

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 199/TT/2015**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A.K. Singhal, Member  
Shri A.S. Bakshi, Member  
Dr. M.K Iyer, Member**

**Date of Hearing: 06.10.2015  
Date of Order : 21.10.2015**

**In the matter of**

Approval of transmission tariff of (A) One Ckt of 400 KV D/C Sikar-Ratangarh line with associated bays (B) Second Ckt of 400 KV D/C Sikar-Ratangarh line with associated bays (C) 125 MVAR bus reactor at Ratangarh SS(RRVPNL) with associated bays under "System Strengthening for Sasan and Mundra UMPP" In Northern Region for tariff block 2014-19, 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.

**And in the matter of**

Power Grid Corporation of India Limited,  
"Saudamani", Plot No.2,  
Sector-29, Gurgaon -122 001

Vs

.....**Petitioner**

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,  
Vidyut Bhawan, Vidyut Marg,  
Jaipur- 302 005
2. Ajmer Vidyut Vitran Nigam Limited,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Limited,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur



4. Jodhpur Vidyut Vitran Nigam Limited,  
400 kV GSS Building (Ground Floor), Ajmer Road,  
Heerapura, Jaipur
5. Himachal Pradesh State Electricity Board,  
Vidyut Bhawan, Kumar House Complex Building II,  
Shimla-171 004
6. Punjab State Electricity Board,  
Thermal Shed TIA, Near 22 Phatak,  
Patiala-147 001
7. Haryana Power Purchase Centre,  
Shakti Bhawan, Sector-6,  
Panchkula (Haryana)-134 109
8. Power Development Department,  
Govt. of Jammu and Kashmir,  
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Limited,  
(Formerly Uttar Pradesh State Electricity Board)  
Shakti Bhawan, 14, Ashok Marg,  
Lucknow-226 001
10. Delhi Transco Limited,  
Shakti Sadan, Kotla Road,  
New Delhi-110 002
11. BSES Yamuna Power Limited,  
BSES Bhawan, Nehru Place,  
New Delhi
12. BSES Rajdhani Power Limited,  
BSES Bhawan, Nehru Place,  
New Delhi
13. North Delhi Power Limited,  
Power Trading & Load Dispatch Group,  
Cennet Building, Adjacent to 66/11kV Pitampura-3,  
Grid Building, Near PP Jewellers,  
Pitampura, New Delhi-110 034
14. Chandigarh Administration,  
Sector-9, Chandigarh



15. Uttarakhand Power Corporation Limited,  
Urja Bhawan, Kanwali Road,  
Dehradun

16. North Central Railway,  
Allahabad

17. New Delhi Municipal Council,  
Palika Kendra, Sansad Marg,  
New Delhi-110 002

.....**Respondents**

**For petitioner** : Shri Jasbir Singh, PGCIL  
Shri S. S. Raju, PGCIL  
Shri M. M. Mondal, PGCIL  
Shri S.K. Venkatesan, PGCIL  
Smt. Sangeeta Edwards, PGCIL  
Shri Subhash C. Taneja, PGCIL  
Shri K.K Jain, PGCIL

**For respondents** : None

### **ORDER**

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for (A) One Ckt of 400 KV D/C Sikar-Ratangarh line with associated bays (B) Second Ckt of 400 KV D/C Sikar-Ratangarh line with associated bays (C) 125 MVAR bus reactor at Ratangarh SS(RRVPNL) with associated bays under "System Strengthening for Sasan and Mundra UMPP" (hereinafter referred to as "transmission assets") in Northern 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 to allow 90% of the Annual Fixed Charges in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.



2. The details of the assets covered in the instant petition are given hereunder:-

<b>Particulars</b>	<b>Scheduled COD</b>	<b>Actual COD</b>	<b>Delay</b>
One Ckt of 400 kV D/C Sikar-Ratangarh line with associated bays	10.8.2012	3.2.2015	30 months
Second Ckt of 400 kV D/C Sikar-Ratangarh line with associated bays	10.8.2012	11.2.2015	30 Months
125 MVAR bus reactor at Ratangarh SS(RRVPNL) with associated bays	10.8.2012	3.2.2015	30 months

3. The matter was heard on 6.10.2015 for consideration of the petitioner's prayer for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. The representative of the petitioner submitted that, as per the Investment Approval (IA) dated 10.12.2009, the assets were scheduled to be commissioned within 32 months from the date of IA, i.e. by 10.8.2012. Assets A and C were commissioned on 3.2.2015 and Asset B was commissioned on 11.2.2015 after a delay of 30 months. He submitted that the time over-run in case of Assets A and B is due to RoW issues and in case of Asset C, it was due to delay in signing of the agreement for deposit work between the petitioner and RRVNPL. He also submitted that there is cost over-run in the instant case. He requested to condone the time over-run and allow tariff as claimed in the petition. He further prayed to allow 90% of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

4. The representative of the petitioner clarified during the hearing that the 400 kV D/C Sikar-Ratangarh (RVPN) line has been commissioned as single circuit lines on

3.2.2015 and 11.2.2015 and the same is conformity with Regulation 6(2) of the 2014 Tariff Regulations which requires that for the purpose of determination of tariff, the capital cost of the project may be broken into transmission lines and sub-stations.

