

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 184/TT/2013

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri V.S. Verma, Member
Shri M. Deena Dayalan, Member
Shri A. K. Singhal, Member**

Date of Hearing: 21.11.2013

Date of Order: 18.12.2013

In the matter of

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 Transmission Tariff for (i) \pm 500kV Mundra-Mohindergarh HVDC bipole transmission line with associated sub-stations, bays, electrode lines and associated 400kV lines, (ii) 400kV D/C Mundra-Dehgam transmission line with associated system for control period 2009-2014 from date of grant of transmission licence to 31.3.2014.

And in the matter of

Adani Power Limited
Shikhar, Nr. Adani House,
Mithakhali Six Roads, Navarangapura,
Ahmedabad – 380 009

.....**Petitioner**

Vs

1. Power Grid Corporation of India Ltd.,
Saudamini, Plot 2, Sector-29,
New IFFCO Chowk, Gurgaon-122 001.
2. National Load Despatch Centre
B-9, Qutab Industrial Area, Katwaria Sarai,
New Delhi-110 016.
3. Northern Regional Load Despatch Centre
18-A, Saheed Jeet Singh Sansanwal Marg,
Katwaria Sarai, New Delhi-110 016.



4. Western Regional Power Committee,
F-3, MIDC Area, Marol,
Opp. SEEPZ, Central Road,
Andheri (East), Mumbai-400 093.
5. Central Electricity Authority,
Sewa Bhawan, Sector-1,
R. K. Puram, New Delhi-110 066.
6. Gujarat Energy Transmission Company Ltd.
Sardar Patel Vidyut Bhavan, Race Course,
Vadodara-390 007.
7. Haryana Vidyut Prasaran Nigam Ltd.,
1st Floor, Shakti Bhawan, Sector-6,
Panch Kula-134 109.
8. Gujarat Urja Vikas Nigam Ltd. (GUVNL),
Sardar Patel Vidyut Bhawan, Race Course,
Vadodara-390 007.
9. Maharashtra State Electricity Distribution Co. Ltd.,
Prakash Garh, Bandra (East),
Mumbai-400 051.
10. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Vidyut Nagar, Rampur,
Jabalpur-482 008.
11. M. P. Audyogik Kendra Vikas Nigam Ltd.,
Free Press House, 1st Floor, 3/54-Press Complex,
A. B. Road, Indore-452 008.
12. Chhattisgarh State Power Distribution Company Ltd.,
Vidyut Seva Bhawan Parisar, Dangania,
Raipur-492 013.
13. Goa State Electricity Department,
Vidyut Bhawan, Panaji, Goa-403 001.
14. Daman and Diu Electricity Department,
Administration of Daman and Diu,
Near Satya Narayan Temple,
Nani Daman-396 210.

15. Electricity Department, Administration of Dadra Nagar Haveli,
Dadra Nagar Haveli UT, Silvassa-396 230.
16. Heavy Water Projects, Department of Atomic Energy,
Heavy Water Board, Vikram Sarabhai Bhawan,
Anushakti Nagar, Mumbai-400 094.
17. Jindal Power Limited,
Tamnar, Raigarh, Chhattisgarh-496 001.
18. Torrent Power Limited,
Torent House, Opp. Ashram Road,
Ahmedabad-380 009.
19. PTC India Ltd.,
2nd Floor, NBCC Tower, 15, Bhikaji Complex,
New Delhi-110 066.
20. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134 109.
21. Rajasthan Power Procurement Centre,
Room No. 24, Vidyut Bhawan, Janpath, Jyoti Nagar,
Jaipur- 302 005
22. Jodhpur Vidyut Vitran Nigam Ltd.,
New Power House Industrial Area,
Jodhpur-342 003.
23. Jaipur Vidyut Vitran Nigam Ltd.,
Vidyut Bhawan, Janpath, Jyoti Nagar, Jyoti Marg,
Jaipur- 302 005
24. Ajmer Vidyut Vitran Nigam Ltd.,
Old Power House, Hathi Bhatta,
Jaipur Road, Ajmer-305 001.
25. BSES Yamuna Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi-110 019.
26. BSES Rajdhani Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi-110 019.

27. Tata Power Delhi Distribution Limited,
CENNET Building, 33kV Substation Building,
Hudson Lines, Kingsway Camp,
Delhi-110 009.
28. New Delhi Municipal Council,
Palika Kendra Building, Opposite Jantar Mantar,
Sansad Marg, New Delhi-110 001.
29. Uttarakhand Power Corporation Ltd.,
Urja Bhawan, Kanwali Road,
Dehradun-248 001.
30. UP Power Corporation Ltd.,
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226 001.
31. North Central Railway,
Allahabad.
32. Punjab State Power Corporation Ltd.,
The Mall, Ablowal, Patiala-147 001.
33. Power Development Department,
Govt. of Jammu and Kashmir,
Mini Secretariat, Jammu-180 001.
34. Himachal Pradesh State Electricity Board,
Vidyut Bhawan,
Shimla-171 004.
35. Electricity Department UT Chandigarh,
Sector-9, Chandigarh.
36. Northern Regional Power Committee,
18-A, Qutab Institutional Area, Shaheed Jeet Singh Marg,
Katwaria Sarai, New Delhi-110 016.
37. Western Regional Power committee,
F-3, MIDC Are, Marol,
Andheri (E), Mumbai-400 093.
38. Kanpur Electricity Supply Company Ltd. (NR),
14/71, Civil Lines, Kanpur-208 001.

39. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302 005.

40. Delhi Transco Ltd.,
Shakti Sadan, Kotla Road,
New Delhi-110 002.

.....**Respondents**

Counsel/Representatives of the Petitioner : Shri Amit Kapur, Ms. Poonam Verma & Shri Gaurav Dudeja, Advocates for Petitioner
Shri Jignesh Lungali & Shri Sameer, representatives of the Petitioner

Counsel for the Respondent : Shri M. G. Ramachandra, Advocate for Respondents No.6 & 7
Shri Vivek Narayan, Advocate for Respondent No.40
Shri G. Umaphathy & Shri R. Mekhala, Advocates for Respondents No.10
Shri Padamjit Singh, PSPCL
Ms. Supriya Singh, NRLDC
Shri S. S. Barpanda, NLDC
Shri P. J. Jani, GUVNL
Ms. Jyoti Prasad, POSOCO

ORDER

This is a petition filed by Adani Power Limited (hereinafter referred to as "APL" or "petitioner") seeking transmission tariff for \pm 500kV Mundra-Mohindergarh HVDC bipole transmission line with associated sub-stations, bays, electrode lines and associated 400kV lines and 400kV D/C Mundra-Dehgam transmission line with associated system (hereinafter referred to individually as "transmission line" and together as "transmission system") for the tariff period 2009-14 from 29.7.2013 i.e. the date of grant of transmission licence till 31.3.2014 as per Central Electricity Regulatory Commission



(Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "2009 Tariff Regulations"). The transmission licence was granted by this Commission for the transmission system vide order dated 29.7.2013 in Petition No.44/TL/2012. The petitioner has submitted that the instant petition has been filed in accordance with the directions of the Commission in the said order to file a petition for determination of tariff for the transmission system as per the provisions of 2009 Tariff Regulations.

2. The petitioner, besides other prayers, has prayed for approval of provisional tariff from the date of issue of licence i.e. 29.7.2013 in accordance with Regulation 5(4) of the 2009 Tariff Regulations. The present order deals with the petitioner's prayer for provisional tariff.

3. Replies to the petition have been filed by GUVNL and NLDC. MPPMCL has not filed any reply despite being granted time to file the reply during the hearing on 10.10.2013.

4. GUVNL, vide its reply dated 14.1.2013, has submitted that the instant transmission system is not being utilised by any of the beneficiaries of the Western Region including the State Utilities of Gujarat. Moreover, GUVNL is not having Long Term Access to the transmission system. GUVNL has prayed that it should not be burdened with payment of the transmission charges for the transmission system of the petitioner.

5. NLDC, vide its affidavit dated 4.11.2013, has submitted that a meeting was convened under the Chairmanship of Chairperson, CEA at NLDC on 5.9.2013 where all major stakeholders i.e. CEA, CTU, NRPC, WRPC, NRLDC, WRLDC, Haryana SLDC, Gujarat SLDC and Adani Power Limited participated. NLDC has further submitted that in the meeting, operational modalities were discussed and it was agreed that the transmission system owned by the petitioner would be used as ISTS w.e.f. 1.10.2013 and transmission charges would be payable with effect from 1.10.2013 and LTA for 1424 MW at Haryana periphery corresponding to approved LTA quantum of 1495 MW, after considering losses, would be effective simultaneously from 1.10.2013. Accordingly, NLDC has requested the Commission to allow tariff to the petitioner from 1.10.2013 instead of 29.7.2013 and provisional tariff may be granted so that PoC charges computed for the next quarter (Jan-March 2014) reflect usage of ISTS by different nodes.

6. During the hearing on 21.11.2013, learned counsel for the petitioner submitted that all the requirements specified in Regulation 5 of the 2009 Tariff Regulations have been complied by the petitioner. Learned counsel submitted that since approval of final tariff may take some time and the petitioner is paying the LTA charges without getting any revenue for its transmission assets which have since been declared as ISTS, the Commission may consider granting provisional tariff in terms of Regulation 5(4) of 2009 Tariff Regulations. Learned counsel for the petitioner requested to grant 95% of the transmission charges claimed as provisional tariff for the transmission assets covered under the petition.

7. The learned counsel for HVPNL, Respondent No. 7, submitted that HVPNL will bear the charges as per the PPAs between the petitioner and Haryana discoms. Learned counsel who also appeared for GUVNL, reiterated that since GUVNL is not using the both the assets covered in the instant petition, it should not be made to pay any transmission charges for the subject transmission assets.

8. The representative of NLDC reiterated the submission made in the reply dated 4.11.2013.

9. The learned counsel for MPPMCL, Respondent No.10, submitted that MPPMCL is not a beneficiary of the subject transmission system and hence it is not liable to pay any transmission charges.

10. The representative of PSPCL submitted that the Commission should take into consideration the capital cost of other three HVDC systems supplied by Siemens, while allowing the capital cost of the instant transmission system which has been supplied by Siemens. He submitted that the carbon credits earned by the petitioner should also be taken into consideration while allowing the transmission charges for the transmission system. He requested to allow the O&M charges strictly as specified in the 2009 Tariff Regulations. He also submitted that the petitioner should make sufficient provisions for automatic backing down of generation in case of tripping of the transmission system.

11. The representative of the petitioner clarified that there is no need to amend the PPA with HVPNL as the petitioner would pay the transmission charges for conveyance of 1424 MW power to Haryana Utilities in accordance with the provisions of PPAs dated 7.8.2008. He further submitted that the subject transmission assets are carrying 1500 MW of power and the assets are planned to carry 2500 MW of power in near future.

12. We have considered the submissions made by the petitioner and the respondents. The petitioner has requested to allow transmission charges and the provisional tariff from the date of issue of transmission licence, i.e. 29.7.2013. Though the petitioner was granted transmission licence on 29.7.2013, the transmission system was put to use as an ISTS only from 1.10.2013. The decision to this effect was taken in a meeting convened by Chairperson, CEA on 5.9.2013 and the representative of the petitioner is party and signatory to the decisions taken in the meeting.

13. The petitioner was directed to furnish the cumulative depreciation and other financial information. In response, the petitioner submitted, vide affidavit dated 1.11.2013, that the commercial use of the transmission system as an ISTS is the date of licence and hence the cumulative depreciation as on the date of licence is zero. The petitioner further submitted that the cost as on the date of issue of licence has been considered for the purpose claiming tariff. The petitioner has considered the date of transmission licence as the deemed date of commercial operation and claimed the annual fixed cost on the basis of the capital cost as on the date of issue of licence. This issue of commercial operation of the subject transmission system shall be considered at

the time of determination of final tariff. Further, for the purpose of determination of provisional tariff, the cumulative depreciation from the actual dates of commercial operation till the date of grant of licence, i.e. 29.7.2013 has been reduced from the capital cost. It is also noticed that the petitioner has capitalised the IDC and FERV upto the date of issue of licence. However, the petitioner has not submitted the break-up of FERV as on the date of actual date of commercial operation and as on the date of issue of licence. In the absence of the relevant information, expenditure on account of FERV has not been considered for provisional tariff.

14. After carrying out a preliminary prudence check of the Annual Fixed Charges claimed by the petitioner and taking into consideration the submissions of the petitioner and the respondents, the Commission has decided to grant the following provisional tariff to the petitioner:-

(₹ in crore)

Particulars	Date of commercial operation	Annual transmission charges claimed for the year 2013-14 (from 29.7.2013 to 31.3.2014)	Annual transmission charges allowed for the year 2013-14 (from 1.10.2013 to 31.3.2014)
Asset-I: ± 500kV Mundra-Mohindergarh HVDC bipole transmission line with associated sub-stations, bays, electrode lines and associated 400kV lines	9.10.2012	413.18	251.89
Asset-II: 400kV D/C Mundra-Dehgam transmission	4.7.2009 & 13.7.2009	70.11	43.72

15. The provisional tariff allowed in this order shall be applicable from 1.10.2013. 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. The provisional transmission charges allowed in this order shall be subject to adjustment as per Regulation 5(3) of the 2009 Tariff Regulations.

16. The petitioner is directed to file the capital cost as on 1.10.2013 with a copy to the respondents by 31.1.2014.

17. The Commission directed PSPCL and all the other respondents to file their replies before 15.2.2014 and the petitioner to file rejoinder, if any, by 28.2.2014. The petition shall be listed for hearing for grant of final tariff after completion of technical validation by the staff of the Commission in a time bound manner.

sd/-

(A. K. Singhal)
Member

sd/-

(M. Deena Dayalan)
Member

sd/-

(V. S. Verma)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson

