

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 58/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 of transmission tariff for Asset-I:765 kV D/C Wardha-Aurangabad transmission line 1 and associated bays along with 765 kV, 3X80 MVAR line reactor at Aurangabad Sub-station, Asset-II:765/400 kV, 1500 MVA ICT-1 with bays and equipments at Aurangabad Sub-station, Asset-III:400 kV, 80 MVAR switchable line reactor for Aurangabad-Boiser transmission line ckt-1 charged as bus reactor at Aurangabad Sub-station, Asset-IV: 400 kV, 80 MVAR switchable line reactor for Aurangabad-Boiser transmission line ckt-2 charged as bus reactor at Aurangabad S/s, Asset-V:400/220 kV, 500 MVA ICT-3 with bays and equipments at Boiser, Asset-VI:400 kV, 80 MVAR line reactor for Aurangabad-Boiser transmission line ckt-1 charged as bus reactor at Boiser Sub-station, Asset-VII: 400 kV, 80 MVAR line reactor for Aurangabad-Boiser transmission line ckt-2 charged as bus reactor at Boiser Sub-station under IPPs generation projects in Chhattisgarh (IPP D)in Western Region 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.

.....Petitioner

Vs

1. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur
Jabalpur-482 008.
2. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th floor
Andehri (East), Mumbai-400 052.



3. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390 007.
4. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.
5. Electricity Department,
Administration of Daman and Diu,
Daman-396 210.
6. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230.
7. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013.
8. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road
Indore -452 008.

.....**Respondents**

For petitioner : Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Prashant Sharma, PGCIL
Shri Rakesh Prasad, 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 the assets covered under transmission System Strengthening associated with IPPs generation projects in Chhattisgarh (IPP D) in Western 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 of the assets covered in the petition and their dates of commercial operations are as follows:-

S. No.	Asset	Name of the Asset	Anticipated/ Actual DOCO as on the date of petition	Anticipated/ Actual DOCO as on the date
1	Asset-I	765 kV D/C Wardha-Aurangabad transmission line 1 and associated bays along with 765 kV, 3X80 MVAR line reactor at Aurangabad S/s	8.7.2014 (actual)	8.7.2014 (actual)
2	Asset-II	765/400 kV, 1500 MVA ICT-1 with bays and equipments at Aurangabad S/s	1.7.2014 (actual)	1.7.2014 (actual)
3	Asset-III	400 kV, 80 MVAR switchable Line Reactor for Aurangabad- Boiser T/L ckt-1 charged as bus reactor at Aurangabad Sub-station	2.10.2014 (actual)	2.10.2014 (actual)
4	Asset-IV	400 kV, 80 MVAR switchable Line Reactor for Aurangabad-Boiser T/L ckt-2 charged as bus reactor at Aurangabad S/s	1.10.2014 (actual)	1.10.2014 (actual)
5	Asset-V	765/400 kV, 500 MVA ICT-3 with bays and equipments at Boiser	1.1.2015 (anticipated)	2.1.2015 (actual)
6	Asset-VI	400 kV, 80 MVAR line Reactor for Aurangabad-Boiser T/L ckt-1 charged as bus reactor at Boiser Sub-station	1.1.2015 (anticipated)	11.1.2015 (actual)
7	Asset-VII	400 kV, 80 MVAR line reactor for Aurangabad-Boiser T/L ckt-I charged as bus reactor at Boiser S/s	1.1.2015 (anticipated)	7.1.2015 (actual)

3. During the hearing on 3.3.2015, the representative of the petitioner submitted that as per the Investment Approval (IA) dated 22.11.2011, the instant assets were to be commissioned within 32 months progressively from the date of I.A. i.e. by 21.7.2014 and that there is time over-run in case of all assets except Asset-I. He also submitted that there is cost over-run. He requested to grant 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) 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.

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 and cost over-run in case of the instant assets, 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.

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-I	15774.40	22408.09	22085.14	21500.76	20905.65
Asset-II	1000.97	1510.59	1551.36	1520.36	1489.44
Asset-III	115.53	246.84	251.69	252.92	254.36
Asset-IV	114.41	242.94	247.90	249.40	251.03
Asset-V	160.30	689.79	709.86	703.09	696.77
Asset-VI	59.62	257.95	265.45	262.40	259.49
Asset-VII	49.52	210.6	216.82	215.08	213.48

B. Annual transmission charges allowed are as follows:-

(₹in lakh)		
Asset	2014-15 (pro-rata)	2015-16
Asset-I	11102.59	15771.62
Asset-II	725.00	1094.11
Asset-III	92.42	197.47
Asset-IV	85.09	180.69
Asset-V	100.93	434.30
Asset-VI	44.58	192.89
Asset-VII	36.99	157.32

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:-

- (i) Single line diagramme (SLD) of sub-stations at Aurangabad & Boiser indicating the details of line reactor and bays under IPPs Generation Project in Chhattisgarh (IPP D) in WR;
- (ii) Trial operation certificate from RLDC and DOCO certificates;
- (iii) Revised auditor certificate as per actual DOCO for Assets V, VI & VII;
- (iv) Proper details of time over-run, along with documentary evidence and chronology of activities in respect of Asset-III, IV, V, VI & VIII as per format given below:-

Asset	Activity	Period of activity				Reason(s) for delay
		Planned		Achieved		
		From	To	From	To	

- (v) Asset-wise reason for cost over-run;
- (vi) Clarification for cost variation along with documentary evidence in respect of items under various heads as per Form 5 (page 86-88, 132, 158, 180, 202-203, 225 and 248 of the petition);

- (vii) Status of the commissioning of Asset-V to VII. If there is any change in the date of commercial operations (DOCO), the auditor's certificate in case of actual DOCO or Management Certificate in case of anticipated DOCO along with the revised tariff forms;
- (viii) Submit the supporting documents regarding declaration of commissioning of the assets for the Asset I to IV;
- (ix) Documents in support of Interest Rates and Repayment Schedules (as per Form-9C) of Proposed loans, Foreign loans (IFC – A – 31419 - 00) and FC – Bonds deployed, for all the assets. If there is any default in interest payment on loan, petitioner is required to provide the details;
- (x) The Investment Approval certified by Company Secretary;
- (xi) Form-4A "Statement of Capital Cost" as per Books of accounts (Accrual Basis and cash basis separately) for all the assets. Amount of Capital liabilities in Gross Block should also be indicated;
- (xii) The computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for all the Assets for the following periods:-
 - (a) From the date of infusion of debt fund up to scheduled DOCO as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (b) From Scheduled COD to Actual COD of the Asset;
- (xiii) The details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of all the assets (i.e. from scheduled DOCO to Actual COD) along with the liquidated damages recovered or recoverable, if any;
- (xiv) Asset wise details of the "Income recovered from contractors" given in Form 12A (Incidental Expenditure During Construction);
- (xv) Form-9 (Details of allocation of corporate loans to various transmission elements), Form 14 (Other income generated, if any) and Form-15 (Actual Cash Expenditure) in respect of all the assets;
- (xvi) There is a mismatch in the capital cost of Asset II claimed in Form 6 and Auditor Certificate. Clarification in this regard and
- (xvii) Revised Cost Estimates (RCE), if any.

(xviii) Approval of standing committee/RPC for charging of line reactors as Bus Reactors at Aurangabad and Boiser sub-station.

sd/-
(A.S. Bakshi)
Member

(A. K. Singhal)
Member

sd/-