,122.72
					GST @18% of (4)	2,12,74,942.09
					Total (4+5)	13,94,69,064.81
	(Rs. Thirteen Crore Ninety Four Lakh Sixty Nine Thousand Sixty Five Only)					

3.20 *The aforesaid investment proposal for Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA has been approved by the BoD, UJVN Ltd. in its meeting held on 03.02.2025 (Copy Minutes of Meeting of BoD dated 03.02.2025 enclosed as per Annexure-1). The works proposed in the DPR will be carried out during the financial year 2026-27 & 2027-28 (Copy of the DPR is enclosed at Appendix-1)*

3.21 ***Financing Plan and Phasing of Expenditure:***

That the Petitioner shall arrange the expenditure from its internal resources and the total expenditure of Rs. 13.95 Crore inclusive of taxes will be incurred during the FY 2026-27 & FY 2027-28 as proposed in the DPR.

3.22 *Based on all the above, the Petitioner humbly prays before the Hon'ble Commission to kindly approve the total investment amounting to ₹ 13.95 Crore (including taxes) for carrying out the capital investment for Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA."*

4. The Petitioner under 'Relief Sought' has submitted that:

"...

ii. *Approve the total capital investment of ₹ 13.95 Crore (including taxes) for carrying out the capital investment on "Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA.*

iii. *The cost of proposed works has been developed on the basis of estimates as detailed in this filing. There may be difference between the present estimates and the cost of actual implementation. The Hon'ble Commission is therefore requested to kindly consider and approve the actual expenditure that may be claimed during the true-up of the expenditure.*

..."

5. The Commission vide its letter dated 08.05.2025 issued Notice for hearing on admissibility of the Petition to UJVN Ltd. (Petitioner) on **20.05.2025**. Further, the Commission decided to make PTCUL as Respondent in the matter and directed it to furnish its reply latest by **16.05.2025** and appear for hearing on admissibility on **20.05.2025**.

6. In compliance to the above, Respondent i.e. PTCUL through its submission vide letter dated **16.05.2025** submitted the copy of the Minutes of 124th meeting of BoD of UJVN Ltd. held on 03.02.2025. Further, PTCUL enclosed a report on system study regarding increasing capacity at 132/33 kV switchyard of Sharda HEP from 2x40 MVA to 40+80 MVA transformer stating that:-

“SE (O&M) Haldwani vide letter no. 657/SE(O&M)/PTCUL/H/System Study dated 15.05.2025 (copy enclosed) forwarded proposal alongwith load details for increasing capacity at 132/33 kV Switchyard of Sharda Power House from 2x40 MVA to 40+80 MVA T/F considering the load growth and meeting the T-1 contingency.

A load flow study has been carried out as per the details provided by SE(O&M) Haldwani vide letter dated 15.05.2025 for the increasing capacity at 132/33 kV Switchyard of Sharda Power House from 2x40 MVA to 40+80 MVA T/F.

As per the enclosed load flow Exhibit-I & II, following observation can be made:

132/33 kV switchyard of Sharda Power House Existing 2x40 MVA capacity may not be sufficient to meet T-1 contingency considering the future load growth as informed by SE(O&M) Haldwani. So proposal of Increasing Capacity 2x40 MVA to 40+80 MVA T/F, at 132/33 kV Switchyard of Sharda Power House as forwarded SE(O&M) Haldwani is generally in order considering T-1 contingency and future load growth.

Note:-

- 1. Load flow study has been carried out as per requirement and inputs provided by SE(O&M) Haldwani vide letter no. 657/SE(O&M)/PTCUL/H/System Study dated 15.05.2025. In future load flows may be as per prevailing Generation, Load Conditions and Transmission System Strengthening and Load Flow Study may be carried out accordingly in future.”*

7. On the scheduled date of hearing, the Commission heard the Petitioner and Respondent in the matter and issued daily Order as the ‘Order reserved’.

Commission’s Observations, Views & Directions: -

8. Based on the submissions made in the Petition by the Petitioner and subsequent submissions of the Respondent, the Commission has observed that:-
- (1) The instant proposal for ‘Augmentation of transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to

1x80 MVA+1x40 MVA' has been put forward by UJVN Ltd. which is a generating company. The aforesaid 40 MVA 132/33 kV transformer which is proposed to be augmented to 80 MVA is located within the switchyard of Sharda Power House, Khatima owned & operated by UJVN Ltd.

