

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

**Petition No. 5/RP/2016
in
Petition No. 251/GT/2013**

Coram:

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

Date of Order: 30th September, 2016

In the matter of

Review of Commission's order dated 12.11.2015 in Petition No. 251/GT/2013 regarding approval of tariff for generating stations and transmission systems of Bhakra-Beas Management Board for the period 2009-14

And in the matter of

Bhakhra-Beas Management Board
Sector 19-B Madhya Marg,
Chandigarh-160019

...**Petitioner**

Vs

1. Punjab State Power Corporation Limited,
The Mall, Patiala-147 001
2. Haryana Vidyut Prasaran Nigam Limited,
Shakti Bhawan, Sector 6,
Chandigarh
3. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Janpath,
Jaipur, Rajasthan-302 005
4. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Shimla 171 004,
Himachal Pradesh
5. Union Territory of Chandigarh,
Sector 9D, UT Secretariat
Chandigarh

...**Respondents**

Parties present:

Shri M.G. Ramachandran, Advocate, BBMB
Ms. Ranjitha Ramachandran, Advocate, BBMB
Ms. Poorva Saigal, Advocate, BBMB
Ms. Anushree Bardhan, Advocate, BBMB
Ms. Pooja Gupta, BBMB
Shri Sanjay Sidana, BBMB
Shri Mayank Sharma, Advocate, PSPCL
Ms. Neha Garg, Advocate, PSPCL



ORDER

This application has been made by the petitioner, Bhakhra-Beas Management Board, for review of order dated 12.11.2015 in Petition No 251/GT/2013, whereby the Commission had determined the O&M expenses for the transmission assets for the period 2009-14 in terms of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (“the 2009 Tariff Regulations”).

2. Aggrieved by the said order dated 12.11.2015, the petitioner has filed the review application on the following issues:

- (i) Non-inclusion of MISS Ganguwal sub-station in the computation of the O&M Expenses;*
- (ii) Non-grant of all applicable SLDC charges as actually incurred;*
- (iii) Computation of interest on working capital on normative basis.*

3. The matter was heard on 25.2.2016 and the Commission by interim order dated 29.2.2016 had admitted the petition on the above issues. Thereafter, the matter was heard on 12.4.2016 and the Commission after hearing the parties, reserved its order in the petition.

4. Heard the learned counsels for the petitioner and the respondent, PSPCL. We now consider the submissions of the parties and the documents on record, as stated in the subsequent paragraphs.

Submissions of the Petitioner

5. The learned counsel for the petitioner has submitted that the Commission had considered the tariff elements pertaining to the transmission activities of the petitioner for the purpose of approving the applicable normative O&M expenses. He however pointed out that one of the transmission elements namely, MISS Ganguwal transmission substation consisting of 18 bays of 220 kV transmission system has not been considered in the order dated 12.11.2015. He further submitted that MISS Ganguwal transmission system, though classified under the generation head, is a transmission system and accordingly needs to be considered for the purpose of O&M expenses under the transmission system. The learned counsel also stated that MISS Ganguwal transmission system was commissioned in December, 1968 and the actual expenditure of MISS Ganguwal is being accounted under transmission in the books of accounts of the petitioner.



6. As regards SLDC charges incurred, the learned counsel for the petitioner has submitted that the petitioner undertakes the functions of State Load Dispatch Centre in respect of its generating station and dispatch of power on the transmission system of petitioner. He also submitted that the SLDC expenses incurred by the petitioner are to be considered while determining the revenue requirements of the petitioner along with O&M expenses of the transmission system, as in the case of utilities.

7. In addition to the above, the petitioner has submitted that the Commission may allow appropriate amount for interest on working capital since the O&M expenses are being computed on normative basis and not on actual expenditure incurred by the petitioner.

Submissions of Respondent, PSPCL

8. The learned counsel for the respondent, PSPCL vide affidavit dated 5.4.2016 has submitted that the transmission assets claimed by the petitioner including MISS Ganguwal transmission substation consisting of 18 bays of 220 kV transmission system may be considered for the purpose of O&M expenses, subject to prudence check by the Commission. The learned counsel has also submitted that the SLDC charges also need to be considered as part of O&M expenses. As regards, Interest on working capital, the learned counsel has submitted that petitioner is setting up a new case in the review petition, since the Commission vide order dated 12.11.2015 had only determined the O&M expenses for the transmission element. Accordingly, the learned counsel has submitted that there is no error apparent on the face of the order passed by the Commission.

Analysis and decision

9. We have examined the matter. It is noticed that the petitioner in its original tariff petition had submitted tariff of the transmission element of MISS Ganguwal sub-station consisting of 18 bays of 220 kV in generation head. However, the Commission, while working out the normative O&M expenses in respect of the transmission assets of the petitioner, had inadvertently not considered the transmission element of MISS Ganguwal in the order dated 12.11.2015. This according to us, is an error apparent on the face of the order and the same is required to be corrected. Accordingly, in terms of Regulation 103 (1) of the CERC (Conduct of Business) (Amendment) Regulations, 2013, the transmission element of MISS Ganguwal transmission substation consisting of 18 bays of 220 kV transmission system has been considered and allowed as under:



10. Regulation 19 (g) of the 2009 Tariff Regulations provides the O&M expense norms in respect of the transmission system for the period 2009-14 as under:

Element	(₹ in lakh/bay)				
	2009-10	2010-11	2011-12	2012-13	2013-14
220 kV bays	36.68	38.78	41.00	43.34	45.82

11. Accordingly, the O&M expenses allowed in respect of 18 bays of 220 kV transmission system of MISS Ganguwal sub-station for the period 2009-14 is as under:

(₹ in lakh)				
2009-10	2010-11	2011-12	2012-13	2013-14
660.24	698.04	738.00	780.12	824.76

12. As stated, the petitioner has submitted that the SLDC charges incurred by the petitioner are to be considered while determining the revenue requirements of the petitioner along with O&M expenses of the transmission system. The respondent, PSCPL has submitted that the SLDC charges also need to be considered as part of O&M expenses. The matter has been examined. As per the Grid Code, the generating station of BBMB through their transmission system shall be part of ISTS. The Grid Code further provides that the scheduling and dispatch procedure for the generating station of BBMB shall be as per the procedure formulated by the BBMB in consultation with NRLDC. Accordingly, BBMB is discharging the functions akin to SLDC and is therefore entitled for reimbursement of fees and charges for discharging system operation functions. The petitioner may approach the Commission through an appropriate application for fee and charges for its SLDC functions which shall be considered in accordance with law.

13. As regards the prayer of the petitioner to allow appropriate amount for interest on working capital, the Commission in its order dated 21.3.2016 in Petition No.251/GT/2013 (pertaining to tariff of generating stations of the petitioner) had disallowed the prayer of the petitioner for grant of Normative Interest on Working Capital limited to one month. The relevant portion of the order is extracted as under:

"29. Also, the specific prayer of the petitioner for grant of Normative Interest on Working Capital limited to one month has not been allowed, as the same is dependent upon the determination of other components of tariff, the details for which has not been made available by the petitioner, despite repeated directions of the Commission"

In line with the above observations of the Commission and in the absence of details being made available, the prayer of the petitioner has not been allowed.



14. It is noticed that the petitioner vide affidavit dated 29.2.2016 has submitted the details of the 139 bays of 11 kV being maintained at the various sub-stations of the petitioner and has submitted that these transmissions assets may also be considered for the purpose of determining the normative O&M expenses for the period 2009-14. The details are as under:

Sl. No.	Substation	No. of 11 kV bays
A	Bhakra Transmission system	
1	220 KV S/STN Delhi	1
2	220 KV S/STN Jamalput	7
3	220 KV S/STN Jalandhar	10
4	220 KV S/STN Sangrur	20
5	220 KV S/STN Dhulkote	18
6	66 KV S/STN Chandigarh	21
7	220 KV S/STN Hisar	8
8	220 KV S/STN Ballabgarh	10
Total Bhakra Transmission system (A)		95
B	Beas Transmission system	
1	220 KV S/STN Jagadhri	13
2	220 KV S/STN Bhiwani	8
3	220 KV S/STN Dadri	3
4	220 KV S/STN Narela	5
5	220 KV S/STN Panipat	8
6	220 KV S/STN Kurukshetra	7
Total Beas Transmission system (B)		44
Total Bhakra & Beas transmission (A+B)		139

15. It is observed that the details of 139 bays of 11 kV being maintained at the various sub-stations had not been furnished by the petitioner in Petition No. 251/GT/2013. Hence, the same was not considered in our order dated 12.11.2015. The submission of petitioner to consider the details of 139 bays of 11 kV for tariff cannot be permitted as the same is beyond the scope of review. Accordingly, the prayer of the petitioner is rejected.

16. Usually, 11 kV bays are used in the distribution system. The petitioner is not in distribution business and therefore, the petitioner cannot approach the State Commission for tariff of these bays. In case of DVC, the 33 kV bays carrying the power from the generating station of DVC to HT consumers has been treated as part of the inter-state transmission system. Since these 11 kV bays are in the sub-stations of the petitioner BBMB and carrying power from 220 kV sub-stations (except in one case from 66 kV sub-station), to 11 kV system of different states, we are of the view that these bays shall be considered as part of ISTS. Accordingly, we grant liberty to the petitioner to approach the Commission with a separate petition for determination of transmission tariff of these



bays/ assets for the period 2009-14 in accordance with the extant regulations and the same will be considered in accordance with law. The prayer of the petitioner is allowed accordingly.

17. Petition No. 5/RP/2016 is disposed of in terms of the above.

**-Sd/-
(A.S. Bakshi)
Member**

**-Sd/-
(A.K.Singhal)
Member**

**-Sd/-
Gireesh B. Pradhan)
Chairperson**