5. We have considered the submissions of the petitioner. The petitioner has declared two circuits of D/C line under commercial operation on two different dates and has claimed tariff with reference to the date of commercial operation of each circuit. According to the petitioner, the same is permissible under Regulation 6 (2) of the 2014 Tariff Regulations. In our view, the issue involved is not whether the tariff should be determined transmission line wise or sub-station wise in this case. The issue is whether two circuits of a D/C line can be declared under commercial operation separately. Regulation 4 (3) of 2014 Tariff regulations provides that the date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end. Regulation 5 (2) defines trial operation in relation to a transmission system or an element thereof shall mean successful charging of the transmission system or an element thereof for 24 hours at continuous flow of power. Therefore, either the whole transmission system or an element thereof can be declared under commercial operation after successful trial operation. An “element” has been defined as an asset which has been distinctively defined under the scope of the project in its investment approval. On perusal of the investment approval it is noticed that 400 kV D/C Sikar-Ratangarh (RVPN) transmission line has been mentioned as a distinct element of the transmission system, namely,



System Strengthening in Northern Region for Sasan and Mundra Ultra Mega Power Project. Since, the circuits of the said D/C line are not recognized as independent transmission lines in the investment approval, we are of the view that Sikar-Ratangarh (RVPN) 400 kV D/C line shall be considered as one element and after trial operation of the said transmission line as a whole, can be put under commercial operation. Even though the petitioner has separately declared the commercial operation of each circuit of the transmission line, the said commercial operation cannot be accepted for the purpose of determination of tariff. Therefore, we are of the view that the commercial operation of Sikar-Ratangarh (RVPN) 400 kV D/C line shall be with effect from the date of commercial operation of the second circuit of the transmission line i.e. 11.2.2015. IDC will be admissible for the said transmission line till the date of commercial operation of the transmission line. Accordingly, the petitioner is directed to file the revised tariff forms for the combined asset as per the 2014 Tariff Regulations.

6. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses) Regulations, 2010. 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 the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these Regulations.



7. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of 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.

8. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time and cost over-run in the instant case, which shall be looked into at the time of final tariff, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 9 of this order for the years 2014-15 and 2015-16.

9. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

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

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset - A	154.08	1062.93	1164.20	1164.40	1164.18
Asset - B	92.51	730.42	783.33	785.99	788.64
Asset - C	31.31	226.11	259.92	257.85	258.85

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)	
	2014-15 (pro-rata)	2015-16
Asset-A	93.22	754.95
Asset-B	71.12	561.55
Asset-C	15.16	109.47

As mentioned at para 5, COD of Asset - A has been considered as 11.2.2015



10. The AFC 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 Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

11. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 19.11.2015 and the respondents to file their replies by 4.12.2015 and rejoinder to be submitted by 18.12.2015, if any :-

- a) Submit the Revised Cost Estimate (RCE), if any.
- b) Documents in support of Date of Drawl and Exchange Rate proof at the Actual CODs of all the assets, for the foreign loan i.e. IBRD V. Also, If there is any default in the interest payment on the said loan mentioned at Form-9C, petitioner is required to provide the details;
- c) Petitioner may be directed to submit the editable soft copy in Excel format with links, of the computation of interest during construction (IDC), from:
  - i) The date of infusion of debt fund up to SCOD and
  - ii) SCOD to Actual CODs of the Assets;
- d) Petitioner may be directed to submit **Form-9** (Details of allocation of corporate loans to various transmission elements) in respect of all the Assets;
- e) Clarify whether entire liability pertaining to initial spares has been discharged as on COD, if no, year wise detail of discharging of the same, among the Substation and Transmission line separately;
- f) Summary of factors responsible for time over-run and period of time over-run for each factor;
- g) Details of cost over-run with respect to various items; and
- h) Revised tariff forms for the combine assets as per 2014 Tariff Regulations.





12. 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 15.4.2015 in Petition No. 532/TT/2014.

13. 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.

14. The petition will be listed for final hearing after the information sought in para 11 is filed.

**(Dr M.K. Iyer)**  
**Member**

**(A.S. Bakshi)**  
**Member**

**(A.K. Singhal)**  
**Member**

**(Gireesh B. Pradhan)**  
**Chairperson**