- (2) The Petitioner has sought approval of the Commission for Rs 13.95 Crores for carrying out the proposed transformer capacity of 132/33 kV substation of Sharda Power House, Lohiahead, Khatima from 2x40 MVA to 1x80 MVA+1x40 MVA. Further, the Petitioner in its Petition has submitted a copy of 124th meeting of BoD dated 03.02.2025 in which the Board of UJVN Ltd. accorded the approval for obtaining investment approval from the Commission. The excerpt of the same is reproduced below:-

“RESOLVED THAT the consent of the Board be and is hereby accorded for obtaining the investment approval from UERC for the work of Augmentation of Transformer capacity of 132 kV switchyard of Sharda Power House Lohiahead Khatima from 2x40 MVA to 1x80 MVA + 1x40 MVA; however, before execution of the works, the above concern may be addressed and shared the same with the Board.”

- (3) The Petitioner in its instant Petition has stated that in a review meeting held on 02.06.2024 by Hon'ble Chief Minister of Uttarakhand, UJVN Ltd. was instructed to replace one 40 MVA transformer to 80 MVA. Earlier, the Petitioner had attempted to handover the control of 2x40 MVA 132/33 kV transformers and 03 nos. 33 kV feeders to the transmission licensee i.e. PTCUL (Respondent) vide its letter dated 31.08.2022. However, the Respondent vide its letter dated 13.09.2022 informed that due to certain practical issues it can not take control of above substations.
- (4) The Petitioner in its Petition has also submitted that there is no substation of the Respondent in this area and power is supplied to UPCL at 33 kV through 3 nos. feeders, which are also emanating from the switchyard of the generating company. Further, the Petitioner has submitted that the load is consistently increasing over past many years and the problem of power flow is prominent during the summer seasons.

9. It is evident that the present matter has a certain historical uniqueness w.r.t. the ownership of the asset and its transfer. Therefore, before examination of the instant Petition, it would be prudent to first delve upon the issue as to under whose purview the augmentation of proposed transformer would lie i.e. the Petitioner UJVN Ltd. or the Respondent i.e. PTCUL.

- (1) In this regard, let us first refer to Section 2(30) of the Electricity Act, 2003 which defines the generating station as:

*“generating station” or “station” means any station for generating electricity, including any building and plant with step-up transformer, switchgear, switch yard, cables or other appurtenant equipment, if any, used for that purpose and the site thereof; a site intended to be used for a generating station, and any building used for housing the operating staff of a generating station, and where electricity is generated by water-power, includes penstocks, head and tail works, main and regulating reservoirs, dams and other hydraulic works, **but does not in any case include any sub-station;**”*

Further, as per “The Uttaranchal Transmission and Bulk Supply Licence (Licence No. 1 of 2003)”, the transmission system is defined as:

“‘Transmission System’ means the system consisting mainly of extra high voltage electric lines having design voltage of 66 kV and higher, owned or controlled by the Licensee, and used for the purposes of the transportation of electricity between the switchyards of two Generating Sets or from the switchyard of a Generating Set to a substation, or between substations, or to or from any external interconnection and includes all bays/equipment up to the interconnection with the Distribution System, and any plant, apparatus and meters owned or used in connection with the transmission of electricity, and shall include any other system which the Commission specifically declare it to be a part of the Transmission System;”

- (2) In a post Electricity Act, 2003 era, separate Licence for Transmission and Distribution of electricity have been issued by the Commission to PTCUL & UPCL respectively under which they are authorized to develop, operate & maintain the electrical infrastructure under their respective jurisdiction. Moreover, the Electricity Act, 2003 has delicensed the generation activity with clear demarcation amongst the constituents of Power Sector i.e. generating

companies, transmission licensees & distribution licensees. Each of the aforesaid constituents have defined role and responsibilities as per the Act, wherein, the duties of the transmission licensees have been mentioned at Section 40(a) of the Electricity Act, 2003 which provides that the transmission licensee shall build maintain and operate an efficient, coordinated & economical inter-State transmission system or intra-State transmission system, as the case may be.

