

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 33/TT/2015

Coram:

**Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member**

Date of Hearing: 03.03.2015

Date of Order : 15.04.2015

In the matter of:

Approval 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 of transmission tariff:

1. Asset-A: LILO of Ckt-II of 400 kV D/C Lucknow-Bareilly transmission line at Shahjahanpur (DOCO: 13.6.2014)
2. Asset B: 315 MVA, 400/220 kV ICT-I with 3 nos. of 220 kV line bays at Shahjahanpur (DOCO: 15.6.2014)
3. Asset C: 315 MVA, 400/220 kV ICT-II with 3 nos. of 220 kV line bays at Shahjahanpur (Anticipated DOCO: 1.1.2015)
4. Asset D: Extension of 400/220 kV GIS Gurgaon (Anticipated DOCO: 1.1.2015)
5. Asset E: 2X50 MVAR Bus Reactor at 400/220 kV Bareilly Sub-station along with associated bays (Existing line Reactors retained and used as Bus Reactor) (DOCO: 1.4.2014)
6. Asset F: 125 MVAR Bus Reactor at Shahjahanpur (Anticipated DOCO: 1.1.2015)

under "Northern Regional Transmission Strengthening Scheme" in Northern Region from DOCO to 31.3.2019.

And in the matter of:

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

.....Petitioner



Vs

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 S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Ms Sangeeta Edwards, 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 transmission assets under “Northern Regional Transmission Strengthening Scheme” 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 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 details and the elements covered in the petition are as follows:-

S. No.	Asset	Name of the Asset	Scheduled DOCO as per Investment Approval	Anticipated/ Actual DOCO as on the date of petition	Anticipated/ Actual DOCO as on the date
1	Asset-A	LILO of Ckt-II of 400 kV D/C Lucknow-Bareilly transmission line at Shahjahanpur	16.11.2012	13.6.2014 (Actual)	-
2	Asset-B	315 MVA, 400/220 kV ICT-I with 3 nos. of 220 kV line bays at Shahjahanpur		15.6.2014 (Actual)	-
3	Asset-C	315 MVA, 400/220 kV ICT-II with 3 nos. of 220 kV line bays at Shahjahanpur		1.1.2015 (Anticipated)	1.4.2015 (Anticipated)
4	Asset-D	Extension of 400/220 kV GIS Gurgaon		1.1.2015 (Anticipated)	16.1.2015 (Actual)
5	Asset-E	2X50 MVAR Bus Reactor at 400/220 kV Bareilly Sub-station along with associated bays (Existing line Reactors retained and used as Bus Reactor)		1.4.2014 (Actual)	-
6	Asset-F	125 MVAR Bus Reactor at Shahjahanpur		1.1.2015 (Anticipated)	1.4.2015 (Anticipated)

3. During the hearing on 3.3.2015, the representative of the petitioner prayed for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the instant assets.

4. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff 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), Regulation, 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.

5. 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.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of the instant assets and cost over-run in case of Asset-D and Asset-F, which shall be looked into in detail at the time of issue 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 7 of this order for the years 2014-15 and 2015-16. Asset-C and Asset-F were anticipated to be commissioned on 1.1.2015 as per the instant petition but now are anticipated to be commissioned on 1.4.2015. Hence, tariff for these two assets is allowed for the year 2015-16 only.

7. 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:-

(₹ in lakh)					
Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-A	864.37	1168.49	1155.99	1143.31	1130.90
Asset-B	608.31	816.47	809.24	802.23	795.45
Asset-C	164.88	784.50	777.93	771.49	765.37
Asset-D	83.12	378.36	373.36	368.30	363.36
Asset-E	151.44	176.13	175.14	174.20	173.35
Asset-F	47.62	220.17	218.48	216.90	215.39

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)		
Assets	2014-15 (Pro-rata)	2015-16
Asset-A	691.50	934.79
Asset-B	486.65	653.18
Asset-C	-	627.60
Asset-D	58.04	264.20
Asset-E	83.05	96.59
Asset-F	-	176.14

8. 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.

9. 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.

10. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 29.5.2015:-

- a. Certification of RLDC after achieving commercial operation and Trial Operation certificates for the Assets-C, D, E and F;
- b. Minutes of meeting of Standing Committee for approval for the instant Assets;
- c. Status of downstream line at Shahjahanpur Sub-station and Gurgaon GIS Sub-station;
- d. Form-5A in respect of Asset-E and F with complete information;
- e. Reasons for cost over-run in the case of Asset-D and E;
- f. The reason and justification for cost variation in certain heads as per Form 5s in assets (page 94, 143, 169 and 249) of petition for the following items along with documentary evidence:-

Items	Asset wise % Cost variation			
	A	B	C	F
Site Preparation	-	-	-	38
Land	87	-	-	-
Control Room and Office Building including HVAC	54	54	54	67
Foundation for Structure	50	50	50	13
Miscellaneous Civil Works	304	233	233	-
Switchgear (CT, PT, Circuit Breaker, Isolator, etc.)	19	-	-	-
Bus Bar/ Conductors/Insulators	52	-	-	59
Control, Relay and Protection Panel	-	-	-	19
PLCC	-	-	-	-
Outdoor Lighting	96	96	96	144
Structure for Switchyard	40	17	52	48
Power Control cables	93	-	-	238
Miscellaneous Equipment	-	-	-	30

- g. Documentary evidence for delay in commissioning of Asset-E;
- h. Auditor's Certificates and DOCO Letters (in case of actual COD) and Management certificates or Auditor's Certificates (in case of change of anticipated COD) and all Tariff Forms for concerned Assets. Auditor's Certificates or Management certificates of Expenditure for the Assets must be in the form of element wise segregation of Capital Cost and segregation of IDC/IEDC included thereon as on date of Commercial Operation;
- i. Auditor's Certificates of Expenditure for Asset-A and B indicating element wise segregation of Capital Cost and segregation of IDC/IEDC included thereon as on date of Commercial Operation;
- j. Clarify the discrepancy between Notification of DOCO vide letter dated 30.6.2014 (page-36 of the petition) in respect of Asset-B, wherein the asset has been indicated as "500 MVA ICT-I at Shahjahanpur Sub-station" and the asset, at text portion (page-12 of the petition) has been claimed as "315 MVA, 400/220 kV ICT-I with 03 Nos. of 220 kV Line Bays at Shahjahanpur";
- k. Clarify the discrepancy between the Auditor's Certificate dated 20.5.2014 and Management Certificate dated 29.9.2014 and all the Forms, in respect of Asset-C, Asset-D and Asset-F considering anticipated COD as 1.7.2014, 1.6.2014 and 1.12.2014 respectively and the text portion at page 12, wherein the anticipated COD, has been claimed for these assets as 1.1.2015;
- l. Documents in support of interest rates and repayment schedules for FC Bond and Proposed Loans including Repayment schedule for SBI Loan (as per Form-9c) and indicate details of default in interest payment of loan, if any;
- m. A copy of the Investment Approval certified by the Company Secretary;
- n. Form-4A "Statement of Capital Cost" as per Books of Accounts (accrual basis) for all the Assets and indicate Amount of Capital Liabilities in Gross Block also;
- o. Computation of interest during construction along with editable soft copy in Excel format with links for the assets for the following periods:-
 - (i) From the date of infusion of debt fund up to scheduled COD/actual COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (ii) Indicate any delay in completion of the assets, from scheduled COD to actual COD of the assets;

- p. Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of the instant assets (i.e. from Scheduled COD to actual COD/anticipated COD) along with the liquidated damages recovered or recoverable, if any;
- q. Form-9 (Details of allocation of corporate loans to various transmission elements) in respect of the instant assets;
- r. Form-9B (Details of Foreign loan/s, if any) in respect of the instant assets;
- s. Revised Form-9D (Loans in Foreign Currency) in respect of all the instant assets except Asset-B and instead of “Calculation of Weighted Average Rate of Interest on loans-Foreign Currency” submitted in Form-9D, details as per Form-9D indicating the repayment effective date;
- t. Form-12, in case of Time Overrun, in respect of instant assets; and
- u. Form-15 (actual cash expenditure) in respect of Asset-A, Asset-B, Asset-C and Asset-E.

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member