

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 239/2010

Coram:

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

**Date of Hearing: 07.3.2014
Date of Order: 13.5.2014**

In the matter of

Approval of provisional tariff of 400 kV D/C Jhajjar-Mundaka transmission Line, a dedicated transmission line of IGSTPP of APCPL for the period from the anticipated commercial operation date 31.8.2010 to 31.3.2014

And in the matter of

Aravali Power Company Private Limited
NTPC Bhawan, Core 7, Scope Complex 7,
Institutional area, Lodhi Road
New Delhi-110 003

.....**Petitioner**

Vs

1. North Delhi Power Ltd.,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3,
Grid Building, Near PP Jewelers,
Pitampura, New Delhi-110 034.
2. BSES Rajdhani Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi.
3. BSES Yamuna Power Ltd.,
Shakti Kiran Building, Karkardooma,
Delhi-110 092

.....**Respondents**

For petitioner : Shri N.N. Sadasivam, APCPL
Shri V.K. Padha, APCPL



For respondents : Shri R.B. Sharma, Advocate, BRPL

ORDER

In the instant petition the petitioner, Aravali Power Company Private Limited has sought approval for approval of tariff of 400 kV D/C Jhajjar-Mundaka transmission Line, a dedicated transmission line of IGSTPP of APCPL for the period from the anticipated commercial operation date (31.8.2010) to 31.3.2014. Further, the petitioner has requested to approve provisional tariff as per 2009 Tariff Regulations.

2. The Commission taking into consideration the submissions made by the respondents, CTU, CEA and the petitioner on the issue of granting transmission tariff to a dedicated transmission line, which has been used as an Inter-State Transmission System, came to the conclusion that the instant transmission line is no more a dedicated transmission line and directed the petitioner to apply for a transmission licence for the subject transmission line. Accordingly, the petitioner filed an application for transmission licence and a transmission licence was granted for the subject transmission line for a period of 25 years by the Commission vide its order dated 7.11.2013 in Petition No. 169/TL/2013. The instant order deals with the petitioner's prayer for provisional tariff for the subject transmission line.

3. 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.”

4. 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 2009 Tariff Regulations provides that the application shall be made as per Appendix to the 2009 Tariff Regulations.

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

6. The petition was heard on 7.3.2014 for consideration of the petitioner's prayer for allowing provisional tariff. During the hearing, the representative of the petitioner submitted that the petitioner has complied with the requirements specified in Regulation 5 of the 2009 Tariff Regulations for granting provisional tariff. He further submitted that

since the line has been declared an ISTS, the transmission tariff of the subject transmission line shall be included in POC charges.

7. During the hearing, the learned counsel for BRPL submitted that they are already paying the transmission tariff for the subject transmission line and they should not be burdened additionally with the POC charges. In response, the representative of the petitioner submitted that the transmission charges allowed will be included in the POC charges only from the date of issue of transmission licence, i.e. 7.11.2013.

8. The annual transmission charges claimed by the petitioner are as follows:-

(₹ in lakh)

Asset	DOCO	2010-11 (annualized)	2011-12	2012-13	2013-14
400 kV D/C Jhajjar-Mundaka transmission Line	1.3.2011	1513.00	1494.00	1516.00	1534.00

9. The actual date of commercial operation of the line was 1.3.2011 and the transmission line was being utilized as a dedicated line. Subsequently after issue of transmission licence on 7.11.2013, the line is a part of Inter-State Transmission Line (ISTS). Therefore, the provisional tariff allowed herein for the period starting from 7.11.2013 to 31.3.2014 shall only be included in the POC charges. Accordingly, the billing, collection and disbursement of the transmission charges after 7.11.2013 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.

10. The tariff of the dedicated transmission lines from 1.3.2011 till 6.11.2013 shall be considered at the time of determination of the final tariff of the generating station as the dedicated transmission line is part of the generating station.

11. Annual transmission charges allowed on provisional basis are as follows:-

(₹ in lakh)

Asset	2013-14 (From 7.11.2013 to 31.3.2014)
400 kV D/C Jhajjar-Mundaka transmission Line	487.52

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

sd/-

(A. K. Singhal)
Member

sd/-

(M. Deena Dayalan)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson