

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 22/TT/2016

Coram:

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

**Date of Hearing: 22.03.2016
Date of Order : 29.04.2016**

In the matter of:

Determination of transmission tariff from anticipated COD to 31.3.2019 for Asset-I: 132/33 kV, 50 MVA, 3-Ph ICT-1 at 132 / 33 kV Nirjuli Sub-station (POWERGRID) (anticipated COD-10.2.2016), Asset-II: 132/ 33 kV, 50 MVA, 3-Ph ICT-II at 132/33 kV Nirjuli Sub-station (POWERGRID) (anticipated COD- 31.3.2016) and Asset-III: 400/220 kV, 315 MVA, 3-Ph ICT-II (2nd ICT) along with associated bays at 400/220 kV Balipara Substation (POWERGRID) (anticipated COD -31.3.2016) under “North Eastern Region Strengthening Scheme-II (NERSS-II) Part-A” for 2014-19 tariff block period in North-Eastern Region for tariff block 2014-19 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
"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 Electricity Corporation Limited, MeECL,
(Formerly Assam State Electricity Board)



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

3. Government of Arunachal Pradesh,
Itanagar-791 111,
Arunachal Pradesh
4. Power and Electricity Department,
Government of Mizoram, Khatla,
Aizawl-796 001, Mizoram,
5. Manipur State Electricity Distribution Company Limited,
(Formerly Electricity Department, Government of Manipur),
Keishampat, Imphal-795 001,
6. Department of Power,
Government of Nagaland,
Kohima-797 001, Nagaland
7. Tripura State Electricity Corporation Limited,
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799 001

.....**Respondents**

For petitioner : Shri Rakesh Prasad, PGCIL
Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri Anshul Garg, PGCIL
Shri Vivek Kumar Singh, 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 assets under “North Eastern Region Strengthening Scheme-II (NERSS-II) Part-A” from anticipated COD to 31.3.2019 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.

3. The details of the assets covered and their commissioning schedule are as follows:-

| S. No. | Asset | Name of the Asset | Schedule commissioning as per investment approval | Anticipated/ actual COD as on the date of petition | Anticipated/ actual COD as on the date (as per affidavit dated 15.3.2016) |
|--------|-----------|---|---|--|---|
| 1 | Asset-I | 132/33 kV, 50 MVA, 3-Ph ICT-1 at 132 / 33 kV Nirjuli Sub-station (POWERGRID) | 26.5.2017 | 10.2.2016 (anticipated) | 14.2.2016 (actual) |
| 2 | Asset-II | 132/ 33 kV, 50 MVA, 3-Ph ICT-II at 132/33 kV Nirjuli Sub-station (POWERGRID) (anticipated COD- 31.3.2016) | | 31.3.2016 (anticipated) | 31.3.2016 (anticipated) |
| 3 | Asset-III | 400/220 kV, 315 MVA, 3-Ph ICT-II (2 nd ICT) along with associated bays at 400/220 kV Balipara Substation (POWERGRID) | | 31.3.2016 (anticipated) | 31.3.2016 (anticipated) |

4. During the hearing on 22.3.2016, the representative of the petitioner 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 instant assets.

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), 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.

6. 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.

7. After carrying out preliminary prudence check of the AFC claimed by the petitioner, 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 8 of this order for the years 2015-16 and 2016-17.

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 vide affidavit dated 9.3.2016 are as follows:-



(₹ in lakh)

| Assets | 2015-16 (pro-rata) | 2016-17 | 2017-18 | 2018-19 |
|-----------|-----------------------|---------|---------|---------|
| Asset-I | 5.89 | 58.18 | 56.98 | 55.44 |
| Asset-II | 0.09 | 49.55 | 61.18 | 59.53 |
| Asset-III | 0.99 | 397.18 | 420.67 | 416.48 |

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)

| Assets | 2015-16 (pro-rata) | 2016-17 |
|-----------|-----------------------|---------|
| Asset-I | 5.01 | 49.45 |
| Asset-II | 0.08 | 42.12 |
| Asset-III | 0.84 | 337.60 |

9. 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.

10. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 13.5.2016 :-

- a) Status of commissioning of all the assets. If there is any change in CODs of the assets and their Auditor / Management certificates with revised tariff forms;
- b) Reconcile the Form-13 (Breakup of Initial Spares) of both Asset-1&2 with their respective Management Certificates;



- c) Documents in support of date of drawl, interest rate and repayment schedule for proposed loan 2015-16 (8.40%) deployed as per Form-9C, in all the assets. if there is any default in the interest payment of the loan, complete details;
- d) The computation of interest during construction (IDC) on cash basis, along with the editable soft copy in Excel format with links, from the date of infusion of debt fund up to anticipated COD of all the assets. Further, while submitting the un-discharged liability portion of IDC/IEDC, the petitioner should clarify whether it has been included in the projected add-cap claimed;
- e) Form-4A (Statement of Capital Cost), Form-9 (Details of allocation of corporate loans to various transmission elements) and Form-12A (IEDC) in respect of all the assets;
- f) Clarify whether entire liability pertaining to initial spares has been discharged as on COD, if no, year wise detail of discharging of the same, among the sub-station and transmission line, separately for all the assets. Also, if these initial spares are already included in the additional capital expenditure;
- g) As per the Project Scope in the instant case, the existing 2 x10 MVA ICTs at Nirjuli Substation have been replaced with the new 2x50 MVA ICTs. It is also to be clarified under which petition(s), these existing ICTs Transmission tariff was claimed;
- h) Form-10B (Statement of De-capitalization) for both these existing assets. As and when the replaced ICTs are used as Regional Spares,the petitioner should inform accordingly and details of its usage;
- i) Explain why the 10 MVA ICTs and 50 MVA ICTs cannot be considered as de-capitalization and additional capital expenditure respectively in the same petition where 10 MVA ICTs tariff is being claimed;
- j) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for the asset covered in the instant petition;
- k) RLDC charging certificate for the Assets mentioned in the petition;
- l) Copy of Standing Committee approval for the Assets covered in the instant petition;



- m) The petitioner has stated that the released (MVA10X2) at Nirjuli Substation shall be used as regional spare. Submit the life of these ICTs & the petition in which they have been claimed. RPC approval to use them as regional spare be submitted; and
- n) A comprehensive list of regional spares of ICTs of different sizes already available and list of ICTs installed in the system be submitted. The petitioner also should indicate the norms of requirement of spares.

10. The petitioner is further directed to submit editable soft copy (in Excel format) with links of computation of interest during construction (IDC) on cash basis by 13.5.2015.

11. The Commission also directed the petitioner and the respondents to file the information within the dates specified and observed that information received after the due dates shall not be considered.

| | | | |
|---|---------------------------------------|--|---|
| Sd/- | Sd/- | Sd/- | Sd/- |
| (Dr. M.K. Iyer) Member | (A.S. Bakshi) Member | (A.K. Singhal) Member | (Gireesh B. Pradhan) Chairperson |

