

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. TT/044/2014**

**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 transmission tariff for 1) 3X80 MVAR Line Reactor with associated bays at Gwalior S/S (DOCO: 1.2.2014) used as Bus Reactor till commissioning of 765 kV Bina-Gwalior Ckt-3, 2) 3X80 MVAR Line Reactor with associated bays at Bina S/S (anticipated DOCO: 1.3.2014) to be used as Bus Reactor till commissioning of 765 kV Bina-Gwalior CKT-3; and 3) 765 kV Bina-Gwalior Ckt-3 (anticipated DOCO: 1.3.2014) under "Transmission System for Phase-I Generation Projects in Orissa Part-C" in Western Region

**And in the matter of**

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

.....Petitioner

Vs

1. Madhya Pradesh Power Management Company Ltd.,  
Shakti Bhawan, Rampur  
Jabalpur-482 008.
2. Maharashtra State Electricity Distribution Company Limited,  
Prakashgad, 4th floor  
Andehri (East), Mumbai-400 052.
3. Gujarat Urja Vikas Nigam Ltd.,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara-390 007.
4. Electricity Department, Government of Goa,  
Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403 001.



5. Electricity Department,  
Administration of Daman and Diu,  
Daman-396 210
  6. Electricity Department,  
Administration of Dadra Nagar Haveli,  
U.T., Silvassa-396 230
  7. Chhattisgarh State Electricity Board,  
P.O. Sunder Nagar, Dangania, Raipur  
Chhattisgarh-492 013
  8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,  
3/54, Press Complex, Agra-Bombay Road  
Indore -452 008
- .....Respondents

For Petitioner: Shri Prashant Sharma, PGCIL  
Shri S.S. Raju, PGCIL,  
Shri P. Saraswat, PGCIL  
Shri M.M. Mondal, PGCIL  
Shri S.K. Venkatesan, PGCIL

For Respondents: None

### **ORDER**

In the instant petition, Power Grid Corporation of India Limited (PGCIL) has sought approval for 3X80 MVAR Line Reactor with associated bays at Gwalior S/S used as Bus Reactor till commissioning of 765 kV Bina-Gwalior Ckt-3 (hereinafter "Asset-I"), 3X80 MVAR Line Reactor with associated bays at Bina S/S to be used as Bus Reactor till commissioning of 765 kV Bina-Gwalior Ckt-3 (hereinafter "Asset-II"), and 765 kV S/C Bina-Gwalior Ckt-3 (hereinafter "Asset-III") under "Transmission System for Phase-I Generation Projects in Orissa Part-C" in Western Region for tariff block 2009-14 period. Further, the petitioner has requested for grant of provisional tariff as per the 2009 Tariff Regulations.

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 the 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 7.3.2014 for consideration of petitioner's prayer for grant of provisional tariff. During the hearing, the Commission directed the petitioner to file the latest status of commissioning of the assets. The petitioner has submitted, vide

affidavit dated 7.3.2014, that Asset I and Asset-II were commissioned on 1.2.2014 and 1.3.2014 respectively, and Asset-III is anticipated to be commissioned on 1.4.2014.

6. We have considered the submissions made by the petitioner. We are not inclined to allow provisional tariff for the Asset-III, since Asset-III has not been commissioned as anticipated during 2009-14 tariff period. As per CEA report, stage-II forest clearance is awaited. The petitioner is given liberty to approach the Commission after commissioning of Asset-III for provisional tariff. Accordingly, provisional tariff for Asset-I, commissioned on 1.2.2014, and Asset-II, commissioned on 1.3.2014 is being allowed in the instant order.

7. The annual transmission charges claimed by the petitioner and allowed are as follows:-

(₹ in lakh)

Particulars	DOCO	Annual transmission charges claimed for the year 2013-14	Annual transmission charges allowed for the year 2013-14
Asset I 3X80 MVAR Line Reactor with associated bays at Gwalior S/S (DOCO 1.2.2014) used as Bus Reactor till commissioning of 765kV Bina-Gwalior Ckt-3	1.2.2014	77.06	69.35
Asset II 3X80 MVAR Line Reactor with associated bays at Bina S/S to be used as Bus Reactor till commissioning of 765kV Bina-Gwalior Ckt-3	1.3.2014	50.20	35.07

8. The tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission system and 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.

9. The transmission charges allowed for the assets commissioned during 2009-14 period 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**