

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 85/TT/2015

Coram:

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

**Date of Hearing: 16.04.2015
Date of Order : 29.04.2015**

In the matter of

Approval of transmission tariff for 08 nos. Assets under Eastern Region Strengthening Scheme-III in (ERSS-III) in Eastern 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. North Bihar Power Distribution Company Ltd.
Vidyut Bhawan, Bailey Road
Patna-800 001.
2. South Bihar Power Distributon Company Ltd.
Vidyut Bhawan, Bailey Road
Patna-800 001.
3. West Bengal State Electricity Distribution Company Ltd.
Bidyut Bhawan, Bidhan Nagar
Block DJ, Sector-II, Salt Lake City
Kolkata-700 091.
4. Grid Corporation of Orissa Ltd.
Shahid Nagar, Bhubaneswar-751 007.

5. Damodar Valley Corporation
DVC Tower, Maniktala
CIVIC Centre, VIP Road
Kolkata-700 054.
6. Power Department
Govt. 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. Upendra Pande, 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 8 nos. assets under “Eastern Region Strengthening Scheme-III in (ERSS-III)” in 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 of the assets covered in the instant petition and its date of commercial operation are as follows:-

Name of the Asset	Scheduled DOCO	Anticipated/Actual DOCO as on the date
Asset-I Combined assets of LILO of ckt-I of 400 kV D/C Kahalgaon-Biharshariff at Lakhsarai alongwith associated bays; 400/132 kV 200 MVA ICT-I at Lakhsarai sub-station alongwith associated bays at Lakhsarai sub-station and 2 nos. 132 kV line bays at Lakhsarai sub-station	7.11.2012	1.4.2014 (actual)
Asset-II 400/132 kV 200 MVA ICT-II alongwith associated bays at Lakhsarai sub-station	7.11.2012	1.6.2014 (actual)
Asset-III LILO OF ckt-II of 400 kV D/C Kahalgaon-Biharshariff at Lakhsarai alongwith associated bays with 2 nos. of 50 MVAR line reactor	7.11.2012	3.9.2014 (actual)
Asset-IV 2 nos. 132 kV line bays at Lakhsarai sub-station	7.11.2012	29.9.2014 (actual)
Asset-V LILO of one circuit of Jamshedpur-Rourkela 400 kV D/C trans line at Chaibasa	7.11.2012	3.12.2014 (actual)
Asset-VI 02 nos. of 220 kV line bays at Chaibasa	7.11.2012	3.12.2014 (actual)
Asset-VII 80 MVAR Bus Reactor alongwith associated bay at Chaibasa Sub-station	7.11.2012	1.3.2015 (anticipated)
Asset-VIII 400/220 kV 315 MVA ICT-II alongwith associated bays at Chaibasa sub-station	7.11.2012	3.12.2014 (actual)

3. During the hearing on 16.4.2015, the representative of the petitioner submitted that the instant petition covers eight assets. These assets were scheduled to be commissioned by 7.11.2012, as per the Investment Approval (IA) dated 7.7.2010. However, there was time over-run of 16 to 28 months in commissioning of these assets. He has submitted that the time over-run is due to delay in acquisition of land for sub-station and heavy rains. He requested to condone the time over-run and allow tariff as

claimed in the petition. He further prayed for grant Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014, Tariff Regulations in respect of the assets covered in the instant petition. None of the respondents were present.

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

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)					
Asset	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	1502.79	1695.43	1832.37	1886.14	1859.01
Asset-II	315.19	448.18	503.24	526.35	518.61
Asset-III	310.7	594.97	639.80	657.54	648.95
Asset-IV	69.42	165.8	189.31	200.55	199.83
Asset-V	198.92	670.98	729.62	747.75	736.34
Asset-VI	79.80	271.23	297.42	307.07	304.81
Asset-VII	15.56	218.43	247.27	257.71	254.59
Asset-VIII	125.66	455.56	521.00	542.55	534.69

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)		
Asset	2014-15	2015-16
Asset-I	1202.23	1356.34
Asset-II	252.15	358.54
Asset-III	248.56	475.98
Asset-IV	55.54	132.64
Asset-V	159.14	536.78
Asset-VI	57.34	194.91
Asset-VII	12.45	174.74
Asset-VIII	100.53	364.45

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 15.6.2015:-

- a) The date of commercial operation (DOCOC) of Asset-VII;
- b) Investment approval and RPC approval for reactors covered in instant petition. A copy of DPR where these reactors are included;
- c) RLDC charging certificate for the assets;
- d) Single line diagram of Lakhisarai Sub-station and Chalibasa Sub-station;
- e) Status of the downstream lines for which 220 kV bays at Chalibasa Sub-station has been claimed;
- f) Status of downstream lines (i) Lakhisarai (PG)- Lakhisarai (BSPTCL) 132 kV D/C line, (ii) Lakhisarai (PG)- Jamui (BSPTCL) 132 kV D/C line;
- g) Status of downstream system of ICT at Lakhisarai Sub-station & ICT at Chaibasa Sub-station;
- h) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;

- i) There is a delay of 16 to 28 months in completion of assets covered in this petition. Proper details of time over-run and chronology of the activities as per the format given below:

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

- j) If there is any change in DOCO of the Asset-VII, furnish Auditor's Certificate and DOCO Letter (in case of Actual DOCO) and Management Certificate or Auditor's Certificate (in case of anticipated DOCO) and all tariff forms for the asset. Auditor's Certificate or Management Certificate of expenditure for the asset must be in the form of element wise segregation of capital cost and segregation of IDC/ IEDC included thereon as on DOCO;
- k) Auditor's Certificates in lieu of Management Certificates for cost in respect of Asset-V, Asset-VI and Asset-VIII, since these assets have already been put under commercial operation;
- l) The Investment Approval certified by Company Secretary ;
- m) Date of drawl, rate of interest, repayment schedule for SBI loans and proposed loans (as per Form-9C) ;
- n) If there is any default in interest payment on loan, petitioner is required to provide the details;
- o) Form-4A "Statement of Capital Cost" as per Books of Accounts (accrual basis) for all the assets. Amount of capital liabilities in gross block should also be indicated;
- p) The computation of interest during construction along with editable soft copy in Excel format with links for the asset/s for the following periods:
- (i) From the date of infusion of debt fund up to scheduled DOCO/actual DOCO as per Regulation 11 (A) (1) of 2014 Tariff Regulation.
 - (ii) If there is any delay in completion of the asset/s, from scheduled DOCO to actual DOCO of the asset/s;
- q) Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of the asset/s (i.e. from scheduled DOCO to actual DOCO) along with the liquidated damages recovered or recoverable, if any, and

- r) Form-9 (Details of allocation of corporate loans to various transmission elements) in respect of all the assets.

-sd-
(A. S. Bakshi)
Member

-sd-
(A. K. Singhal)
Member

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(Gireesh B. Pradhan)
Chairperson