- (3) In the instant matter from the above deliberations, the augmentation of 40 MVA transformer to 80 MVA, installed at switchyard of Sharda Power House, Khatima clearly falls under the purview of transmission licensee and the transmission licensee has also never opposed the same rather, it has only shown difficulty in taking-over of the said transmission asset. Whereas, the instant Petition has been filed by the generating company, which implies that the generating company wants to execute the proposed works which does not fall under its purview. In this regard, it is relevant to mention that the Commission has been directing the generating company, transmission licensee and distribution licensee to transfer the assets which do not fall under their purview as per the terms of their respective licence, as the case may be, and Electricity Act, 2003, so that the efficiency and accountability in the Power Sector of the State can be ensured by each constituent of the Power Sector. In fact, the Commission in its record note of meeting of 8th Co-ordination Forum Meeting held on 08.05.2023 with regard to 'transfer of transmission assets located in the switchyard of power station of UJVN Ltd. to PTCUL' had issued certain directions and the excerpt of the same is reproduced below:-

"UJVN Ltd. submitted that Transmission Elements are located in some of the Switchyards of Power Stations of UJVN Ltd and currently UJVN Ltd. has to bear the maintenance and operational cost of these transmission elements. Such transmission elements are placed in the following switchyards of the UJVN Ltd:

- a) 100 MVA, 220 kV/132 kV transformer at Khodri.*
- b) 02 Nos., 40 MVA each 132/33 kV transformers at Dhakrani.*
- c) 02 Nos., 25 MVA each 220/33 kV transformers at Tiloth.*

d) 02 Nos., 40 MVA each 132/33 kV transformers at Khatima.

UJVN Ltd. apprised the Commission that they are facing difficulty in maintaining these transformers. UJVN Ltd. submitted that 02 No. 220/33 kV 25 MVA transformers placed in the switchyard of Tiloth powerhouse are used for power supply to Uttarkashi district. On 14.04.2022 one of the transformers got damaged disrupting the supply of the district. To maintain the supply one 25MVA was taken on rent which too got damaged due to fault in Badkote distribution feeder. UJVN Ltd. informed that Secretary (Energy), GoU vide his letter dated 06.06.2022 directed PTCUL to take over the maintenance/Operation of 25MVA transformers placed in the switchyard of Tiloth powerhouse. UJVN Ltd. further informed that they informed UPCL to get the protection of all the distribution feeders checked so that in the event of fault in the feeders, feeders should trip first and the fault should not be reflected on the transformers. UJVN Ltd. informed the Commission that they are regularly making requests to PTCUL for taking over of the aforesaid Transmission elements, however, PTCUL has not shown interest in this regard.

Further, UJVN Ltd. stressed the need for urgent requirement of Augmentation of Transformer capacity at Dhakrani S/s and Khatima S/s.

PTCUL's Reply:

PTCUL submitted that for separation of transmission system from UJVN Ltd. a substantial amount will be required to construct a new substation/switchyard and this expenditure shall eventually be passed on to the consumers of the State, so it is in the interest of the State that UJVN Ltd. keep maintenance of the existing transformers/system and PTCUL shall provide technical assistance to UJVN Ltd. as and when required, which has already been mutually agreed as per MoM dated 20.12.2008 and 04.08.2012 between UJVN Ltd. and PTCUL. Further, PTCUL stated that if at all it has to takeover transmission elements from UJVN Ltd. then UJVN Ltd. should provide PTCUL with adequate land for construction of separate S/s.

Commission's View:

On the concerns raised by the UJVN Ltd. and subsequent reply given by PTCUL, the Commission directs that:

- a) PTCUL and UJVN Ltd. should reach a consensus on the issued and PTCUL should extend all technical assistant to UJVN Ltd. as and when required.**

- b) *On the concern raised by UJVN Ltd. on the need of augmentation of Transformers capacity at Dhakrani, Khatima S/s, PTCUL is directed to take up the augmentation work as per the load requirement of UPCL."*

[Emphasis Added]

- (4) Further, it is observed that despite Commission's aforesaid direction to UJVN Ltd. and PTCUL for reaching the consensus on the issues in consonance to the spirit of Act/Regulations, parties failed to show that any fruitful discussion took place in the matter or place before Commission the efforts made by them in complying with the direction of the Commission in this regard. Moreover, the concern raised by UJVN Ltd. during the 8th Co-ordination forum meeting held on 08.05.2023 was dealt specifically by the Commission and PTCUL was directed to take-up the augmentation work of transformer capacity at Khatima S/s as per the load requirement of UPCL.

From the above also, it is amply clear that the onus of augmentation of 40 MVA 132/33 kV transformer at switchyard of Sharda Power House, Khatima lies with PTCUL.

Furthermore, taking cognizance of the similar issue of MB-I LHP which came up during the scrutiny of ARR of UJVN Ltd., the Commission in its Tariff Order of UJVN Ltd. dated 11.04.2025 had given specific directions in this regard, it is relevant to refer to the relevant portion of the Order and the same is reproduced herein below:-

"4.1.2.3.2.4.3 Khatima

...

The Commission has observed that the legacy problem of asset bifurcation amongst UJVN Ltd. and PTCUL exists in Khatima HEP. The Commission is of the view that the said asset should ideally fall under the ambit of transmission licensee, accordingly, the Commission is not allowing the aforesaid expenditure under Add cap. Further, UJVN Ltd. is required to identify and prepare details of such assets so that the same can be handed over to PTCUL.

In the aforesaid context of assets which should ideally fall under the ambit of PTCUL and are being maintained by UJVN Ltd. are prima-facie against the spirit of the

Electricity Act, 2003, wherein, the generation has been de-licenced and provision of separate licences for transmission and distribution have been provided for enabling and enforcing accountability within the Power Sector of the Country. Therefore, UJVN Ltd. and PTCUL should make a comprehensive Plant-wise plan by 30.06.2025 for transferring the assets in a time bound manner latest by 30.09.2025."

Similarly, while dealing with the Tariff Order dated 11.04.2025 of PTCUL the Commission had given specific directions to PTCUL, the relevant portion of the Order is reproduced herein below:-

"6.2.6 Handing over of assets maintained by UJVN Ltd. to PTCUL

The Commission from time to time has been directing the transmission licensee to discuss the issues of transfer of assets from UJVN Ltd. to PTCUL specifically w.r.t. assets installed within the switchyard of the UJVN Ltd. which should ideally fall under the ambit of transmission licensee as per the spirit of the Electricity Act, 2003. As per the Electricity Act, 2003, the generation has been de-licenced and provision of separate licences for transmission and distribution have been provided for enabling and enforcing accountability within the Power Sector of the Country. However, even after a passage of almost 20 years since formation of PTCUL still the assets between UJVN Ltd. and PTCUL have not been effectively bifurcated.

Therefore, the Commission is of the view that UJVN Ltd. and PTCUL should make a comprehensive plant-wise plan before 30.06.2025 for transferring the assets ensuring the compliance of the directions of the Commission."

- (5) Thus, a proceeding is already underway for assessment of assets to be transferred from UJVN Ltd. to PTCUL and a comprehensive plant-wise plan is yet to be furnished before the Commission. Hence, the instant Petition of UJVN Ltd. under the present circumstances is not only *ultra-vires* but also is clearly in violation of the specific direction of the Commission. The generating company is approaching the Commission for the investment approval for the asset regarding which, the issue pertaining to the transfer of assets as per the legal entitlement is already *sub-judice* before the Commission and as per the directions therein a comprehensive plant-wise plan is yet to be submitted i.e.

by 30.06.2025 for transferring the assets in a time bound manner latest by 30.09.2025 as per UJVN Ltd.'s Tariff Order dated 11.04.2025.

- (6) The Commission is of the view that the back-bone of the State Transmission Network i.e. EHT network should be maintained & operated by transmission licensee so that the overall availability & quality of power supply is maintained across the State. Further, the responsibility of establishing a reliable & robust EHT network is of the transmission licensee which is an important link between various entities namely the Central Transmission Utility, Generating Stations, State Transmission Utility & Distribution Licensee operating within State.
- (7) It is relevant to refer to the provisions of Section 39(2)(c) and Section 40(a) of the Electricity Act 2003, which lays down the function of the State Transmission Utility as stipulated below:-

"39(2) The functions of the State Transmission Utility shall be-

...

