

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

**Date of hearing: 16.09.2014
Date of Order : 17.12.2014**

In the matter of

Petition No. 242/TT/2014

Approval of transmission tariff for (A) 1x125 MVAR Bus Reactor at 400 kV Damoh S/S, (B) 1x125 MVAR Bus Reactor at 400 kV Bachau S/S, (C) 1x125 MVAR Bus Reactor at 400 kV Pirana S/S, (D) 1x125 MVAR Bus Reactor-1 at 400 kV Itarsi S/S, (E) 1x125 MVAR Bus Reactor-2 at 400 kV Itarsi S/S, (F) 1x125 MVAR Bus Reactor at 400 kV Gwalior S/S under Installation of Reactors (PART-II) in WR for tariff block 2014-19

And in the matter of

Petition No. 244/TT/2014

Approval of transmission tariff for Asset I: 4x500 MVA, 765/400 kV ICT-2 with one spare unit at Jabalpur 765/400 kV PS, Asset II: 3x80 MVAR, 765 kV Line Reactor to be used as Bus Reactor at Jabalpur PS for Dharamjaygarh Ckt.-1, Asset III: 765 kV, 3x110 MVAR, Bus Reactor-1 at Dharamjayagarh S/S along with associated bays and LILO of 765 kV S/C Ranchi- WR Pooling Station (near Sipat) T/L at Dharamjaygarh, Asset IV: 765 kV, 3x110 MVAR Bus Reactor-2 at Dharamjaygarh S/S along with associated bays, Asset V: 765 KV D/C Jharsuguda Pooling Station- Dharmajaygarh (near Korba) Line under "Transmission System for Phase-I Generation Projects in Orissa (Part-B)" in WR

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 S.S. Raju, PGCIL
Ms. Seema Gupta, PGCIL
Shri Md. Mohsin, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Ms. Sangeeta Edwards, PGCIL
Shri R. Prasad, PGCIL

For respondents: None



ORDER

In these petitions, the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval of transmission tariff for various assets in the Western Region for the period 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) from the dates of commercial operation of the assets to 31.3.2019 as per Regulation 7(7) of the 2014 Tariff Regulations.

2. These petitions were heard on 16.9.2014. During the hearing, the representative of the petitioner submitted that in the case of assets covered under Petition No. 242/TT/2014, there is no time over-run and there is cost over-run only in case of Asset-I and Asset-II. However, in case of assets covered under Petition No. 244/TT/2014, there is time over-run ranging from three to eight months and cost over-run in case of Asset-V. He further requested to grant 90% of AFC in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as determination of final tariff in these petitions would take some time.

3. 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."



4. As per proviso (i) to Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff up to 90% of the annual fixed charges of the transmission system for the purpose of inclusion in POC charges, in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses), Regulation, 2010 (hereinafter "Sharing Regulations"). Regulation 7(2) 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.

5. 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.

6. We have considered the submissions made by the petitioner. After carrying out a preliminary prudence check of the AFC claimed by the petitioner in these petitions and taking into consideration the time and cost-run, which shall be looked into at the time of final tariff, the Commission has decided to allow tariff @ 85% and 80% of the AFC claimed in case of Petition No.242/TT/2014 and 244/TT/2014 respectively for the years 2014-15 and 2015-16 for inclusion in the PoC charges in terms of proviso (i) of



Regulation 7(7) of the 2014 Tariff Regulations. The details of the transmission charges claimed by the petitioner and the tariff allowed are given in Annexure I and II of this order.

7. The tariff allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of the Sharing Regulations, as amended from time to time.

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

(A.S. Bakshi)
Member

(A. K. Singhal)
Member

(M. Deena Dayalan)
Member

(Gireesh B. Pradhan)
Chairperson



Annexure I

Petition No. 242/TT/2014

And in the matter of

Approval of transmission tariff for (A) 1x125 MVAR Bus Reactor at 400 kV Damoh S/S, (B) 1x125 MVAR Bus Reactor at 400 kV Bachau S/S, (C) 1x125 MVAR Bus Reactor at 400 kV Pirana S/S, (D) 1x125 MVAR Bus Reactor-1 at 400 kV Itarsi S/S, (E) 1x125 MVAR Bus Reactor-2 at 400 kV Itarsi S/S, (F) 1x125 MVAR Bus Reactor at 400 kV Gwalior S/S under Installation of Reactors (PART-II) in WR

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

(₹ in lakh)

Assets	DOCO	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset-I: 125 MVAR Bus Reactor at 400 kV Damoh S/S	2.10.2014	125.14	220.51	236.94	237.75	234.73
Asset-II: 125 MVAR Bus Reactor at 400kV Bachau S/S	15.11.2014	184.49	356.64	386.84	386.58	378.81
Asset-III: 125 MVAR Bus Reactor at 400kV at Pirana S/S	4.10.2014	111.87	213.08	229.31	230.28	227.49
Asset-IV: 125 MVAR Bus Reactor-1 at 400 kV at Itarsi S/S	7.8.2014	103.16	157.75	167.92	169.22	168.37
Asset-V: 125 MVAR Bus Reactor-2 at 400 kV at Itarsi S/S	15.10.2014	78.96	158.19	168.36	169.65	168.81
Asset-VI: 125 MVAR Bus Reactor-1 at 400 kV at Gwalior S/S	2.7.2014	115.76	162.01	167.89	168.36	167.56

2. Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff Regulations are as follows:-

(₹ in lakh)

Assets	DOCO	2014-15 (pro-rata)	2015-16
Asset-I: 125 MVAR Bus Reactor at 400 kV Damoh S/S	2.10.2014	80.68	179.86
Asset-II: 125 MVAR Bus Reactor at 400kV Bachau S/S	15.11.2014	66.00	197.02
Asset-III: 125 MVAR Bus Reactor at 400kV at Pirana S/S	4.10.2014	80.19	181.12
Asset-IV: 125 MVAR Bus Reactor-1 at 400 kV at Itarsi S/S	7.8.2014	80.06	134.09
Asset-V: 125 MVAR Bus Reactor-2 at 400 kV at Itarsi S/S	15.10.2014	56.96	134.46
Asset-VI: 125 MVAR Bus Reactor-1 at 400 kV at Gwalior S/S	2.7.2014	98.37	137.71

Petition No. 244/TT/2014

Approval of transmission tariff for Asset I: 4x500 MVA, 765/400 kV ICT-2 with one spare unit at Jabalpur 765/400 kV PS, Asset II: 3x80 MVAR, 765 kV Line Reactor to be used as Bus Reactor at Jabalpur PS for Dharamjaygarh Ckt.-1, Asset III: 765 kV, 3x110 MVAR, Bus Reactor-1 at Dharamjaygarh S/S along with associated bays and LILO of 765 kV S/C Ranchi- WR Pooling Station (near Sipat) T/L at Dharamjaygarh, Asset IV: 765 kV, 3x110 MVAR Bus Reactor-2 at Dharamjaygarh S/S along with associated bays, Asset V: 765 KV D/C Jharsuguda Pooling Station- Dharmajaygarh (near Korba) Line under “Transmission System for Phase-I Generation Projects in Orissa (Part-B)” in WR

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

(₹in lakh)

Asset-I	DOCO	2014-15 (pro-rata)	2015--16	2016-17	2017-18	2018-19
Asset-I 4x500 MVA, 765/400 kV ICT-2 with one spare unit at Jabalpur 765/400 kV PS	1.4.2014	971.46	1106.04	1148.37	1127.21	1104.21
Asset-II 3x80 MVAR, 765 kV Line Reactor to be used as Bus Reactor at Jabalpur PS for Dharamjaygarh Ckt-I	1.4.2014	505.49	529.99	532.36	529.07	525.64
Asset-III 765 kV 3x110 MVAR Bus Reactor-1 at Dharamjaygarh S/S along with associated Bay and LILO of 765 kV S/C Ranchi-WR PS (near Sipat) T/L at Dharamjaygarh	1.4.2014	2615.63	3183.95	3347.12	3300.22	3237.63
Asset-IV 765 kV 3x110 MVAR Bus Reactor-2 at Dharamjaygarh S/S with associated Bay	18.4.2014	425.93	507.03	515.17	507.39	499.15
Asset-V 765 kV D/C Jharsuguda PS-Dharamjaygarh (near Korba) Line	31.7.2014	8658.98	13211.44	13293.61	13037.64	12708.59

2. Annual transmission charges allowed in terms of Regulation 7(7) of the 2014 Tariff

Regulations are as follows:-

(₹ in lakh)

Asset-I	DOCO	2014-15 (pro-rata)	2015-16
Asset-I 4x500 MVA, 765/400 kV ICT-2 with one spare unit at Jabalpur 765/400 kV PS	1.4.2014	777.17	884.83
Asset-II 3x80 MVAR, 765 kV Line Reactor to be used as Bus Reactor at Jabalpur PS for Dharamjaygarh Ckt-I	1.4.2014	404.39	423.99
Asset-III 765 kV 3x110 MVAR Bus Reactor-1 at Dharamjaygarh S/S along with associated Bay and LILO of 765 kV S/C Ranchi-WR PS (near Sipat) T/L at Dharamjaygarh	1.4.2014	2092.50	2547.16
Asset-IV 765 kV 3x110 MVAR Bus Reactor-2 at Dharamjaygarh S/S with associated Bay	18.4.2014	340.74	405.62
Asset-V 765 kV D/C Jharsuguda PS-Dharamjaygarh (near Korba) Line	31.7.2014	5553.95	8672.00