

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 257/TT/2013

Coram:

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

Date of Hearing : 04.06.2015

Date of Order : 17.09.2015

In the matter of:

Determination of tariff for natural inter-State transmission lines of DVC as per the directive of Central Electricity Regulatory Commission's order dated 14.3.2012 in Petition No.15/Suo-Motu/2012.

And in the matter of:

Damodar Valley Corporation
DVC Towers, VIP Road,
Kolkata-700504

.....**Petitioner**

Vs

1. West Bengal State Electricity Transmission Company
(Previously West Bengal State Electricity Board),
Vidyut Bhawan, Block- DJ, Sector-II
Bidhannagar, Kolkata-700091 .

2. Orissa Power Transmission Co Ltd, ,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134109.

.....**Respondents**

For petitioner : Smt. Anushree Bardhan, Advocate for DVC

For respondent : Shri R.K. Mehta, Advocate for OPTCL
Shri Sarangi, OPTCL

ORDER

The instant petition has been filed by Damodar Valley Corporation (DVC) for approval of the annual transmission charges for 220 kV Waria-Bidhannagar Line 1&2 and 220 kV Jindal-Jamshedpur line (hereinafter referred to as "transmission lines") owned by it



under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter "2009 Tariff Regulations") in terms of Commission order dated 14.3.2012 in Petition No.15/SM/2012.

2. The Commission vide order dated 14.3.2012 in Petition No. 15/SM/2012 gave the following directions:-

"5. It has come to the notice of the Central Commission that the some of the owners/developers of the inter-State transmission lines of 132 kV and above in North Eastern Region and 220 kV and above in Northern, Eastern, Western and Southern regions as mentioned in the Annexure to this order have approached the Implementing Agency for including their transmission assets in computation of Point of Connection transmission charges and losses under the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 (hereinafter "Sharing Regulations").

6. As a first step towards inclusion of non-ISTS lines in the POC transmission charges, the Commission proposes to include the transmission lines connecting two States, for computation of POC transmission charges and losses. However, for the disbursement of transmission charges, tariff for such assets needs to be approved by the Commission in accordance with the provisions of Sharing Regulations. Accordingly, we direct the owners of these inter-State lines to file appropriate application before the Commission for determination of tariff for facilitating disbursement.

7. We direct the respondents to ensure that the tariff petitions for determination of tariff is filed by the developers/owners of the transmission line or by State Transmission Utilities where the transmission lines are owned by them in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, by 20.4.2012."

3. In accordance with the Commissions' above said directions, DVC has identified the following two 220 kV transmission lines as natural inter-State transmission lines having connectivity with its T&D network:-

- a) 220 kV Waria-Bidhannagar Line 1&2 and
- b) 220 kV Jindal-Jamshedpur line

4. DVC has submitted that some portion of the 220 kV D/C Waria-Bidhannagar Line 1&2 is being operated and maintained by DVC and remaining portion by West Bengal State Electricity Transmission Company Limited (WBSETCL). Similarly part of 220 kV S/C

Jindal-Jamshedpur Line is operated and maintained by it and the other portion by Orissa Power Transmission Company Limited (OPTCL). DVC has submitted that tariff is being claimed by it in this petition only for the portion of the lines operated and maintained by DVC.

5. The petitioner has submitted that it explored all possible avenues for finding out details of the investment made and other related information regarding the two transmission lines covered in this petition from its transmission wing. As per the available record the 220 kV D/C Waria-Bidhannagar Line 1&2 and 220 kV S/C Jindal-Jamshedpur Line were commissioned during 1991 and 1985 respectively. The details of the transmission lines furnished by the petitioner are given in the table below:-

Name of the Assets	DOCO	Total line length in ckm/ no. of towers / bays	No. of line bays (under DVC)	Total line length (ckm)/ No. of towers (under DVC)
220 kV D/C (Single conductor) Waria-Bidhannagar Line # 1&2	1991	2X20 ckm 4 nos. bays 59 no.of towers	2 Nos. (bays at DVC end)	2X20 ckt. km 59 no. of towers
220 kV S/C (Single conductor) Jindal-Jamshedpur Line	1985	1X134.74 ckm 435 no. of towers 2 nos. bays	1 No. (bay at DVC end)	1X100.8 ckt. km 315 no of towers

Capital Cost

6. The petitioner has submitted that no clear record is available with DVC with regard to the capital cost and deployment of funds for construction of these transmission lines. These tie lines were not included in the petition for determination of T&D tariff for the period 2004-09 and 2009-14. However, O&M of these lines upto a certain distance is undertaken by DVC. The issue was discussed in 23rd Commercial Committee meeting of ERPC wherein in it was agreed that WBSETCL, Orissa, JSEB, BSEB, Sikkim and the petitioner would sit together to evolve a common approach for addressing the issue as the constituents could not furnish the details included in the ARR and their associated costs.

The petitioner submitted that the capital cost of the above tie lines were never included in the capital cost of power activities for which petitions were filed from time to time. Therefore, the cost of these lines was never treated as a part of the capital cost of DVC and no tariff was claimed in respect of these transmission lines. The petitioner has submitted that the capital costs of such lines were in all probability contributed by respective State utility or the State Government or the Central Government for the purpose of enabling power transfer. The petitioner has submitted that there is no requirement to service the capital cost of the above lines either by ROE or by Interest on Loan, etc. It has been operating and maintaining such lines and accordingly the O&M Expenses as per normative cost specified in the 2009 Tariff Regulations may be allowed. The other tariff elements such as Interest on Loan, Depreciation, Return on Equity, etc are not applicable to the instant transmission lines. However, the cost of maintaining such lines is to be included for the purpose of calculation of interest on working capital admissible to such lines.

7. During the hearing on 25.3.2014, the learned counsel for the petitioner submitted that capital cost relating to 220 kV D/C Waria-Bidhannagar line and 220 kV S/C Jindal-Jamshedpur line were never included in the capital cost of power activities and no tariff was claimed in respect of the capital cost on such lines. He further submitted that it has been operating and maintaining the tie lines and as such O&M Expenses as per norms may be allowed.

8. The petitioner vide affidavit dated 21.5.2014 has reiterated that Interest on Loan, Depreciation, Return on Equity, etc are not applicable to the above two lines and the O&M Expenses for the instant transmission lines may be allowed as per 2009 Tariff Regulations as it has been operating and maintaining these transmission lines. The petitioner has further submitted that the cost of maintaining such lines is to be included for the purpose

of calculation of interest on working capital admissible to such lines. The petitioner has submitted that tariff in respect of composite and integrated T&D network of DVC was allowed vide order dated 27.9.2013 in Petition No. 270/TT/2012 and the capital cost in respect of these natural IST lines viz (i) 220 kV D/C Waria-Bidhannagar Line and (ii) 220 kV S/C Jindal-Jamshedpur Line was not allowed in the said order.

9. OPTCL in its reply vide affidavit dated 24.6.2015 has submitted that in pursuant to the directions of the Commission's order dated 14.3.2012 in Petition No.15/Suo-motu/2012, Petition No.203/TT/2013 has been filed by OPTCL for determination of tariff for 22 natural inter-State lines. OPTCL has further submitted that 220 kV Joda-Jindal-Jamshedpur line is a natural inter-State line and 32 km portion of the line is owned by OPTCL and it is included in Petition No.203/TT/2013 and in the instant petition DVC has prayed for determination of tariff in respect of portion of the line owned by it.

10. We have considered the submissions made by the petitioner. It has been observed that the petitioner filed Petition No.272/2010 for determination of deferred elements of tariff for generation and inter-State transmission of electricity for the period 1.4.2006 to 31.3.2009. The instant transmission assets are part of T&D System of the petitioner and the same has been covered in Petition No.272/2010. Annual Fixed Charges (AFC) including O&M Expenses have been granted for the T&D system of the petitioner vide order dated 8.5.2013. Similarly, AFC (considering only O&M Expenses and associated IWC) for the instant transmission lines, which were part of the T&D of the petitioner, for the period 2009-14 tariff period was allowed vide orders dated 27.9.2013 and 23.10.2013 in Petition No.270/TT/2012. This has also been confirmed by the Chief Engineer (Commercial) of the petitioner vide e-mail dated 11.5.2014.

11. Since AFC for the instant transmission lines has already been included in the tariff determined for T&D System of DVC for the period 2006-09 and 2009-14, nothing survives in this petition. Accordingly, the instant petition is disposed of.

sd/-
(A. K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