(c) to ensure development of an efficient, coordinated and economical system of intrastate transmission lines for smooth flow of electricity from a generating station to the load centres;"

"40. Duties of transmission licensees.-

It shall be the duty of a transmission licensee-

(a) to build, maintain and operate an efficient, co-ordinated and economical inter-State transmission system or intra-State transmission system, as the case may be;"

From the above, it is amply clear that the responsibility of developing, building, maintaining & operating an efficient, coordinated and economical system of intra-state transmission system is with State Transmission Utility (STU) and transmission licensee operating within the State which in the instant case happens to be the same i.e. PTCUL. Therefore, STU/ transmission licensee should not behave as mere spectator and should proactively perform its duties/responsibilities bestowed upon it under the Licence and Regulations and not try to run away from its responsibility/ duties.

10. On examination of the Petition, it is observed that no cost benefit analysis has been enclosed with the Petition although as per Regulation 40 (3) (b) of UERC (Conduct of Business) Regulations, 2014, the Petitioner is required to furnish cost benefit analysis alongwith its project cost proposal. However, the Petitioner does not comply with the said provisions of the Regulations. Evidently, the beneficiary of proposed system strengthening and responsibility of the said investment in the transmission asset is of the transmission licensee, however, the Petition has been filed by the generating company. In this context, the Commission is of the view that since Petitioner is not the beneficiary in the matter and on contrary it is proposing the instant investment for the works which ideally fall under the purview of transmission licensee. Therefore, the instant act of the generating company is *ultra-vires* of its functions and authority conferred upon it under law.

Another important issue was apprised to the Commission by the parties that the losses of the system regarding which investment proposal has been sought are borne by UJVN Ltd. as the 2x40 MVA, 132/33 kV transformers are located inside the switchyard of the Sharda Power House, Khatima. In fact, this is not an isolated instance as is evident from the submissions during the 8th Co-ordination forum meeting held on 08.05.2023, wherein, it was apprised that similar issues of losses exist at other switchyard of UJVN Ltd. namely 100 MVA, 220 kV/132 kV transformer at Khodri, 02 Nos., 40 MVA each 132/33 kV transformers at Dhakrani, 02 Nos., 25 MVA each 220/33 kV transformers at Tiloth.

It is an undisputed fact that the aforesaid assets fall under the purview of transmission licensee i.e. PTCUL and therefore, the transformation losses against the same should be borne by it, as the same is also vital for correct energy accounting at each constituent of the Power Sector, because of which the Commission has been directing the parties to prepare a comprehensive plant-wise plan for transferring the asset. Since the parties have failed to demonstrate any urgency in complying with the same, the Commission finds it appropriate to issue directions for expediting the same.

11. The Respondent rather than making any comments upon the ownership of the asset or the direction of the Commission in this regard has also tried to justify the said

proposal on the basis of fulfilment of 'T-1' contingency, as is evident from their submission dated 16.05.2025 with which they have enclosed system study report. The relevant portion of the said submission is reproduced herein below:-

"132/33 kV Switchyard of Sharda Power House Existing 2x40 capacity MVA may not be sufficient to meet T-1 contingency considering the future load growth as informed by SE (O&M) Haldwani. So proposal of Increasing Capacity 2x40 MVA to 40+80 MVA T/F, at 132/33 kV Switchyard of Sharda Power House as forwarded SE (O&M) Haldwani is generally in order considering T-1 contingency and future load growth."

In this context, the Commission is of the view that even after augmenting the proposed transformer, 'T-1' contingency criteria cannot be fulfilled as in the event of failure of proposed 80 MVA transformer the other transformer would not be able to sustain the load of the failed transformer. Thus, the submission of PTCUL in its System Study report is misleading and certainly do not support or justify the proposed investment.

12. In light of the above, the Commission is of the firm view that the works being proposed under the instant Petition fall under the purview of the transmission licensee and not under Petitioner rather it is an *ultra-vires* act by the Petitioner by proposing works which are out of its ambit.

Accordingly, the Commission finds the Petition as not-maintainable and, therefore, decides to reject the Petition on grounds of admissibility. Further, the parties are directed to expedite the work of comprehensive plant-wise plan for transferring the assets as directed by the Commission in its respective Tariff Orders of the parties dated 11.04.2025.

Ordered accordingly.

(Anurag Sharma)
Member (Law)

(M. L. Prasad)
Chairman