

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 398/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 for Asset-I: 220kV, D/C Mariani (New)-Mokochung (Powergrid) Transmission Line along with associated bays at Mariani and Mokochung (Powergrid) S/S-(anticipated DOCO-1.10.2014), Asset-II:132kV, D/C Mokochung (Powergrid)-Mokochung (Nagaland) Transmission Line (To be charged at 132 kV) along with associated bays, 7x10 MVA, 220 132 kV ICT-I & II and 220 kV & 132 kV GIS bays at Mokochung (Powergrid) S/S-(anticipated DOCO-1.10.2014) and Asset-III: 400 kV D/C Silchar-Imphal Transmission Line along with associated bays at Silchar and Imphal S/Ss-(anticipated DOCO-1.12.2014), under Transmission System associated with Pallatana GBPP and Bongaigaon TPS in Northern Region for tariff block 2014-19 under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.

And in the matter of

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

Vs

.....Petitioner

1. Assam Electricity Grid Corporation Limited,
(Formerly Assam State Electricity Board),
Bijulee Bhawan, Paltan bazaar,
Guwahati-781 001, Assam

2. Meghalaya Energy Corporation Limited,
(Formerly Meghalaya State Electricity Board),
Short Round Road, "Lumjingshai",
Shillong-793 001, Meghalaya
3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh
4. Power and Electricity Department,
Government of Mizoram,
Aizawl, Mizoram
5. Manipur State Electricity Distribution Company Limited,
(Formerly Electricity Department, Government of Manipur),
Keishampat, Imphal
6. Department of Power,
Government of Nagaland,
Kohima, Nagaland
7. Tripura State Electricity Corporation Limited,
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799 001, Tripura
8. ONGC Tripura Power Corporation Limited,
6th Floor, A Wing, IFCI Towers,
New Delhi-110 019
9. NTPC Limited,
NTPC Bhawan, Scope Complex,
Institutional Area, Lodhi Road,
New Delhi-110 003

.....**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 for three assets under

Transmission System associated with Pallatana GBPP and Bongaigaon TPS in North-Eastern Region (hereinafter referred to as “transmission assets”) for tariff block 2014-19 under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "2014 Tariff Regulations"). The petitioner has also prayed for allowing 90% of the Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the PoC charges. The details of the assets covered in the petition are as follows:-

Srl. No.	Asset	Name of the Asset	Scheduled DOCO	DOCO
1	Asset-I	220 kV, D/C Mariani (New)-Mokochung (Powergrid) Transmission Line along with associated bays at Mariani and Mokochung (Powergrid) Sub-station	1.1.2013	1.10.2014 Anticipated
2	Asset-II	132kV, D/C Mokochung (Powergrid)-Mokochung (Nagaland) Transmission Line (To be charged at 132 kV) along with associated bays, 7x10 MVA, 220 132 kV ICT-I & II and 220 kV & 132 kV GIS bays at Mokochung (Powergrid) Sub-station	1.1.2013	1.10.2014 Anticipated
3	Asset-III	400 kV D/C Silchar-Imphal Transmission Line along with associated bays at Silchar and Imphal Sub-stations	1.1.2013	1.12.2014 Anticipated

2. The petition was heard on 27.11.2014. The representative of the petitioner submitted that three assets are covered in the instant petition. In response to a query of the Commission, the representative of petitioner has clarified that the scope of the scheme was discussed and agreed in 6th TCC/NERPC meeting held on 8.8.2008 and subsequent discussion with CEA and concerned states. He submitted that the

Investment Approval (IA) for the Transmission Project was accorded approval by the petitioner's Board on 26.2.2010 for a total sum of ₹2144 crore including IDC of ₹175.35 crore. The representative of the petitioner submitted that the estimated completion cost of Asset-I, II and III is ₹6741.55 lakh, ₹5385.53 lakh and ₹50983.30 lakh against the apportioned approved cost of ₹8754.02 lakh, ₹10637.01 lakh and ₹37758.63 lakh respectively. Thus, there is a cost over-run in case of Asset-III. The scheduled completion for the instant assets is within 34 months progressively from the date of investment approval and it works out to 27.12.2012 i.e. 1.1.2013 but Asset-I & Asset-II were anticipated to be put under commercial operation w.e.f. 1.10.2014 and Asset-III from 1.12.2014. The representative of the petitioner further submitted that the revised anticipated date of commercial operation of the instant assets is 1.2.2015, as such there is time over-run of 25 months in case of all the three assets. The representative of the petitioner also submitted that the requirements specified in 2014 Tariff Regulations have been complied with and prayed that 90% of the AFC claimed may be granted as provided under the said Regulations.

3. As per proviso (i) to Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the annual fixed charge of the transmission system or element thereof for the purpose of inclusion in POC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses), Regulations, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff has to 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) provides that such an application shall be filed as per Annexure-I of these regulations.

4. The petitioner has made the application as per Annexure-I of 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.

5. We have considered the submissions made by the petitioner. There is anticipated time over-run of 25 months in case of the instant transmission assets and cost over-run in case of Asset-III. After carrying out a preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the anticipated time over-run and cost over-run, which shall be looked into in detail at the time of final tariff, the Commission has decided to allow tariff for the years 2014-15 and 2015-16 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

6. Annual transmission charges claimed by the petitioner:-

		(₹ in lakh)				
Assets	DOCO	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	1.10.2014 Anticipated	646.04	1359.46	1355.17	1328.53	1302.53
Asset-II	1.10.2014 Anticipated	495.81	1147.40	1207.14	1192.29	1177.88
Asset-III	1.12.2014 Anticipated	2988.52	9100.42	9029.20	8783.95	8539.30

7. Annual transmission charges allowed is as follows:-

(₹ in lakh)

Assets	DOCO	2014-15	2015-16
Asset-I	1.2.2014	172.28	1087.57
Asset-II	1.2.2014	132.22	917.92
Asset-III	1.2.2014	885.33	5391.87

8. 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. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

9. For consideration of the petition for grant of final tariff the petitioner is directed to submit the following information on affidavit before 25.1.2015 (for items (b)-(f) below) with a copy to all the respondents:-

- a) Actual date of commercial operation of all three assets and RLDC charging certificate and CEA certificate under Regulation 43 of the CEA (Measures Relating to Safety & Electricity Supply) Regulations, 2010 for assets when they are put into commercial operation;
- b) Reasons for anticipated delay along with documentary evidence and asset wise chronology of the activities;

Asset	Activity	Time taken				Reason(s) for delay
		Planned		Achieved		
		From	To	From	To	
Asset-I						
Asset-II						
Asset-III						

- c) Documentary evidence in case of Asset-III explaining the differential in terms of quantity and price;
- d) Detailed reasons with documentary evidence for cost variation in certain items as per Form-5s of the instant assets and the basis of arriving at the FR cost ;
- e) To confirm the voltage class of bays at Silchar and Imphal for 400 kV D/C Silchar-Imphal line, since Silchar-Imphal line is to be charged at 132 kV; and
- f) Submit standing committee meeting minutes where the approval for instant assets was accorded.

sd/-

sd/-

sd/-

sd/-

(A.S. Bakshi)
Member

(A. K. Singhal)
Member

(M. Deena Dayalan)
Member

(Gireesh B. Pradhan)
Chairperson