

**KERALA STATE ELECTRICITY REGULATORY COMMISSION
THIRUVANANTHAPURAM**

**Present : Shri T K Jose, Chairman
Shri B Pradeep, Member**

OP No 07/2023

In the matter of : Petition filed by M/s.Kochi Salem Pipeline Private Limited and M/s.BPCL, Kochi Refinery for seeking approval for supplying power to M/s. Kochi Salem Pipeline Private Limited through M/s.BPCL Kochi Refinery Substations.

Petitioners : 1) Kochi Salem Pipeline Pvt Ltd (M/s KSPPL).
2) Bharat Petroleum Corporation Limited (M/s BPCL)

Respondent : Kerala State Electricity Board Ltd (KSEB Ltd)

Petitioners represented by : Shri. B.V.S.Prasad, CEO, KSPPL
Shri. Chacko.M.Jose, CGM(Operations), BPCL
Shri. Suji Paul, DGM(Electrical), BPCL
Shri. Linesh.C.F, Senior Manager, KSPPL

KSEB Ltd represented by : Shri. Jayaraj, Chief Engineer (Commercial & Tariff)
Shri. M.P.Rajan, DY,CE , TRAC
Shri. Ajithkumar, EE, TRAC
Shri Rajesh AEE, TRAC, KSEB
Smt. Biji, AE, TRAC, KSEB Ltd

Date of hearing : 23.02.2023 11.00 AM

Venue : e-hearing through video conferencing

Order dated 16.05.2023

1. M/s Kochi Salem Pipeline Pvt Ltd (M/s KSPPL) and M/s Bharat Petroleum Corporation Limited(M/s BPCL) (hereinafter referred as Petitioners) on 11.01.2023 has filed a petition before the Commission with the prayer to '*issue favourable orders permitting KSPPL to draw up to 2.2 MVA power at 6.6KV Voltage level from BPCL-KR Electrical network by any two options mentioned vide para5 above*'
2. The summary of the petition filed by the petitioners is given below;
 - (1) M/s.Kochi Salem Pipeline Private Limited (KSPPL) is a 50:50 joint venture of M/s.Bharat Petroleum Corporation Ltd (BPCL) and Indian Oil Corporation Limited (IOCL). KSPPL is in the process of laying 12" dia, 429 km pipeline connecting Kochi Refinery and Puthuvypeen

Import Terminal for supply of LPG to bottling plants at Udayamperoor, Palakkad, Coimbatore, Erode and Salem. Kochi Refinery–Palakkad and Puthuvypeen to Kochi Refinery portions are in advanced stage of completion and is expected to completed by October, 2022.

- (2) The pipeline is meant for reducing the road movement of LPG through trucks, which has become a major concern for the Government due to the increase in number of road accidents and related safety consequences.
- (3) The Kochi-Palakkad LPG pipeline project was originally planned by M/s.BPCL alone and at that stage Kochi-Salem Pipeline Project was a standalone for subsidiary of BPCL for pumping the LPG from its Kochi Refinery to Salem and northern part of Kerala. The power for LPG Dispatch Terminal located within BPCL premises was envisaged to be drawn from BPCL-Kochi Refinery Substation. BPCL had sought approval for the project from Ministry of Petroleum and Natural Gas.
- (4) At the same time, IOCL had also approached the Ministry of Petroleum and Natural Gas for a similar pipeline project to the northern part of Kerala extending up to Salem.
- (5) The Ministry of Petroleum and Natural Gas proposed a single pipeline to be constructed as a Joint Venture between BPCL and IOCL and accordingly the Joint Venture Company M/s KSPPL was formed.
- (6) At present, KSPPL requires 2.22 MVA power at 6.6 kV voltage level for the commissioning and operation of KSPPL Dispatch Terminal located within BPCL premises. KSPPL has approached KSEB Ltd for connectivity to the 6.6 kV substation of KSPPL Dispatch Terminal. The KSPPL further submitted that drawing power from KSEBL at 6.6 kV voltage level is difficult due to the following.
 - (i) KSEBL at present does not supply electricity at 6.6 kV voltage level.
 - (ii) Space limitations for placing a stepdown transformer at the limited space available within BPCL premises leased out to KSPPL for the construction of Dispatch Terminal.
 - (iii) Drawing power through either overhead line or underground cable is an extremely difficult task due to existing plants in refinery and its connected LPG storage facilities.
 - (iv) KSPPL Substation is situated at an approximate distance of 1.2 km from the nearest public road.

- (7) KSPPL proposed the following two options for providing power supply to KSPPL Dispatch Terminal from KSEB Ltd.
- (i) Permit BPCL Kochi Refinery (which has a captive generation capacity of 170 MW and contract demand of 50 MVA with KSEBL, at 220 kV Industrial EHT tariff) to give power to KSPPL from its network.
 - (ii) KSEBL may provide power to KSPPL dispatch terminal within BPCL premises by wheeling power through BPCL Kochi Refinery electrical network. BPCL already clarified that for wheeling power to KSPPL, it shall not charge wheeling charges or maintenance charges to KSPPL/KSEBL.
- (8) KSPPL further submitted that it had completed all formalities for charging the HT power. The Electrical Energy Metering Plants are in place after calibration. Central Electricity Authority has also granted approval for charging the electrical panels.

KSPPL intended to draw up to 2.22 MVA power at 6.6 kV voltage level from BPCL- Kochi Refinery Electrical Network by any of the two options as proposed under paragraph 7 above

3. The Commission admitted the petition as OP 07/2023. Shri. B.V.S. Prasad , CEO, KSPPL, Shri. Linesh.C.F, Senior Manager, KSPPL and Shri. Chacko.M.Jose, CGM(Operations), BPCL, Kochi presented the matter on behalf of the Petitioners. Smt. Biji, AE, TRAC, presented the counter on behalf of the respondent KSEB Ltd. The summary of the deliberations during the hearing is given below.

- (1) Shri. Chacko.M.Jose, CGM(Operations), BPCL submitted that KSPPL is formed in 2015 as a 50:50 JV of IOCL and BPCL. M/s KSPPL now in the process of laying 429 KM pipeline connecting Kochi Refinery and Puthuvypeen Import Terminal for supply of LPG to bottling plants at Udayamperoor, Palakkad via Erode and Salem. KSPPL is formed to reduce the LPG Bullet tanker movements through road. Moreover, this mitigates the major concern of the Government due to the increase in number of road accidents and related safety consequences.

The power requirement of KSSPL is 2.22MVA at 6.6KV Voltage level. The Major equipment in the KSPPL are Main line Pump with VFD 1300 KW at 6.6 kV, Booster Pump with VFD 450 KW at 415 Voltage and HVAC system 100 KW at 415 Voltage. Further they also submitted that they had received approval from the CEA on 21.12.2021 for charging the electrical installations. KSPPL further submitted that initially the LPG pipeline project was designed in such way that, its electricity requirement is proposed to be met by drawing power from BPCL-Kochi Refinery (KR) Substations.

KSPPL further submitted that there is nearby substation (BO 8) with 6.6 KV voltage level as per original project plan. The power cables are also laid up to KSPPL terminal and are ready for charging, further TOD energy meter are also ready after calibration / sealing from Electrical inspectorate.

KSPPL further submitted that there are two options for availing supply to KSPPL, the details are given below;

- (1) Permit BPCL Kochi Refinery (which has a captive generation capacity of 170 MW and contract demand of 50 MVA with KSEBL, at 220 kV Industrial EHT tariff) to give power to KSPPL from its network ,
- (2) KSEBL may provide power to KSPPL dispatch terminal within BPCL premises by wheeling power through BPCL Kochi Refinery electrical network.

KSPPL further clarified that if the supply is availed through the option (2), the M/s BPCL shall not charge wheeling charges or maintenance charges to KSPPL/KSEB Ltd for using BPCL network. KSPPL requested before the Commission for permitting them to draw power at any one of the two options mentioned above.

- (2) Shri. Suji Paul, DGM(Electrical), Kochi Refinery, BPCL submitted that the two options are acceptable to them. BPCL further submitted that if the supply to KSPPL is availed through the second option, M/s BPCL shall not charge any wheeling charges or maintenance charges to KSPPL/KSEB Ltd.
- (3) KSEB Ltd submitted that, out of the two options proposed by M/s KSPPL for availing power supply, the first option is that BPCL will provide supply to KSPPL, this will be resale of electricity and the Commission has to verify the viability of the first option.

As per the second option, KSEB Ltd has to provide supply to KSPPL via network of BPCL Kochi refinery. Moreover, M/s BPCL had also submitted that they will not charge any wheeling charges or maintenance charges to KSPPL/KSEB Ltd. KSEB Ltd submitted its willingness to provide supply to KSPPL as per the second option subjected to the approval of the Commission.

However, M/s KSEB Ltd had raised a query regarding the Maximum Demand billing. KSEB Ltd needs a consensus on Maximum demand billing with KSPPL and BPCL since the total Maximum Demand falls on to the BPCL. In order to bill the KSPPL, KSEB Ltd has to take the difference in the MDs on both sides. KSEB Ltd further submitted that they are following similar method of billing for Smart city and Infopark. M/s BPCL submitted that, they have a 50MVA Contract Demand with KSEB Ltd and usually the Maximum Demand comes around 20MVA only

due to the captive generation. M/s BPCL further submitted their willingness for the billing methodology submitted by the KSEB Ltd.

- (4) The Commission directed the petitioners and respondent to clarify, whether the petitioners or the respondent are providing the metering facilities and in which category KSEB Ltd is going to bill M/s KSPPL. The KSEB Ltd submitted that petitioners are providing the metering facilities. KSEB Ltd shall bill the consumer under HT category. KSPPL further submitted that they had already provided the metering arrangements.

The Commission further clarified that since the billing methodology proposed by the KSEB Ltd is not acquainted to the petitioners, if required, the petitioners can hold a sitting with KSEB Ltd for understanding the billing methodology proposed by the KSEB Ltd to avoid future disputes.

Analysis and Decision of the Commission:

4. The Commission has examined in detail the petition filed by M/s.Kochi Salem Pipeline Private Limited (M/s KSPPL) and Bharat Petroleum Corporation Limited (M/s.BPCL), Kochi Refinery for seeking approval for supplying power to M/s. Kochi Salem Pipeline Private Limited through M/s.BPCL Kochi Refinery Substations as per the provisions of the Electricity Act,2003, Kerala Electricity Supply Code, 2014, decides as follows;
5. The petition filed by the petitioners with the prayer to permit KSPPL to draw up to 2.2 MVA power at 6.6KV voltage level from KSEB Ltd to KSPPL premise, which is located within the BPCL area. As submitted by the petitioners, there is difficulty in supplying power directly from KSEB's substations to KSPPL premise, which are extracted below;
- (i) KSEBL at present does not supply electricity at 6.6 kV voltage level.
 - (ii) Space limitations for placing a stepdown transformer at the limited space available within BPCL premises leased out to KSPPL for the construction of Dispatch Terminal.
 - (iii) Drawing power through either overhead line or underground cable is an extremely difficult task due to existing plants in refinery and its connected LPG storage facilities.
 - (iv) KSPPL Substation is situated at an approximate distance of 1.2 km from the nearest public road.
6. KSPPL proposed the following two options for providing power supply to KSPPL Dispatch Terminal from KSEB Ltd.
- (i) Permit BPCL Kochi Refinery (which has a captive generation capacity of 170 MW and contract demand of 50 MVA with KSEBL, at 220 kV Industrial EHT tariff) to give power to KSPPL from its network.
 - (ii) KSEBL may provide power to KSPPL dispatch terminal within BPCL premises by wheeling power through BPCL Kochi Refinery electrical

network. BPCL already clarified that for wheeling power to KSPPL it shall not charge wheeling charges or maintenance charges to KSPPL/KSEBL.

M/s KSPPL submitted during the hearing that they had received approval from the CEA on 21.12.2021 for charging the electrical panels and other system established by them. The power cables are also laid up to KSPPL terminal and are ready for charging. TOD energy meter are also ready after calibration / sealing from Electrical inspectorate.

7. M/s BPCL during the hearing submitted that the two options are acceptable to them. M/s BPCL further submitted that if the supply to KSPPL is availed through the second option, M/s BPCL shall not charge any wheeling charges or maintenance charges to KSPPL/KSEB Ltd.
8. KSEB Ltd during the hearing submitted their willingness to provide supply to KSPPL as per the second option subjected to the approval of the Commission. However, KSEB Ltd has raised certain queries with respect to maximum demand billing, since the maximum demand of the BPCL and KSPPL may not occur simultaneously.
9. The Commission has examined the prayers of the petitioners and also the remarks of the KSEB Ltd in detail and noted the following.
 - (i) M/s BPCL is an existing consumer of KSEB Ltd, having a contract demand of 50MVA, availing supply at 220 kV. M/s BPCL is presently billed under EHT-220 kV Industrial tariff.
 - (ii) M/s KSPPL proposed to avail 2.22MVA power at 6.6 KV voltage level from KSEB Ltd.
 - (iii) M/s KSPPL, which is a joint venture of M/s BPCL and M/s IOC, is located within the premise of BPCL.
 - (iv) At present KSEB Ltd is not supplying power at 6.6 kV voltage level, however the own substations of BPCL within their premises have the facilities to stepdown the voltage to 6.6kV level as required by KSPPL.
 - (v) The petitioners reported the difficulty in laying dedicated overhead line or underground cable within the BPCL premises to avail power from KSEB Ltd.
 - (vi) BPCL is willing to permit KSPPL to use their existing distribution network to avail supply from KSEB Ltd, at free of cost, i.e, without any wheeling cost and maintenance cost.
10. The Commission has also examined in detail, the options suggested by the petitioners M/s KSPPL and M/s BPCL as extracted under paragraph-6 above, for availing electricity from KSEB Ltd, and noted that,
 - (i) Since BPCL is an existing consumer of KSEB Ltd, they cannot be permitted to supply electricity to another consumer as per the provisions of the Electricity Act, 2003 and Kerala Electricity Supply Code, 2014.

Hence the Commission cannot accept the option-1 suggested by the petitioners.

- (ii) Under the option-2, the petitioners requested to avail supply from KSEB Ltd through BPCL existing network. KSEB Ltd also accepted the proposal. The queries raised by the KSEB Ltd regarding the maximum demand billing of BPCL, since the maximum demand of the BPCL and KSPPL may not occur simultaneously.

11. The Commission examined the option-2 in detail, and observed the following.

- (i) The option-2 is acceptable to the petitioners and the respondent KSEB Ltd.
- (ii) Under option-2, KSEB Ltd can supply power to KSPPL at 6.6kV voltage level using the existing network and substations of BPCL, using separate meter already installed by KSPPL at their periphery.
- (iii) Until separate HT tariff at 6.6kV voltage level is determined by the Commission, KSEB Ltd can raise the electricity bills to the KSPPL at HT-1(A) electricity tariff determined by the Commission from time to time.
- (iv) The invoice to KSPPL shall be raised on monthly basis, as per the energy meter reading and recorded maximum demand at the meter installed at the premises of KSPPL.
- (v) M/s BPCL agreed through the affidavit that, it shall not claim wheeling charges for the electricity wheeled through their system for wheeling electricity from KSEB Ltd to KSPPL periphery.
- (vi) M/s BPCL has also submitted that, it shall not claim compensation for the electricity losses associated with wheeling of electricity through BPCL system.

12. The Commission has also noted the issues raised by KSEB Ltd regarding the maximum demand billing of BPCL in connection with the supply of electricity from KSEB Ltd to KSPPL through BPCL network, and observed that,

- (i) At present KSEB Ltd raise bills to BPCL for the energy charge and demand charge for the energy and maximum demand measured at its 220kV substation.
- (ii) Once the KSPPL starts to avail the electricity through the network of BPCL, KSEB Ltd shall raise the bills to the BPCL as follows;
 - (a) Respective wings of KSEB Ltd responsible for meter readings of EHT and HT levels shall co-ordinate and take the readings of both consumers at the same time in every month.
 - (b) Energy charge;
The invoice for the electricity bills to BPCL shall be raised for the net energy of each time zone after deducting the energy measured for respective zones at KSPPL meter from the zone

wise total energy measured at the meter installed at the 220kV substation of BPCL. The losses associated with the wheeling of electricity to KSPPL shall be mutually settled between BPCL and KSPPL through mutual consensus between them.

- (c) Demand charge:
KSEB Ltd shall raise the demand charge for each zone based on the net difference between the maximum demand recorded at the BPCL meter at its 220kV substation and also the maximum demand recorded at 6.6kV substation of KSPPL for respective zones. The maximum demand so arrived at shall be subjected to the stipulation for minimum billing demand as specified in the tariff notifications issued by the Commission from time to time.

It is true that, KSEB Ltd supplying power to the BPCL at 220kV level and to KSPPL at 6.6kV level. Further, it is also true that, the maximum demand occurrence of BPCL and that of KSPPL may be at different time period during a month. However, it is cumbersome to segregate the maximum demand occurrence of BPCL and KSPPL separately during a billing month, after adjusting for the technical losses, and to raise demand charge accordingly. Thus, such minor inconsistencies may be ignored until billing based on AMI are introduced.

Any losses on account of such billing on BPCL shall be mutually settled between BPCL and KSPPL through mutual consensus.

13. With the above observations under paragraphs 11 and 12 above, the Commission hereby approve the option-2 proposed by M/s KSPPL and BPCL for availing supply to KSPPL from KSEB Ltd. KSEB Ltd is allowed to use the system of BPCL to supply power to the consumer, M/s KSPPL. Accordingly, KSEB Ltd shall provide electricity supply to KSPPL immediately, not later than one month from the date of this order. M/s BPCL shall ensure uninterrupted supply to M/s KSPPL in accordance with the standards of performance specified by the Commission for KSEB Ltd.

Order of the Commission

14. The Commission, after detailed examination of the petition filed by the petitioners M/s KSPPL M/s BPCL and, the comments of the respondent KSEB Ltd, the provisions of the Electricity Act,2003 and Kerala Electricity Supply Code 2014, and other Rules, Regulations and prudent practices, hereby orders the following;
- (1) Grant approval to KSPPL to avail supply from KSEB Ltd through the electrical network of BPCL as suggested by the petitioners under option-2, with the observations of the Commission cited under paragraphs 11,12 and 13 above.

- (2) KSEB Ltd shall, within one month from date of this Order, provide electricity supply to KSPPL under option-2.

The petition is disposed of. Ordered accordingly.

Sd/-
B Pradeep
Member

Sd/-
T K Jose
Chairman

Approved for Issue

Sd/-
C R Satheeshchandran
Secretary