

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 45/TT/2014

- Subject** : Approval of transmission tariff for 765 kV D/C Champa Pooling Station-Raipur Pooling Station Transmission Line with associated bays at Raipur PS under Establishment of Pooling Stations at Champa and Raigarh (near Tamnar) for IPP Generation Projects in Chattisgarh (Set "B"/WR1-IPPB) in Western Region.
- Date of Hearing:** 10.9.2015
- Coram** : Shri Gireesh B. Pradhan, Chairperson
Shri A.S. Bakshi, Member
- Petitioner** : Power Grid Corporation of India Limited (PGCIL)
- Respondents** : Madhya Pradesh Power Management Company Limited and 7 others
- Parties present:** Shri A.M. Pavgi, PGCIL
Shri Mohd. Mohsin, PGCIL
Shri M.M. Mondal, PGCIL
Shri S. K. Venkatesan, PGCIL

Record of Proceedings

The representative of petitioner submitted as follows:-

- (a) The commissioning of the 765/400 kV Champa pooling station is delayed due to land acquisition problems. But the 765 kV D/C Champa PS-Raipur PS T/L- and 765 kV S/C Champa PS-Dharmjayagarh T/L are ready. The contingency arrangement of bunching 765 kV D/C Champa PS-Raipur PS T/L- connecting with 765 kV S/C Champa PS-Dharmjayagarh by-passing Champa pooling station was approved by CEA.
- (b) CEA has also approved using the Line Reactor as a Bus Reactor;
- (c) As per the Investment Approval (IA) dated 31.5.2011, the 765 kV D/C Champa Pooling Station-Raipur Pooling Station Transmission Line with associated bays at Raipur PS under Establishment of Pooling Stations at Champa and Raigarh (near Tamnar) for IPP Generation Projects in Chattisgarh (Set "B"/WR1-IPPB) was scheduled to be commissioned



within 36 months from the date of IA. Accordingly, the scheduled date of commercial operation works out to 30.5.2014. The asset has been split into two parts and was commissioned on 24.5.2014 and 26.5.2014. There is no time over-run;

- (d) The instant asset was commissioned with the timeline specified in the 2014 Tariff Regulations and hence it is eligible for additional return on equity of 0.5%. Prayed for grant of additional return on equity; and
- (e) The total approved cost of the project is ₹196187 lakh including IDC of ₹12572 lakh. The apportioned approved cost is ₹48373.77 lakh and ₹3849.35 lakh and estimated completion cost as on the date of commercial operation is ₹64391.54 lakh and ₹3294.36 lakh of Asset-1(A) and Asset-1(B) respectively. The projected additional capital expenditure is ₹3272.25 lakh, ₹2464.68 lakh and ₹1498.36 for Asset-1(A) and ₹165.32 lakh, ₹284.73 lakh and ₹103.64 lakh for Asset-1(B) during 2014-15, 2015-16 and 2016-17 respectively, accordingly there is cost over-run in the case of Asset-1(A).

2. None of the respondents were present.

3. The Commission observed that RPC is the appropriate body to approve the use of Line Reactors as Bus Reactors and directed the petitioner to obtain the approval of the RPC and submit the same to the Commission by 30.10.2015.

4. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 16.10.2015:-

- a) RLDC charging certificate of the instant assets;
- b) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;
- c) Impact of each of the reason on cost over-run in the case of preliminary works, material of transmission line, sub-station foundation for structure, structure for switchyard and auxiliary system;
- d) RPC approval for charging line reactor as bus reactor;
- e) Voltage profile of 765 kV Raipur Pooling Station before and after commissioning of line reactor as bus reactor;
- f) Reason for charging of line reactor as bus reactor, when the line (765 kV Raipur-Champa D/C) was charged;



- g) Status of Champa Pooling Sub-station;
- h) Explain the time frame upto which, the contingency arrangements would continue, as there is only partial benefit of line and lower reliability of lines by bunching of two circuits at both ends, during contingency arrangements;
- i) Auditors' Certified details of un-discharged liabilities as on date of commercial operation (COD), on closing of each financial year and year wise discharge/reversal, if any of the same, during tariff period of 2014-19 in respect of each element i.e. land, building and civil works, Transmission Line, sub-station etc;
- j) Confirm that Form-4A "Statement of Capital Cost" submitted is on cash basis or auditors' certificate is on accrual basis as the cost figures certified by the auditors for both the assets matches with the cost figures shown in Form-4A as per Books of account (accrual Basis) for instant assets;
- k) Reasons for discrepancy/increase in two different auditors' certificates dated 21.2.2014 (submitted in the original petition) and 21.5.2015 (submitted vide affidavit dated 25.6.2015), wherein audited capital cost (Hard cost) upto 31.3.2013 is certified to be as ₹35552.38 lakh and ₹36535.64 lakh respectively;
- l) Clarify the variation in the approved apportioned cost figures of ₹51881.96 lakh and ₹52223.12 lakh submitted in the original petition and vide affidavit dated 25.6.2015 (aggregate for both assets after splitting) and submit apportioned approved cost as per FR and RCE along with revised apportioned approved cost as per RCE duly certified by the competent authority;
- m) Detailed computation of actual IDC worked out under this project along with pro-rata of the same to the cost of individual asset of the project on cash basis as the earlier submission "the total amount is booked upto COD pro-rata to the cost of the individual asset considering the total IDC under this project" is not satisfactory along with an editable soft copy of computation in Excel format;
- n) Detailed month wise and element wise breakup of IEDC along with the payment dates along with apportionment of IDC and IEDC amongst different elements i.e. land, building and civil works, transmission line and sub-station etc.;
- o) Loan agreement of IFC-A loan (31419-00) and loan agreement of FC-Bond (17.1.2013) along with information of date of drawl of all loans for the



instant assets, date of infusion of loans in the project, applicable interest rate from date of drawl/infusion of loan till the actual COD in the case of a loan with floating rate of interest, date of interest payment and exchange rate on the date of such payment in case of foreign loan;

- p) Information of treatment of interest accrued/paid during the period, in case of variation in the date of drawl of the loan and infusion of the same in the project, if any, and utilization of the debt during the gap;
- q) Interest rate proof document for long term loan as it appears short term loan interest rate applicable from 1.5.2014 to 31.5.2014 (page 84 of affidavit dated 25.6.2015) has been submitted, along with interest rates from time to time i.e. from date of drawl/infusion of the loan upto the actual COD in the case of SBI loan;
- r) Details of year wise liability discharged corresponding to initial spares procured upto cut-off date in the case of transmission line; and
- s) Form-3, Form-5, Form-5A, Form-5B, Form-9, Form-9A, Form-9B, Form-14 and Form-15;

5. The Commission directed the respondents to file their reply by 30.10.2015 with advance copy to the petitioner who shall file its rejoinder, if any, by 10.11.2015. The Commission also directed the petitioner and the respondents to file the information within the dates specified and observed that information received after the due dates shall not be considered.

6. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 31.3.2015 in Petition No. 532/TT/2014.

7. The Commission observed that the matter will be listed for final hearing after completion of the pleadings.

By Order of the Commission

sd/-
(T. Rout)
Chief (Legal)

