

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 64/TT/2015

- Subject** : Approval of transmission tariff for Essar Gujarat TPS-Bachau 400 kV D/C (triple) line and Extension of Bachau Sub-station under Transmission System for connectivity of Essar Power Gujarat Limited in Western Region 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.
- Date of Hearing** : 3.3.2015
- Coram** : Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
- Petitioner** : Power Grid Corporation of India Ltd.
- Respondents** : Essar Power Gujarat Limited and 8 others
- Parties present** : Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Prashant Sharma, PGCIL
Shri Rakesh Prasad, PGCIL

Record of Proceedings

This petition has been filed by Power Grid Corporation of India Ltd. (PGCIL) seeking approval of transmission tariff for Essar Gujarat TPS-Bachau 400 kV D/C (triple) line and Extension of Bachau Sub-station under “Transmission System for connectivity of Essar Power Gujarat Limited” in Western Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”). The petitioner has also prayed for allowing 90% of the Annual Fixed Charges claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 tariff Regulations.

2. The matter was heard on 3.3.2015 for consideration of petitioner’s prayer for grant of AFC under Regulation 7(7) of the 2014 Tariff Regulations. During the hearing, the representative of the petitioner submitted that as per the Investment Approval (IA) dated 14.12.2011 the instant asset was to be commissioned within 26 months from the



date of IA and, accordingly, the schedule date works out to 14.2.2014. He further submitted that the instant asset is anticipated to be commissioned on 1.4.2015.

3. The representative of the petitioner submitted that the delay is due to RoW issues and the delay in commissioning of associated bays at the generator end under the scope of Essar Power Gujarat Limited (EPGL). The representative of the petitioner has further submitted that the bays at EPGL were getting delayed and, accordingly, they slowed down the work to keep bays with generation project and it is not feasible to delay the project beyond a point as it would have bearing on their project cost and, therefore, requested to approve the date of commercial operation of the instant transmission line under Second Proviso of Clause 3 of Regulation 4 of the 2014 Tariff Regulations.

4. The Commission observed that it would like to have the comments of EPGL before grant of AFC as prayed by the petitioner under Regulation 7(7) of the 2014 Tariff Regulations. Accordingly, the Commission directed EPGL to submit its reply to the petitioner's request for approval of DOCO of the instant asset under Regulation 4(3) of the 2014 Tariff Regulations and status of their generation projects by 24.4.2015 on affidavit with the copy to the petitioner and other beneficiaries. The petitioner was directed to file its rejoinder, if any, with the copy to EPGL and other beneficiaries by 15.5.2015.

5. The petitioner was also directed to file the following information with the copy to the respondents by 15.5.2015:-

- (i) DOCO of the asset should be certified after achieving the commercial operation. Trail operation certificate of WRLDC.
- (ii) Single Line Diagram of the asset in the instant petition.
- (iii) The reason and justification for cost variation in certain heads as per Form 5 in Asset-I (page 144 and 146) of petition. For the following items along with documentary evidence:

Items	Asset wise % Cost variation
	I
Preliminary Investigation, Right of Way, Forest clearance, PTCC, general civil works, etc.	22
Conductor	17
Compensating Equipment (Reactor, SVCs etc)	50
Switchgear (CT, PT, Circuit Breaker, Isolator, etc..)	81
Bus Bar/ Conductors/Insulators	142
Auxiliary System	52
Control, Relay and Protection Panel	35

- (iv) The basis on which FR estimates were prepared since there is large variation in completion cost w.r.t FR cost, in certain items;
- (v) Clarify whether Indemnification/Implementation Agreement has been entered with M/s. Essar Power Gujarat Limited (Generating station) in line with Regulation 3(34) of 2014 Tariff Regulations and any liquidated damages has been recovered/is to be recovered accordingly;
- (vi) Documents in support of interest rates and repayment schedules (as per Form-9C) proposed loan deployed for the asset. Details of default if any, in interest payment on loan;
- (vii) Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for the asset. Amount of capital liabilities in gross block should also be indicated;
- (viii) The computation of interest during construction along with editable soft copy in Excel format with links for the asset for the following periods:
 - (i) From the date of infusion of debt fund up to scheduled DOCO as per Regulation 11 (A) (1) of Tariff Regulation, 2014.
 - (ii) From scheduled DOCO to actual DOCO of the asset;
- (ix) Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of the asset (i.e. from scheduled DOCO to actual DOCO) along with the liquidated damages recovered or recoverable, if any; and
- (x) Status of the commissioning of the communication system associated with the said transmission asset covered in the instant asset.

7. The Commission further directed to list the matter on 19.5.2015 for consideration of the petitioner's prayer for AFC under Regulation 7(7) of the 2014 Tariff Regulations.

By order of the Commission

sd/-
(T. Rout)
Chief Legal

