

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 362/TT/2014**

**Coram:**

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

**Date of Hearing: 27.11.2014  
Date of Order : 24.12.2014**

**In the matter of**

Approval of transmission tariff of 500 MVA 400/220 kV Spare Transformer for Northern Region at Neemrana under Augmentation of transformers in Northern Region Part-A for tariff block 2009-14 period 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.

**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 Limited,  
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 Power Corporation Ltd.,  
Thermal Shed T-1A, Near 22 Phatak,  
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. Uttar Pradesh Power Corporation Limited,  
(Formerly Uttar Pradesh State Electricity Board)  
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. TPDDL,  
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  
Shri M.M. Mondal, PGCIL

For respondents : None

### **ORDER**

In the instant petition the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for transmission tariff of 500 MVA 400/220 kV Spare transformer for Northern Region at Neemrana under Augmentation of Transformers in Northern Region Part-A (hereinafter referred to as "transmission asset") from DOCO (1.11.2013) to 31.3.2014 for tariff block 2009-14 under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations' 2009 (hereinafter referred to as the "2009 Tariff Regulations"). Further, the petitioner has requested to grant provisional tariff, as per the 2009 Tariff Regulations, pending determination of final tariff.

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 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 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.

5. The petition was heard on 27.11.2014 for consideration of the petitioner's prayer for allowing provisional tariff. During the hearing, the representative of the petitioner has submitted that the petitioner has complied with the requirements specified in Regulation 5 of the 2009 Tariff Regulations for granting provisional tariff and prayed that 95% of the Annual Transmission Charges claimed may be allowed as provisional tariff as provided in the said Regulation. The representative of the petitioner has further submitted that

there has been delay in filing the instant petition and that the delay was unintentional and prayed to condone the delay.

6. In response to a query of the Commission, the representative of petitioner has clarified that in the 26<sup>th</sup> NRPC meeting dated 13.7.2012, it was agreed to procure 1x500 MVA spare ICT and in the 31<sup>st</sup> SCM, CEA held on 2.1.2013, it was proposed to include this spare ICT at Neemrana, either in a Planned Strengthening Scheme or as a part of New Strengthening Scheme. He further submitted that the asset covered in the instant petition was commissioned on 1.11.2013, against the scheduleD commissioning of 6.10.2014. He also submitted that the estimated completion cost of ₹1172.46 lakh is within the apportioned approved cost of ₹1621.26 lakh. The petitioner has submitted that there is no time over-run and cost over-run in case of the instant transmission asset.

7. We have considered the submissions made by the petitioner. The petitioner was required to approach the Commission for tariff six months before the anticipated date of commercial operation. Instead, the petitioner has approached with the present petition after 10 months of commercial operation of the transmission asset. During the hearing, the representative of the petitioner submitted that the delay in filing the petition is inadvertent and not intentional. In our view, the petitioner has failed to satisfactorily explain the reasons for delay in filing the petition and the beneficiaries cannot be burdened with the interest on the tariff from the date of commercial operation till the date of filing of the petition.

8. After carrying out a preliminary prudence check of the tariff claimed by the petitioner in this petition, the Commission has decided to allow tariff for the year 2013-14 in terms of Regulation 5(4) of the 2009 Tariff Regulations.

9. Annual transmission charges claimed by the petitioner:-

	(₹ in lakh)
	2013-14
Transmission charges claimed	82.06

10. Annual transmission charges allowed is as follows:-

	(₹ in lakh)
	2013-14
Transmission charges allowed	73.85

11. 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.

12. For the purpose of calculating final tariff, the petitioner is directed to submit the following information on affidavit before 15.1.2015 with a copy to all the respondents:-

- a) Computation of IDC corresponding to the loan deployed for funding instant asset and breakup of IEDC claimed;
- b) There is over estimation of FR cost by 27.68%. The basis for arriving at the FR cost;

- c) Failure rate of 315 MVA and 500 MVA transformers in the region along with justification for requirement of 500 MVA transformer at Neemrana in NR;
- d) Clarification in regard to inclusion of 500 MVA spare transformer at Neemrana to be included in Planned Strengthening Scheme or New Strengthening Scheme;
- e) Details of spare transformers procured in last ten years, location of their placement and incident of failure and duration of such failures; and
- f) Region wise consolidated list (in a soft copy-excel format) of inventory of its assets and latest petition under which the tariff of the assets have been determined by the Commission.

sd/-

**(A.S. Bakshi)**  
**Member**

sd/-

**(A. K. Singhal)**  
**Member**

sd/-

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

sd/-

**(Gireesh B. Pradhan)**  
**Chairperson**