

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 18/TT/2014

Subject : Petition for truing-up of annual transmission charges for the period FY 2009-13 and Revised Estimates of FY 2013-14 for 400 KV double circuit Muzaffarpur-Gorakhpur transmission line in Eastern-Northern Inter-Region associated with Tala Hydro Electric Project, East-North Inter-Connector and Northern Region Transmission System of Powerlinks Transmission Limited.

Date of Hearing : 21.7.2015

Coram : Shri Gireesh B. Pradhan, Chairperson
Shri A. K. Singhal, Member
Shri A. S. Bakshi, Member

Petitioner : Powerlinks Transmission Limited (PTL)

Respondents : Power Grid Corporation of India Limited and 17 others

Parties present : Shri Amit Kapur, Advocate, Powerlinks
Shri Vishal Anand, Advocate, Powerlinks
Shri Janmali Manikala, Advocate, Powerlinks
Shri Swapnil Mishra, Powerlinks
Shri J.K. Tiku, Powerlinks
Shri R.B. Sharma, Advocate, BRPL

Record of Proceedings

The learned counsel for the petitioner made submissions in the form of slides and submitted that:-

- a) Powerlinks Transmission Limited (joint venture between Tata Power (51%) and PGCIL (49%)) implemented India's first private inter-state transmission project on BOOT basis at a cost of ₹1564 cr as against approved cost of ₹1612 cr;
- b) Transmission licence was granted to Powerlinks Transmission Limited on 13.11.2003 to transmit electricity and for that purpose to construct, maintain and operate the inter-state transmission system associated with the Tala Hydro



Electric Project East-North Inter Connector and Northern Region Transmission System;

- c) PGCIL is the off-taker of entire transmission capacity;
- d) The instant petition has been submitted pertaining to Muzaffarpur (New)-Gorkhpur (New) 400 kV D/C (Quad conductor) transmission line;
- e) The Commission, vide order dated 28.4.2008 in Petition No. 147/2007, has approved capital cost as on the date of commercial operation and additional capital expenditure for the FY 2006-07 for Muzaffarpur (New)-Gorakhpur (New) 400 kV D/C (Quad. Conductor) transmission line. The Commission awarded annual transmission charges for the period 2006-09;
- f) Subsequently, vide order dated 29.7.2009 in Petition No. 66/2009, additional capital expenditure for the FYs 2007-08 and 2008-09 have been approved by the Commission;
- g) The Commission in its order dated 18.8.2010 in Petition No. 286/2009 approved the annual transmission charges for the period 2009-14. The petitioner had not projected any additional capital expenditure during the period 2009-14 and accordingly the Commission did not consider the same while approving the annual transmission charges for the above period;
- h) The petitioner on 4.1.2008, received a refund for an amount of ₹56.71 lakh from the Commission for excess Licensee Fee paid for the period from the date of issue of transmission license to the COD. However, the petitioner inadvertently accounted such refund under "Miscellaneous Income" in FY 2007-08 instead of de-capitalizing the amount from the approved capital cost of the project. Accordingly, revised capital cost for instant transmission asset from ₹38834.37 lakh to ₹38821.72 lakh be approved;
- i) While determining the transmission tariff for FY 2006-09 the Commission (order dated 29.7.2009 in Petition No. 66/2009 and 28.4.2008 in Petition No. 147/2007) did not consider the license fees for recovery from the beneficiaries. However, in the Petition Nos. 21/2011 and 22/2011 filed by PGCIL, the Commission through its Order dated 25.10.2011 allowed the recovery of license fees. Hence, the petitioner seeks the same treatment by the Commission;
- j) As per the agreement signed between the petitioner and PGCIL, the petitioner had paid 90% of the consultancy fees to PGCIL and capitalized the entire amount in project cost before 31.3.2009. Subsequently, Powerlinks had paid ₹227.97 lakh to PGCIL on 4.12.2010, which has also now been capitalized in the

transmission system in the ratio of the respective transmission line length. Accordingly, ₹50.83 lakh has been capitalized by the petitioner;

- k) A section of the 400 kV Muzaffarpur-Gorakhpur transmission line utilizes 1.6444 hectare of forest land. The petitioner had applied for forest clearance and the forest department has through their letter dated 3.3.2010 provided the principle consent for the usage of the above land. The petitioner to provide equivalent land of 1.6444 hectares and compensation for plantation and protection of 869 trees. The petitioner paid compensation of ₹39.27 lakh to forest department on 8.2.2011. Accordingly, the petitioner has considered this expense as a part of O&M and have proposed for the approval under Regulation 44 (Power to Relax) of 2009 Tariff Regulations of such compensation amount over and above the normative O&M Expenses for the year in which such expense have been incurred;
- l) Has claimed the 'Incentive' (pre-tax) based on the actual availability during FY 2009-13 and estimated availability during FY 2013-14 on annual fixed charges (including majoration charges). The petitioner has submitted that the annual availability of the inter-connector transmission assets have duly certified by the member-secretary, NRPC;
- m) The Commission, vide order dated 1.7.2004 in the Petition 51/2004, has allowed the transmission majoration factor for the petitioner. On similar lines, has claimed the transmission majoration factor for FY 2009-14 and included the same in the proposed true-up annual transmission charges; and
- n) The instant petition has been filed for the true-up of annual transmission charges for the period 2009-13 and revised estimates of 2013-14. The petitioner has filed another petition i.e. Petition No. 515/TT/2014 for true-up of annual transmission charges for 2013-14. The petitioner requested the Commission to consider the instant petition along with Petition No. 515/TT/2014.

2. In response to a query of the Commission regarding the reasons for seeking compensation paid towards plantation for trees under Regulation 44, the learned counsel for the petitioner clarified that the compensation paid toward plantation of trees is not cover under the O&M norms defined under Regulation 19(g) of 2009 Tariff Regulations and hence the petitioner claimed the relief under "power to relax".

3. The learned counsel for BRPL submitted that reply has been filed on 10.6.2015. The petitioner has arraigned BRPL as proforma respondent. As the petitioner is

claiming transmission charges from BRPL, it should be made a respondent in the matter. In response learned counsel for the petitioner submitted that they have not received any reply till date.

4. The Commission directed the learned counsel for BRPL to serve a copy of its reply to the petitioner and directed the petitioner to file its rejoinder. The Commission further directed the petitioner to submit the Complete Form-13 alongwith supporting documents in respect the loans considered indicating rates of interest on loan, repayment schedule, and details of foreign loans as per the foot note indicated in Form-13 of 2009 Tariff Regulations, on affidavit before 14.8.2015 with a copy to all the respondents.

5. The Commission observed that the due date of filing the information and rejoinder should be strictly complied with and information and rejoinder filed after due date shall not be considered while passing orders

6. The Commission directed to list the petition on 20.8.2015.

By order of the Commission

Sd/-
(T. Rout)
Chief Legal

