

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. TT/047/2014**

**Coram:**

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

**Date of Hearing: 07.03.2014  
Date of Order: 13.05.2014**

**In the matter of**

Approval under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations 1999 and under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations 2009 of transmission tariff from DOCO to 31.3.2014 of assets under "Transmission System Strengthening in Western part of WR for IPPs generation projects in Chattisgarh (IPP D)" 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 Trading 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 S. S. Raju, PGCIL  
Shri Prashant Sharma, PGCIL  
Shri Prahlad Saraswat, PGCIL  
Shri S. K. Venkatesan, 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 from DOCO to 31.3.2014 for assets under "Transmission System Strengthening in Western part of WR for IPPs generation projects in Chattisgarh (IPP D)" in Western Region under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "2009 Tariff Regulations"). The petitioner has requested to grant provisional tariff as per 2009 Tariff Regulations, pending determination of final tariff.

2. The details of the assets covered in the petition and their date of commercial operation as given in the petition are as follows:-

Sr. No.	Asset	Name of the Asset	Anticipated DOCO/DOCO
1.	Asset I	3x110 MVAR Switchable Line Reactor to be charged as Bus Reactor 1 at 765/400 kV Wardha SS	1.1.2014
2.	Asset II	3x110 MVAR Switchable Line Reactor to be charged as Bus Reactor 2 at 765/400 kV Wardha SS	1.1.2014
3.	Asset III	3x80 MVAR 765 kV Line reactor for 765 kV D/C Wardha-Aurangabad Line 1 Ckt#1 to be used as Bus Reactor at Aurangabad S/s	1.3.2014
4.	Asset IV	3x80 MVAR 765 kV Line reactor for 765 kV D/C Wardha-Aurangabad Line 1 Ckt#2 to be used as Bus Reactor at Aurangabad S/s	1.3.2014
5.	Asset V	3x80 MVAR 765 kV Switchable Bus Reactor at Aurangabad S/S	1.3.2014
6.	Asset VI	765/400 kV 1x1500 MVA ICT 1 at Aurangabad S/S	1.3.2014
7.	Asset VII	765/400 kV 1x1500 MVA ICT 2 at Aurangabad S/S	1.3.2014
8.	Asset VIII	765 kV D/C Wardha-Aurangabad Line 1 along with Bays at both ends	1.3.2014

3. The petition was heard on 7.3.2014 for consideration of petitioner's prayer for grant of provisional tariff. In response to a query of the Commission, the representative of the petitioner submitted that some of the assets have not been commissioned as anticipated on 1.3.2014. The Commission directed the petitioner to file the latest status of commissioning of the assets.

4. Accordingly, the petitioner has submitted, vide affidavit dated 7.3.2014, that Asset-I and II were put into commercial operation on 1.1.2014, Asset-IV, V and VI were put into commercial operation on 1.3.2014. It has been further submitted that Asset-III, VII and VIII are anticipated to be commissioned on 1.4.2014. The petitioner has also prayed to grant provisional tariff under the 2014-19 tariff norms. The petitioner has also submitted that after commissioning of Asset-III, VII and VIII, the petition shall be revised as per the 2014-19 Tariff Regulations.

5. We have considered the submissions made by the petitioner. The petitioner has commissioned the line reactors as bus reactors after obtaining approval from WRPC in the 24th TCC meeting held on 9.10.2013 and accordingly provisional tariff for Asset-I, II, IV and V are granted. Asset-III has not been commissioned so far. As regards Asset-VI, VII and VIII, as per the CEA's project monitoring report, the revised target date of 765 kV Wardha-Aurangabad D/C line (Asset-VIII) is July, 2014 and without commissioning of this line Asset-VI and VII would be of no use. Accordingly, we are not inclined to grant to provisional tariff to Asset-III, VI, VII and VIII. The petitioner may approach the Commission for provisional tariff for Asset-III, IV, VII and VIII at appropriate time as per the prevailing regulations.

6. 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.”

7. As per Regulation 5(4) of the 2009 Tariff Regulations, the Commission may in its discretion grant provisional tariff for an existing project or a new project commissioned during the 2009-14 period, 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.

8. 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.

9. The details of the transmission tariff claimed by the petitioner and the provisional transmission charges allowed are as under:-

(₹ in lakh)

Particulars	Anticipated DOCO	Annual transmission charges considered for the purpose of provisional tariff charges	Annual transmission charges allowed for the year 2014-15
Asset I: 3x110 MVAR Switchable Line Reactor to be charged as Bus Reactor 1 at 765/400 kV Wardha SS	1.1.2014	125.65	113.09
Asset II: 3x110 MVAR Switchable Line Reactor to be charged as Bus Reactor 2 at 765/400 kV Wardha SS	1.1.2014	144.08	129.67
Asset IV: 3x80 MVAR 765 kV Line reactor for 765 kV D/C Wardha-Aurangabad Line 1 Ckt#2 to be used as Bus Reactor at Aurangabad S/s	1.3.2014	38.12	29.84
Asset V: 3x80 MVAR 765 kV Switchable Bus Reactor at Aurangabad S/S	1.3.2014	42.22	37.52

10. 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.

11. 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**