

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Coram:**

**Shri V.S. Verma, Member  
Shri M. Deena Dayalan, Member**

**Date of Order: 12.9.2013**

**IN THE MATTER OF**

**Petition No.173/TT/2013  
Docket No. 8/2013**

Approval under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 for determination of provisional transmission tariff from date of commercial operation to 31.3.2014 for Combined Assets of LILO of 400 kV S/C Vindhyachal- Korba Transmission Line and 400 kV D/C Gandhar-Hazira Transmission Line and 400/220 kV GIS Sub-station at Hazira and associated bays (actual date of commercial operation 1.4.2013)

**AND IN THE MATTER OF**

Essar Power Transmission Co. Limited (EPTCL)

**....Petitioner**

**Vs**

1. Essar Power M.P.Limited
2. Power Grid Corporation of India Limited, Gurgaon
3. National Load Despatch Centre, New Delhi
4. Western Region Power Committee, Mumbai
5. Essar Steel India Limited, Surat
6. Government of Madhya Pradesh, Bhopal

**....Respondents**



## **ORDER**

In the instant petition the petitioner, Essar Power Transmission Company Limited (hereinafter the petitioner) has sought approval for transmission tariff from date of commercial operation to 31.3.2014 for (a) Combined Assets of LILO of 400 kV S/C Vindhyachal – Korba Transmission line and 400 kV D/C Gandhar-Hazira transmission line and 400/220 kV GIS Sub-Station at Hazira and associated bays (hereinafter to be referred to as "Asset-1"), and (b) 400 kV D/C Quad Moose Transmission line from Mahan Thermal Power Plant – Sipat Pooling S/S and associated bays (hereinafter to be referred to as "Asset-2") for the period from 2012-13 to 2013-14. Further, the petitioner has requested to approve provisional tariff as per the 2009 Tariff Regulations. The petitioner vide affidavit dated 1.8.2013 has submitted that Asset-1 has been commissioned on 1.4.2013. Asset-2 has not been commissioned and it is anticipated to be commissioned on 1.1.2014, which is more than six months from the date of filing of the petition, i.e. 7.1.2013. Moreover, the petitioner has capitalized, upto 31.3.2013, only a small portion of the total estimated completion cost, in respect of Asset-2. As Asset-2 has not been commissioned, provisional tariff of Asset-1 only is being allowed in this order.

2. Regulation 5 of the 2009 Tariff Regulations provides as under:-

**"Application for determination of tariff.** (1) The generating company or the transmission licensee, as the case may be, may make an application for determination of tariff in accordance with Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other



related matters) Regulations, 2004, as amended from time to time or any statutory re-enactment thereof, in respect of the units of the generating station or the transmission lines or sub-stations of the transmission system, completed or projected to be completed within six months from the date of application.

(2) The generating company or the transmission licensee, as the case may be, shall make an application as per **Appendix I** to these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system:

Provided that in case of an existing project, the application shall be based on admitted capital cost including any additional capitalization already admitted up to 31.3.2009 and estimated additional capital expenditure for the respective years of the tariff period 2009-14:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, where applicable.

(3) In case of the existing projects, the generating company or the transmission licensee, as the case may be, shall continue to provisionally bill the beneficiaries or the long-term customers with the tariff approved by the Commission and applicable as on 31.3.2009 for the period starting from 1.4.2009 till approval of tariff by the Commission in accordance these regulations:

Provided that where the tariff provisionally billed exceeds or falls short of the final tariff approved by the Commission under these regulations, the generating company or the transmission licensee, as the case may be, shall refund to or recover from the beneficiaries or the transmission customers, as the case may be, within six months with simple interest at the following rates for the period from the date of provisional billing to the date of issue of the final tariff order of the Commission:

- (i) SBI short-term Prime Lending rate as on 1.4.2009 for the year 2009-10.
- (ii) SBI Base Rate as on 1.7.2010 plus 350 basis points for the year 2010-11.
- (iii) Monthly average SBI Base Rate from 1.7.2010 to 31.3.2011 plus 350 basis points for the year 2011-12.
- (iv) Monthly average SBI Base Rate during previous year plus 350 basis points for the year 2012-13 and 2013-14.

Provided that in cases where tariff has already been determined on the date of issue of this notification, the above provisions, to the extent of change in interest rate, shall be given effect to by the parties themselves and discrepancy, if any, shall be corrected at the time of truing up.

(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the

annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:

Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations."

3. As per Regulation 5(4) of the 2009 Tariff Regulations, the Commission may in its discretion grant provisional tariff if an application has been filed under Regulation 5(1) and (2) of the 2009 Tariff Regulations. Regulation 5(1) of the 2009 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 5(2) of the 2009 Tariff Regulations provides that the application shall be made as per Appendix to the 2009 Tariff Regulations.

4. The petitioner has made the application as per the Appendix to the 2009 Regulations. The petitioner has also complied with the requirements of the 2004 Regulations, such as service of the copy of the application on the beneficiaries, and web hosting of the application, etc.

5. The annual transmission charges claimed by the petitioner vide affidavit dated 31.7.2013 is as follows:-



(` in lakh)

Particulars	Actual DOCO	2013-14
Asset-1	1.4.2013	10861.77

6. Annual transmission charges allowed on provisional basis:-

(` in lakh)

Particulars	Actual DOCO	2013-14
Asset-1	1.4.2013	8958.89

7. The provisional tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission system, i.e. 1.4.2013, and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time.

8. The provisional transmission charges allowed in this order shall be subject to adjustment as per Regulation 5(3) of the 2009 Tariff Regulations.

Sd/-

**(M. Deena Dayalan)**  
**Member**

Sd/-

**(V.S. Verma)**  
**Member**

