

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. TT/26/2014

Coram:

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

**Date of hearing : 12.06.2014
Date of Order : 20.06.2014**

In the matter of

Approval of provisional transmission charges for **Asset I**: 500 MVA, 400/220/33 kV ICT-II alongwith associated bays at Moga sub-station (DOCO:1.3.2014) **Asset II**: 500 MVA, 400/220/33 kV ICT alongwith associated bays at Ludhiana sub-station (DOCO:1.4.2014) under augmentation of transformation capacity in Northern Region Part A for tariff block 2009-14 under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And in the matter of

Power Grid Corporation of India Limited,
"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001.

.....**Petitioner**

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,
Vidyut Bhawan, Vidyut Marg,
Jaipur- 302 005.
2. Ajmer Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
3. Jaipur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
4. Jodhpur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.



5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex, Building –II
Shimla- 171 004
6. Punjab State Electricity Board
The Mall, Patiala-147 001.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134 109.
8. Power Development Department
Government of Jammu & Kashmir,
Mini Secretariat, Jammu
9. UP Power Corporation Ltd.,
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226 001.
10. Delhi Transco Ltd.,
Shakti Sadan, Kotla Road,
New Delhi-110 002.
11. BSES Yamuna Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi.
12. BSES Rajdhani Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi.
13. North Delhi Power Ltd.,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3,
Grid Building, Near PP Jewellers,
Pitampura, New Delhi-110 034.
14. Chandigarh Administration,
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Ltd.,
Urja Bhawan, Kanwali Road,
Dehradun.
16. North Central Railway,
Allahabad.



17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110 002.

.....**Respondents**

For petitioner : Shri S.S. Raju, PGCIL
Ms. Seema Gupta, PGCIL
Shri Md. Mohsin, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri P. Sarswat, PGCIL
MS. Sangeeta Edwards, PGCIL

For respondents: Shri Padamjit Singh, PSPCL
Shri T. P. S. Bawa, PSPCL

ORDER

In the instant petition, the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for transmission tariff for **Asset I:** 500 MVA, 400/220/33 kV ICT-II alongwith associated basis at Moga sub-station (DOCO:1.3.2014) **Asset II:** 500 MVA, 400/220/33 kV ICT alongwith associated basis at Ludhiana sub-station (DOCO:1.4.2014) under augmentation of transformation capacity in Northern Region Part A for tariff block 2009-14, under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "2009 Tariff Regulations"). Further, the petitioner has requested for grant of provisional tariff as per Regulation 5 of the 2009 Tariff Regulations, pending determination of final transmission tariff.

2. The matter was heard on 7.3.2014 for consideration of petitioner's prayer for grant of provisional tariff for the instant assets. The petitioner was directed to submit the latest status of commissioning of the assets covered in the instant petition. Accordingly,



the petitioner vide affidavit dated 11.6.2014 has submitted that Asset I was commissioned on 1.4.2014 and Asset II is anticipated to be commissioned on 1.7.2014. The petitioner has further prayed to approve transmission tariff in terms of Regulation 7(7) of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "2014 Tariff Regulations") and has further prayed for grant of 90% of the annual fixed charges for the purpose of inclusion in the PoC charges under Regulation 7(7) of the 2014 Tariff Regulations.

3. During the hearing on 12.6.2014, the representative of PSPCL raised the issue of underutilisation of the instant asset due to non-completion of downstream transmission system in the scope of the State utilities. He further submitted that as per Section 38 of the Electricity Act, 2003 it is the responsibility of the petitioner, as a CTU, to coordinate with the State agencies. In response, the petitioner has submitted that it has already initiated formal communication with the State utilities and other concerned agencies regarding the commissioning of the assets. The petitioner has also submitted that usually the transmission schemes are approved at the Standing Committee level and they are discussed at RPC level where the State utilities are also present.

4. We have considered the submissions made by the petitioner and PSPCL. Under Section 38 of the Electricity Act, 2003, the CTU has the responsibility to discharge all the functions of planning and coordination relating to inter-State transmission system with the State transmission utilities, Central Government, State Governments, generating companies, Regional Power Committee (RPC), Central Electricity Authority



and the licensees, etc. and to ensure development of an efficient, co-ordinated and economical system of inter-State transmission lines for smooth flow of electricity from generating stations to the load centres. We are of the view that the petitioner, as the CTU has the responsibility to coordinate with the concerned State utilities to ensure that the commissioning of its transmission system matches with the downstream transmission system of the State utilities. Accordingly, we direct the CTU to inform the concerned DIC, on a quarterly basis, the status regarding commissioning of the inter-State transmission projects and also seek the progress of work on the downstream transmission system. The mismatch, if any, in commissioning of the ISTS and downstream transmission system should be brought to the notice of the concerned DIC to avoid any stranded asset. We also direct the CTU to bring the status of commissioning of the ISTS as well as upstream/downstream assets to the notice of the concerned RPC so that the same could be discussed in the RPCs to achieve coordinated development of ISTS and Intra-State Transmission System.

5. Regulation 7 of the 2014 Tariff Regulations provides as under:-

"7. Application for determination of tariff:

(1) The generating company may make an application for determination of tariff for new generating station or unit thereof in accordance with the Procedure Regulations, in respect of the generating station or generating units thereof within 180 days of the anticipated date of commercial operation.

(2) The transmission licensee may make an application for determination of tariff for new transmission system including communication system or element thereof as the case may be in accordance with the Procedure Regulations, in respect of the transmission system or elements thereof anticipated to be commissioned within 180 days from the date of filing of the petition.

(3) In case of an existing generating station or transmission system including communication system or element thereof, the application shall be made not later than



180 days from the date of notification of these regulations based on admitted capital cost including any additional capital expenditure already admitted up to 31.3.2014 (either based on actual or projected additional capital expenditure) and estimated additional capital expenditure for the respective years of the tariff period 2014-15 to 2018-19.

(4) The generating company or the transmission licensee, as the case may be, shall make an application as per **Annexure-I** of 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 as the case may be:

Provided that the petition shall contain details of underlying assumptions for the projected capital cost and additional capital expenditure, wherever applicable.

(5) If the petition is inadequate in any respect as required under **Annexure-I** of these regulations, the application shall be returned to the generating company or transmission licensee as the case may be, for resubmission of the petition within one month after rectifying the deficiencies as may be pointed out by the staff of the Commission.

(6) If the information furnished in the petition is in accordance with the regulations and is adequate for carrying out prudence check of the claims made, the Commission shall consider the suggestions and objections, if any, received from the respondents within one month from the date of filing of the petition and any other person including the consumers or consumer associations. The Commission shall issue the tariff order after hearing the petitioner, the respondents and any other person specifically permitted by the Commission.

7. In case of the new projects, the generating company or the transmission licensee, as the case may be, may be allowed tariff by the Commission based on the projected capital expenditure from the anticipated COD in accordance with Regulation 6 of these regulations:

Provided that :

(i) the Commission may grant tariff upto 90% of the annual fixed charges claimed in respect of the transmission system or element thereof based on the management certificate regarding the capital cost for the purpose of inclusion in the POC charges in accordance with the CERC (Sharing of Inter State Transmission charges and losses), Regulation, 2010 as amended from time to time:

xxxx"

6. As per the first proviso to Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the annual fixed charges for inclusion in the POC charges, if an application has been filed under Regulation 7(1) and (4) of the 2014



Tariff Regulations. Regulation 7(1) of the 2014 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 7(4) of 2014 Tariff Regulations provides that the application shall be made as per Annexure-I to the 2014 Tariff Regulations.

7. The petitioner has made the application as per the Annexure-I to the 2014 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.

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

(` in lakh)						
Asset	DOCO/ Anticipated DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
Asset I: 500 MVA, 400/220/33 kV ICT-II alongwith associated bays at Ludhiana sub-station	1.4.2014	440.01	515.25	537.11	530.72	524.52
Asset II: 2 nos. of 220 kV bays at Ludhiana sub-station	1.7.2014	101.62	160.86	171.55	172.30	173.18

9. Considering the claims of the petitioner, the following annual transmission charges are allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations:-



(` in lakh)

Asset	DOCO/ Anticipated DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
Asset I: 500 MVA, 400/220/33 kV ICT-II alongwith associated bays at Ludhiana sub-station	1.4.2014	374.01	437.96	456.54	451.11	445.84
Asset II: 2 nos. of 220 kV bays at Ludhiana sub-station	1.7.2014	86.38	136.73	145.82	146.46	147.20

10. The tariff allowed in this order shall be applicable from the date of commercial operation of the transmission system. 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 transmission charges allowed in the order shall be subject to adjustment after final tariff is determined.

sd/-

(A. K. Singhal)
Member

sd/-

(M. Deena Dayalan)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson

