

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 13/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 : 15.03.2016
Date of Order : 31.03.2016**

In the matter of:

Determination of transmission tariff from anticipated COD to 31.3.2019 for **Asset I** : Re-conductoring of one ckt. (CKT- I) Farakka – Malda 400 kV D/C with HTLS conductor and upgradation/replacement of associated bay equipments at Farakka and Malda & **Asset II** : Re-conductoring of one ckt. (CKT-II) Farakka-Malda 400 kV D/C with HTLS conductor and up-gradation/replacement of associated bay equipments at Farakka and Malda under Eastern Region Strengthening Scheme-XIII (ERSS XIII) 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
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122 001

.....Petitioner

Vs

1. Bihar State Electricity Board
Vidyut Bhawan, Bailey Road
Patna – 800 001

2. West Bengal State Electricity Distribution Company Limited
Bidyut Bhawan, Bidhan Nagar
Block DJ, Sector-II, Salt Lake City
Calcutta – 700 091



3. Grid Corporation Of Orissa Ltd.
Shahid Nagar, Bhubaneswar – 751007
4. Damodar Valley Corporation
DVC Tower, Maniktala
Civic Centre, VIP road, Calcutta – 700 054
5. Power Department
Govt. of Sikkim, Gangtok – 737 101
6. Jharkhand State Electricity Board
In front of Main Secretariat
Doranda, Ranchi – 834002

.....Respondents

For petitioner : Shri S.S. Raju, PGCIL
Shri Rakesh Prasad, PGCIL

For respondents : None

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for determination of transmission tariff from anticipated COD to 31.3.2019 for **Asset I** : Re-conductoring of one ckt. (CKT-I) Farakka-Malda 400 kV D/C with HTLS conductor and up-gradation/replacement of associated bay equipments at Farakka and Malda and **Asset II**: Re-conductoring of one ckt. (CKT-II) Farakka-Malda 400 kV D/C with HTLS conductor and up-gradation/replacement of associated bay equipments at Farakka and Malda associated with Eastern Region Strengthening Scheme-XIII (ERSS XIII) in Eastern Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred as 2014 Tariff Regulations).



2. During the hearing on 15.3.2016, the representative of the petitioner submitted that as per the Investment Approval (I.A.) dated 19.5.2014, the instant assets are to be commissioned within 30 months from the date of I.A. i.e. by 12.11.2016. The instant assets are anticipated to be commissioned on 1.2.2016 and there is no time over-run in commissioning of the instant assets. 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 assets.

3. 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.

4. 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.

5. 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 6 of this order for the years 2015-16 and 2016-17.

6. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

Annual transmission charges claimed by the petitioner are as follows:-

	(₹ in lakh)			
Assets	2015-16	2016-17	2017-18	2018-19
Asset-1	154.00	983.83	1009.41	982.01
Asset-2	154.00	983.83	1009.41	982.01

Annual transmission charges allowed are as follows:-

	(₹ in lakh)	
Assets	2015-16	2016-17
Asset-1	130.90	836.26
Asset-2	130.90	836.26

7. 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.

8. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 in line with Amended Regulations of Tariff Regulation 2014.

9. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 11.4.2016 :-

- a) Type of HTLS conductor used in the assets covered in the instant petition.
- b) Trial operation certificate issued by NRLDC for Assets I & II.
- c) Reasons for huge cost variation in Form 5s (Pages 33 & 34 of the petition), along with documentary evidence in respect of the following items :-

Sl. No.	Items	Asset wise % in Cost variation
1	Conductor	797.19
2	Conductor & Earth wire Accessories	94.38
3	Switch gear	307.86
4	Emergency DG set	220.86
5	Structure for switch yard	48.94

- d) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electric Supply) Regulations, 2010 for the asset covered in the instant petition.
- e) Details of de-capitalisation of existing equipment & the petition no. in which original assets were claimed.
- f) Status of commissioning of both the assets. If there is any change in the CODs of the assets, furnish Auditor/Management certificates for the same. The revised Tariff Forms for both the assets, as the tariff forms submitted are based on Anticipated CODs of the assets.
- g) Documents in support of Date of Drawl, Interest Rate and Repayment Schedule for the Proposed Loan 2015-16 (8.40%) deployed as per Form-9C.



h) Computation of interest during construction along with editable soft copy in Excel format with links for the assets for the following periods:-

i. From the date of infusion of debt fund up to scheduled COD/actual COD as per Regulation 11 (A) (1) of 2014 Tariff Regulations.

Further, while submitting the un-discharged liability portion of IDC-IEDC, clarify whether it has been included in the projected add-cap claimed.

- i) Form 10-B (Statement of De-Capitalisation) indicating details of conductors and associated bay equipment.
- j) Clarification whether entire liability pertaining to initial spares has been discharged as on COD, if not, year wise detail of discharging of the same, among the sub-station and transmission line separately.
- k) Form-9 (Details of allocation of corporate loans to various transmission elements) in respect of all the assets and Form -15 (Actual Cash Expenditure) in respect of both the assets.

sd/-

(Dr. M.K. Iyer)
Member

sd/-

(A.S. Bakshi)
Member

sd/-

(A.K. Singhal)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson

