

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 411/TT/2014

Coram:

**Shri A.S. Bakshi, Member
Dr. M.K. Iyer, Member**

Date of Hearing : 21.12.2015

Date of Order : 30.07.2016

In the matter of:

Determination of transmission tariff of LILO of 1st ckt. of 400 kV D/C Parbati-II-Koldam Transmission Line at Parbati Pooling Station (Banala) under Transmission System associated with Parbati-III HEP for 2014-19 tariff period in Western Region under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 under Regulation 86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999.

And in the matter of:

Power Grid Corporation of India Ltd.
'SAUDAMINI', Plot No-2,
Sector-29, Gurgaon -122 001 (Haryana).

.....**Petitioner**

Versus

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Vidyut Bhawan, Vidyut Marg,
Jaipur-302 005
2. Ajmer Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur
4. Jodhpur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur



5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan,
Kumar House Complex Building II
Shimla-171004
6. Punjab State Power Corporation Ltd.
Thermal Shed T1 A, Near 22 Phatak
Patiala-147001
7. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Panchkula (Haryana) 134 109
8. Power Development Deptt.
Govt. of Jammu & Kashmir
Mini Secretariat, Jammu
9. Uttar Pradesh Power Corporation Ltd.
Shakti Bhawan, 14, Ashok Marg
Lucknow- 226001
10. Delhi Transco Ltd.
Shakti Sadan, Kotla Road
New Delhi- 110002
11. BSES Yamuna Power Ltd.
BSES Bhawan, Nehru Place
New Delhi
12. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place
New Delhi
13. North Delhi Power Ltd.
Power Trading & Load Dispatch Group
Cennet Building
Pitampura, New Delhi-110034
14. Chandigarh Administration
Sector-9, Chandigarh
15. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road
Dehradun



16. North Central Railway
Allahabad
17. New Delhi Municipal Council
Palika Kendra, Sansad Marg
New Delhi-110002
18. NHPC Ltd.
Commercial Division, Sector-33,
Faridabad, Haryana- 121003
19. Parbati Koldam Transmission Company Ltd. (PKTCL)
Sohna Road, Sector-48,
Gurgaon, Haryana-122018

....Respondents

The following were present:

For Petitioner: Shri S.K. Venkatesan, PGCIL
 Shri M.M. Mondal, PGCIL
 Shri Anshul Garg, PGCIL
 Shri Syed Alamdar, PGCIL
 Ms. Treepti Sonkatar, PGCIL
 Shri Pasi Pachigalla, PGCIL
 Shri Rakesh Prasad, PGCIL
 Shri S.S. Raju, PGCIL

For Respondent: Shri Alok Roy, PKTCL
 Shri Anil Raawal, PKTCL
 Shri Lokendra Singh, PKTCL
 Shri Azad Akber, PKTCL
 Shri K. Nayak, NHPC

ORDER

The present petition has been preferred by Power Grid Corporation of India Ltd. ("the petitioner") for determination of tariff for LILO of 1st ckt. of 400 kV D/C Parbati-II-Koldam Transmission Line at Parbati Pooling Station (Banala) under Transmission System associated with Parbati-III HEP in for 2014-19 Tariff block



period in Northern Region (hereinafter referred as “transmission asset”) under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) for the period from COD of respective assets to 31.3.2019.

2. The respondents are mostly distribution licensees or centralised power procurement companies of States, who are procuring transmission service from the petitioner, mainly beneficiaries of Northern Region.

3. The petitioner has served the petition on the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of Electricity Act, 2003 (“the Act”). In response to the instant petition, NHPC Ltd. (NHPC), Respondent No. 18, vide affidavit dated 14.12.2015 and Parbati Koldam Transmission Company Ltd. (PKTCL), Respondent No. 19, filed vide letter dated 15.12.2015. No comments have been received from the public in response to the notices published by the petitioner under Section 64 of the Act. The hearing in this matter was held on 24.11.2014, 23.11.2015 and 21.12.2015. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

4. The brief facts of the case are as follows:-

(a) The Investment Approval (IA) for the project was accorded by Government of India, Ministry of Power letter no. 12/19/2004-PG dated 31.7.2006 at an estimated cost of ₹55724 lakh including IDC of ₹2661 lakh (Based on 4th



Quarter, 2005 price level). The apportioned approved cost for the instant asset is ₹1856.02 lakh.

(b) The scope of work covered under the project is as follows:-

Transmission Lines:

1. LILO of Parbati-II-Koldam/Nalagarh 400 kV line at Parbati Pooling Point (quad conductor);
2. LILO of one 400 kV circuit of Parbati-II-Parbati Pooling Point at Parbati-III HEP (quad conductor);
3. Parbati Pooling Point-Amritsar 400 kV D/C line (twin conductor).

Sub-station:

1. New 400 kV Parbati Pooling Point Gas Insulated Sub-station;
2. Extension of 400/220 kV Amritsar Sub-station.

(c) The transmission asset was scheduled to be commissioned within 42 months from the date of investment approval dated 9.8.2006. Therefore, the scheduled date of commissioning (SCOD) of the transmission system works out to 9.2.2010 against which the transmission asset have been commissioned on 1.4.2014. Hence, there is time over-run of 49 months and 23 days.

5. Having heard the representatives of the petitioner and perused the material on record, we proceed to dispose of the petition.

6. The petitioner has claimed the transmission charges as under:-



(₹ in lakh)

Asset					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Depreciation	34.84	36.62	37.34	37.34	37.34
Interest on Loan	40.74	39.64	37.10	33.65	30.22
Return on equity	38.82	40.81	41.60	41.60	41.60
Interest on Working Capital	2.68	2.74	2.72	2.64	2.57
O & M Expenses	0.86	0.89	0.92	0.95	0.98
Total	117.94	120.70	119.68	116.18	112.71

7. The details submitted by the petitioner in support of its claim for interest on working capital are given hereunder:-

(₹ in lakh)

Asset-I					
Particulars	2014-15	2015-16	2016-17	2017-18	2018-19
Maintenance Spares	0.13	0.13	0.14	0.14	0.15
O & M Expenses	0.07	0.07	0.08	0.08	0.08
Receivables	19.66	20.12	19.95	19.36	18.79
Total	19.86	20.32	20.17	19.58	19.02
Rate of Interest	13.50	13.50	13.50	13.50	13.50
Interest	2.68	2.74	2.72	2.64	2.57

Date of Commercial Operation (“COD”)

8. The petitioner has claimed the date of the commercial operation of the transmission asset as 1.4.2014. Regulation 4(3) of the 2014 Tariff Regulations provides as follows:-

“4. Date of Commercial Operation: The date of commercial operation of a generating station or unit or block thereof or a transmission system or element thereof shall be determined as under:

xxx]

(3) Date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:



(i) where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavour to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations :

(ii) in case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof.”

9. Regulation 5(2) of the 2014 Tariff Regulations specify as follows:-

“5. Trial Run and Trial Operation.-

(2) Trial operation in relation to a transmission system or an element thereof shall mean successful charging of the transmission system or an element thereof for 24 hours at continuous flow of power, and communication signal from sending end to receiving end and with requisite metering system, telemetry and protection system in service enclosing certificate to that effect from concerned Regional Load Dispatch Centre.”

10. During the hearing held on 23.11.2015, the petitioner was directed to submit the trial operation certificate from RLDC and implead NHPC and PKTCL as the respondents. In response, the petitioner, vide affidavit dated 27.11.2015, has impleaded NHPC and PKTCL as respondents with a copy of the petition served on them. Further, the petitioner has submitted self-certified COD letter in support of the claim of commercial operation of the instant asset. However, the petitioner has not submitted RLDC certificate in accordance with Regulation 5(2) of the 2014 Tariff Regulations.

11. NHPC, Respondent No. 18, vide its affidavit dated 14.12.2015, has submitted that petitioner has claimed the tariff based on commercial operation



w.e.f. 1.4.2014 and this is contradictory to the certificate issued by NRLDC/POSOCO dated 20.7.2015, which states that the transmission line from Banala pooling point to Parbati-II was idle charged w.e.f. 10.7.2015. Accordingly, NHPC has requested the petitioner to provide the clarification about commissioning of instant asset without commissioning of the transmission line. In response, the petitioner, vide affidavit dated 5.2.2016, has submitted that COD of the instant asset, i.e. LILO of 1st ckt of 400 kV D/C Parbati-II-Koldam transmission line at Parbati pooling station (Banala) shall be governed by Regulation 4(3)(ii) of the 2014 Tariff Regulations. Further, the petitioner has submitted that the LILO portion of Parbati-II to Koldam ckt-I was commissioned and charged from Banala GIS on 31.3.2014 and has submitted the charging code for the same. Further, the petitioner, vide its affidavit dated 9.6.2016, has submitted the NRLDC certificate dated 6.6.2016 wherein it has been certified that the instant asset was first time test charged on 31.3.2014. As per NRLDC certificate dated 6.6.2016, instant transmission asset was first time charged on 31.3.2014 as detailed as under:-

- a. 400 kV Banala (PG) – Parbati II (NHPC) upto tower no. 37 from Banala (PG).
- b. 400 kV Banala (PG) – Koldam (NTPC) upto tower no. 38 from Banala (PG).

12. PKTCL, vide affidavit dated 15.12.2015, has submitted that the construction work of the transmission lines by it is solely governed by the Implementation Agreement entered by PKTCL with PGCIL. As per Amendment No. IV to the Implementation Agreement, PKTCL was required to complete the



tower nos. 37 and 38 of 400 kV Parbati-II -Koldam ckt-I transmission line by end of June, 2014. Accordingly, PKTCL tied up with the contractor to complete the tower location 37 and 38 by March/April 2014 time frame. PKTCL received first letter on 24.1.2014 from the petitioner requesting completion of location no. 37 & 38 by 15.2.2014. Taking note of this, PKTCL immediately directed the contractor vide mail dated 27.1.2014, to demobilize the erection gangs at other location and mobilize gangs at these locations suddenly demanded for early completion by the petitioner. Location no. 37 & 38 are geographically separated in hills and demobilization and sudden mobilization at these locations is an uphill and time consuming task, particularly in months of January to March during heavy snowfall. Working in such treacherous terrain is a difficult task. PKTCL has further submitted that despite of all odds it completed location nos. 37 by 17.4.2014 and location no. 38 by 18.4.2014 for stringing work. Accordingly, PKTCL, vide mail dated 18.4.2014, intimated the petitioner that the locations were ready for stringing. PKTCL has been able to erect towers within shortest possible timeframe for such high altitude towers in toughest and inhospitable weather situations. PKTCL has submitted a copy of email dated 18.4.2014 vide which it intimated the petitioner for completion of works at location nos. 37 and 38.

13. In response to reply of PKTCL, petitioner, vide its rejoinder affidavit dated 3.3.2016, has submitted letters dated 17.9.2013, 29.11.2013, 24.1.2014 and 27.2.2014 wherein it has requested PKTCL to complete the erection work of tower nos. 37 and 38 (tapping towers) of 400 kV Parbati II-Koldam ckt-I



transmission line. The petitioner has further submitted that in this instant case, it has developed the LILO whose transmission line is being executed by PKTCL. LILO of 1st ckt of 400 kV DIC Parbati-II-Koldam transmission line at Parbati Pooling Station (Banala) was put under commercial operation on 1.4.2014, whereas, 400 kV Banala (PG)-Parbati-II (NHPC) of PKTCL was charged on 11.7.2015 (certificate issued by NRLDC/POSOCO on 20.7.2015). Thus, the asset covered under this petition was commissioned on 1.4.2014, however, the upstream system was not commissioned by PKTCL at that time. Thus, in accordance with Regulation 4(3)(ii) of the 2014 Tariff Regulations, the petitioner has prayed for considering COD for the transmission asset as 1.4.2014 since the petitioner was ready for regular service but was prevented on account of the non-commissioning of the upstream and downstream network by PKTCL.

14. We have considered the submissions of the petitioner and NHPC. The transmission lines covered in the Parbati-Koldam and Koldam-Ludhiana Transmission System are being executed by PKTCL and the LILOs of 1st and 2nd ckt covered under the Transmission System are being executed by PGCIL. The assets covered under the Transmission System are planned for evacuation of power from Parbati-II and Parbati-III of NHPC and Koldam HEP of NTPC. Parbati II has not been commissioned and it is anticipated to be commissioned in 2018. Parbati III was commissioned on 24.3.2014. Koldam HEP was commissioned on 31.3.2015. The asset covered in the instant petition is LILO of 1st ckt. of 400 kV D/C Parbati II-Koldam Transmission Line at Parbati Pooling Station. The upstream system (i.e. section of 400 kV (Quad) 2 x S/C Parbati-



Koldam Transmission Line, starting from Parbati-II HEP to LILO point of Parbati (Banala) Pooling Station for Circuit-I and from Parbati-II HEP to LILO Point of Parbati-III HEP for Circuit-II) and the downstream system of this LILO (i.e. section of 400 kV (Quad) 2xS/C Parbati-Koldam Transmission Line, starting from LILO point of Parbati (Banala) Pooling Station to Koldam HEP) were put into regular use from 3.11.2015 and 10.10.2014 respectively. Though the petitioner has contended that the instant LILOs were commissioned on 1.4.2014, it is observed that the Loop-out portion of the instant asset was put into use only on 10.10.2014 and the Loop-in portion was put into use on 3.11.2015 after the commissioning of the connecting transmission lines by PKTCL. As per the Annexure No. 4 to Implementation Agreement between PKTCL and PGCIL, the instant asset was to be commissioned on 30.6.2014 and accordingly, PKTCL had planned the execution of the asset. However, PGCIL has not explained as to how the assets were declared under commercial operation before the date agreed in the Implementation Agreement. In our view, the LILO was not put into service on 1.4.2014 as claimed by the petitioner and accordingly, we are not inclined to approve the petitioner's prayer for approval of COD of the Loop-in and Loop-out portion of the instant asset as 1.4.2014 under Regulation 4(3)(ii) of the 2014 Tariff Regulations.

15. It is observed that the Loop-in and Loop-out portion of the instant asset were put into use only on 3.11.2015 and 10.10.2014 as against the scheduled COD on 30.1.2010 because of the delay in commissioning of the transmission lines by PKTCL. Accordingly, the COD of the Loop-in and Loop-out portions



shall be reckoned as 3.11.2015 and 10.10.2014, respectively. We are of the view that the IDC and IEDC from 30.6.2014 till the date of usage of the Loop-in and Loop-out portion i.e.3.11.2015 and 9.10.2014 respectively would be borne by PKTCL. The petitioner is directed to submit the capital cost of Loop-in and Loop-out portions of the instant asset as on 10.10.2014 and 3.11.2015, respectively, along with the Auditor's Certificate, RLDC certificate as required under Regulation 5(2) of the 2014 Tariff Regulations, details of IDC and IEDC on cash basis for both the Loop-in and Loop-out portions within 30 days of the date of this order.

16. It is observed that the capital cost of Loop-in and Loop-out portions as on 3.11.2015 and 10.10.2014, the IDC and IEDC details upto 30.6.2014 and from 30.6.2014 to 3.11.2015 and from 30.6.2014 to 10.10.2014 have not been brought by the petitioner on record. Accordingly, we direct the petitioner to file fresh petition along with all relevant information within 30 days from the date of this order. Further, in order to protect the commercial interest of the petitioner, the AFC approved vide order dated 24.12.2012 would be effective from 3.11.2015 and 10.10.2014 as given below:-

(₹ in lakh)			
Assets	CoD	2014-15	2015-16
Loop-in portion	3.11.2015	94.35	96.56
Loop-out portion	10.10.2014	47.18	48.28

17. The billing, collection and disbursement of the transmission charges approved 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, as provided in Regulations 43 of the 2014 Tariff Regulations. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulations 7(7) of the 2014 Tariff Regulations.

18. This order disposes of Petition No. 411/TT/2014.

Sd/-
(Dr. M. K. Iyer)
Member

Sd/-
(A.S. Bakshi)
Member

