

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 65/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 I: 400 kV, D/C (Quad) Balipara-Bongaigaon transmission line along with associated bays at Bongaigaon Sub-station and Balipara Sub-station including 30% Fixed Series Compensation at Balipara and 4X63 MVAR, 420 kV line Reactors (2 nos. each at Bongaigaon and Balipara ends) (DOCO: 7.11.2014)

under "Transmission System for immediate evacuation of power from Kameng HEP (Part-B of North East-Northern/Western Interconnector-I)" in North Eastern Region from actual 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. Assam Electricity Grid Corporation Limited,
(Formerly Assam State Electricity Board),
Bijulee Bhavan, Paltan Bazar,
Guwahati-781 001, Assam
2. Meghalaya Energy Corporation Limited,
(Formerly Meghalaya State Electricity Board),



Short Round Road, "Lumjingshai",
Shillong-793 001, Meghalaya

3. Government of Arunachal Pradesh,
Itanagar, Arunachal Pradesh
4. Power and Electricity Department,
Government of Mizoram,
Aizwal, Mizoram
5. Manipur State Electricity Distribution Company Limited,
(Formerly Electricity Department, Government of Manipur),
Keishampat, Imphal
6. Department of Power,
Government of Nagaland,
Kohima, Nagaland
7. Tripura State Electricity Corporation Limited,
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799 001, Tripura
8. ONGC Tripura Power Corporation Limited,
6th Floor, A Wing, IFCI towers,
New Delhi-110 019
9. NTPC Limited
NTPC Bhawan, Scope Complex, Institutional Area,
Lodhi Road, New Delhi-110 003

.....Respondents

For petitioner : Shri S.S. Raju, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Jasbir Singh, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Anshul Garg, 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 “Transmission System for immediate evacuation of power from Kameng HEP (Part-B of North East-Northern/Western Interconnector-I)” in North Eastern 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	Actual DOCO
1	Asset-I	400 kV, D/C (Quad) Balipara-Bongaigaon transmission line along with associated bays at Bongaigaon Sub-station and Balipara Sub-station including 30% Fixed Series Compensation at Balipara and 4X63 MVAR, 420 kV line Reactors (2 nos. each at Bongaigaon and Balipara ends)	1.3.2013	7.11.2014

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 asset.

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 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	7584.51	19041.39	18692.64	18152.25	17616.05

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)		
Assets	2014-15	2015-16
Asset-I	5621.36	14112.78

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. We direct the petitioner to submit the following information on affidavit with a copy to the respondents by 29.5.2015:-

- a) Single Line Diagram (SLD) of the instant asset;
- b) Details of time over-run and chronology of the activities along with documentary evidence, as there is a delay of 21 months in completion of the instant asset, covered in this petition, as per the format below:-

Asset	Activity	Period of activity				Reason(s) for delay along with reference to supporting document
		Planned		Achieved		
		From	To	From	To	

- c) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for the instant asset;
- d) RPC approval for reactors covered in the instant petition. A copy of DPR, if RPC approval is not available;
- e) Data in respect of benchmarking of capital cost for transmission line, sub-station/reactor as per CERC order dated 27.4.2010 and 16.6.2010;
- f) Documents in support of interest rates and repayment schedules (as per Form-9c) for the SBI loan and Proposed Loan deployed for the instant asset;
- g) A copy of the Investment Approval certified by Company Secretary;
- h) Details of default in interest payment on loan, if any;
- i) Form-4A "Statement of Capital Cost" as per Books of Account (accrual basis) for the instant asset and indicate amount of Capital Liabilities in Gross Block;
- j) Computation of interest during construction along with editable soft copy in Excel format with links for the instant asset for the following periods:-
 - (i) From the date of infusion of debt fund up to scheduled COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (ii) From scheduled COD to actual COD;

- k) Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of the instant asset (i.e. from scheduled COD to actual COD) along with liquidated damages recovered or recoverable, if any; and
- l) Form-9 (Details of allocation of corporate loans to various transmission elements) and Form-15 (Actual Cash Expenditure) in respect of the instant asset.

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member