

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 531/TT/2014

Coram:

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

Date of Hearing: 20.01.2015

Date of Order : 15.04.2015

In the matter of:

Approval of transmission tariff for Shifting of 50 MVAR Line Reactor from Rengali to Baripada end (Actual DOCO: 1.3.2014) under "Transmission System associated with Teesta (Stage-V) HEP" in Eastern Region from DOCO to 31.3.2014 and from 1.4.2014 to 31.3.2019, Under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 as well as 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

.....Petitioner

Vs

1. North Bihar Power Distribution Company Limited,
2nd Floor, Vidyut Bhawan, Bailey road,
Patna-800 001, Bihar
2. South Bihar Power Distribution Company Limited,
2nd Floor, Vidyut Bhawan, Bailey road,
Patna-800 001, Bihar
3. West Bengal State Electricity Distribution Company,
Bidyut Bhawan, Bidhan Nagar,
Block DJ, Sector-II, Salt Lake City,
Calcutta-700 091

4. Grid Corporation of Orissa Limited,
Shahid Nagar, Bhubaneswar-751 007
5. Damodar Valley Corporation,
DVC Tower, Maniktala, Civic Centre,
VIP Road, Calcutta-700 054
6. Power Department,
Government of Sikkim,
Gangtok-737 101
7. Jharkhand State Electricity Board,
In Front of Main Secretariat
Doranda, Ranchi-834 002

.....**Respondents**

For petitioner : Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL

For respondents : None

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for transmission tariff for Shifting of 50 MVAR Line Reactor from Rengali to Baripada end under "Transmission System associated with Teesta (Stage-V) HEP" (hereinafter referred to as "transmission asset") in Eastern Region from 1.3.2014 to 31.3.2014 as well as 1.4.2014 to 31.3.2019. The petitioner has also prayed for grant of tariff as per Regulation 5 of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "the 2009 Tariff Regulations"), pending determination of final tariff.

2. The tariff for the instant transmission asset was initially claimed in Petition No.299/2010 along with the other assets associated with the Transmission System

Associated with Teesta (Stage-V) HEP. The assets were scheduled to be commissioned on 1.1.2009. As there was considerable delay in commissioning of the instant asset, the Commission in Petition No.299/2010 allowed the tariff for all the other assets covered in the petition, except the instant asset and directed the petitioner to file a separate petition in respect of the instant asset once it is commissioned. The transmission asset has been commissioned after a time over-run of 62 months on 1.3.2014.

3. The instant petition was heard on 20.1.2015. The representative of the petitioner submitted that the asset was commissioned on 1.3.2014 and tariff for one month is claimed under the 2009 Tariff Regulations. He submitted that the 2009 Tariff Regulations provides for filing a combined petition for truing up of the tariff allowed in the 2009-14 tariff period and tariff for the 2014-19 tariff period. Accordingly, the present petition may be considered as a truing up petition and tariff for both 2009-14 and 2014-19 tariff periods may be allowed. The petitioner further submitted that separate tariff forms have been submitted for the 2009-14 and 2014-19 tariff periods.

4. We have considered the submissions made by the petitioner. If the present petition is considered as a petition under the 2009 Tariff Regulations, the petitioner would be required to file a truing up petition after grant of final tariff in the instant petition. Grant of final tariff is likely to take some time and this would delay the filing of petition Under Regulation 6 of the 2009 Tariff Regulations. Further, this would lead to filing of multiple petitions. Hence, we are inclined to consider the instant petition as truing up petition for 2009-14 period to avoid duplication of petitions and the

consequent delay. As regards the petitioner's prayer for grant of provisional tariff under Regulation 5 of the 2009 Tariff Regulations, we would like to clarify that we are inclined to presently grant tariff for the instant asset for the 2014-19 tariff period in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the PoC charges for the period 2014-15 and 2015-16 on the basis of the capital cost as on 1.3.2014. Transmission tariff for the instant transmission asset for March, 2014 shall be allowed as per the 2009 Tariff Regulations along with the final tariff for 2014-19 tariff period.

5. 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) 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) provides that such an application shall be filed as per Annexure-I of these regulations.

6. The petitioner has made the application as per the Appendix to the 2009 Tariff Regulations and 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.

7. 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 asset, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as per para 8 of this order for the years 2014-15 and 2015-16.

8. 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	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	3.13	37.07	36.01	34.94	33.86	32.97

B. Provisional tariff/Annual transmission charges allowed are as follows:-

	(₹ in lakh)	
Assets	2014-15	2015-16
Asset-I	29.65	28.81

9. The tariff allowed in this order shall be applicable from 1.4.2014 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.

10. 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.

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson