

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Coram:

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

Date of Order : 06.02.2017

Petition No. 234/TT/2016

In the matter of:

Approval of transmission tariff for **Asset I:** 400 kV Main bay alongwith 50 MVAR Bus Reactor-2 at Kota Sub-station (50 MVAR line reactor shifted from Merta, **Asset-II:** 125 MVAR, 400 kV Bus Reactor alongwith associated bays at 400/220 kV Koteshwar Sub-station (THDC), **Asset-III:** 2x63 MVAR Bus Reactor at Dehar and **Asset-IV:** Replacement of 250 MVA ICT with 4x105 MVA at Dehar under "Strengthening Scheme in Northern Region" in Northern Region from COD to 31.3.2019, 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. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
Vidyut Bhawan, Vidyut Marg,
Jaipur-302 005
2. Ajmer Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur
3. Jaipur Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor)
Ajmer Road, Heerapura, Jaipur



4. Jodhpur Vidyut Vitran Nigam Limited,
400 kV GSS Building (Ground Floor),
Ajmer Road, Heerapura, Jaipur
 5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171 004
 6. Punjab State Power Corporation Limited,
Thermal Shed TIA, Near 22 Phatak,
Patiala-147 001
 7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134 109
 8. Power Development Department,
Government of Jammu and Kashmir,
Mini Secretariat, Jammu
 9. Uttar Pradesh Power Corporation Limited,
(Formerly Uttar Pradesh State Electricity Board),
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226 001
 10. Delhi Transco Limited,
Shakti Sadan, Kotla Road,
New Delhi-110 002
 11. BSES Yamuna Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
 12. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi
 13. North Delhi Power Limited,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3 Grid Building,
Near PP Jewellers, Pitampura, New Delhi-110 034
 14. Chandigarh Administration,
Sector-9, Chandigarh
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15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road,
Dehradun
16. North Central Railway,
Allahabad
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110 002

.....Respondents

Petition No. 236/TT/2016

And in the matter of:

Approval of transmission tariff for **Asset-1:** 1x500 MVA, 400/220 kV Transformer at Panchkula Sub-station, **Asset-2:** 1x500 MVA, 400/220 kV Transformer at Jalandhar Sub-station, **Asset-3:** 1x315 MVA, 400/220 kV Transformer at Samba Sub-station, and **Asset-4:** 1x500 MVA, 400/220 kV Transformer at Gurgaon Sub-station, under "Augmentation of Transformers in Northern Region-Part-B" in Northern Region from COD to 31.3.2019, 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. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
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 5. Himachal Pradesh State Electricity Board,
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Shimla-171 004
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Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3 Grid Building,
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Urja Bhawan, Kanwali Road,
Dehradun
16. North Central Railway,
Allahabad
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110 002

.....**Respondents**

For petitioner : Shri Rakesh Prasad, PGCIL
Shri S.S. Raju, PGCIL
Shri Jasbir Singh, PGCIL
Shri M.M. Mondal, PGCIL
Shri K.K. Jain, PGCIL

For respondents : Shri R.B. Sharma, Advocate for BRPL

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed Petition Nos. 234/TT/2016 and 236/TT/2016 for approval of the transmission tariff in respect of the various transmission assets in the Northern Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations").

2. The details of the petitions and the elements covered in them are as follows:-

S. No.	Asset	Name of the Asset	Scheduled COD	Anticipated/ Actual COD as on the date	Delay
Petition No. 234/TT/2016					
1	Asset-I	400 kV Main bay alongwith 50 MVAR Bus Reactor-2 at Kota Sub-station (50 MVAR	13.10.2014	1.4.2016 (Actual)	18 months



		line reactor shifted from Merta			
2	Asset-II	125 MVAR, 400 kV Bus Reactor alongwith associated bays at 400/220 kV Koteshwar Sub-station (THDC)		1.11.2016 (Anticipated)	25 months
3	Asset-III	2x63 MVAR Bus Reactor at Dehar		1.12.2016 (Anticipated)	26 months
4	Asset-IV	Replacement of 250 MVA ICT with 4x105 MVA at Dehar		1.1.2017 (Anticipated)	27 months
Petition No. 236/TT/2016					
1	Asset-1	1x500 MVA, 400/220 kV Transformer at Panchkula Sub-station	16.5.2016	2.4.2016 (Actual)	none
2	Asset-2	1x500 MVA, 400/220 kV Transformer at Jalandhar Sub-station		2.7.2016 (Actual)	1 month 16 days
3	Asset-3	1x315 MVA, 400/220 kV Transformer at Samba Sub-station		1.12.2016 (Anticipated)	6 months 15 days
4	Asset-4	1x500 MVA, 400/220 kV Transformer at Gurgaon Sub-station,		1.1.2017 (Anticipated)	7 months 16 days

3. The details of capital costs claimed by the petitioner are as under:-

(₹ in lakh)

Particulars	Approved apportioned cost	Cost as on COD	Projected capital expenditure			Estimated completion cost
			2016-17	2017-18	2018-19	
Petition No. 234/TT/2016						
Asset-I	517.27	198.20	308.79	-	-	506.99
Asset-II	999.92	340.74	580.00	75.00	-	995.74
Asset-III	2190.52	2709.50	357.91	238.60	119.29	3425.30
Asset-IV	2794.22	2107.60	306.59	204.39	102.19	2720.77
Total	6501.93	5356.04	1553.29	517.99	221.48	7648.80
Petition No. 236/TT/2016						
Asset-1	2463.52	1669.44	584.75	73.09	73.09	2400.37
Asset-2	2271.55	1118.72	640.05	255.42	85.14	2099.33
Asset-3	2361.33	1556.49	220.08	319.98	106.66	2203.21
Asset-4	3581.82	1959.67	1981.33	396.27	-	4337.27
Total	10678.22	6304.32	3426.21	1044.76	264.89	11040.18



4. During the hearing of these petitions on 15.12.2016, the representative of the petitioner requested to 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 these petitions. Learned counsel for BRPL submitted that the petitioner has not filed the Transmission Service Agreement as per provisions of Regulation 3(63) of the 2014 Tariff Regulations and that the petitioner be directed to submit the Transmission Service Agreement.

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) 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. However, it is observed that though, Regulation 7(2) of the 2014 Tariff Regulations provides for filing of application for determination of tariff before six months of projected date of commercial operation, the petitioner, in the case of Petition No. 234/TT/2016 has filed the petition much after actual commissioning of Asset-I and in the case of Petition No. 236/TT/2016, much after commissioning of Asset-1 and Asset-2. This delay in filing of petitions has not been explained by the petitioner. Therefore, the petitioner is directed to submit the reasons of the delay in filing the petitions.

8. We will consider the issues raised by BRPL at the time of allowing final tariff. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the cost over-run in case of Asset-III and time over-run in case of assets covered in Petition No. 234/TT/2016 and the cost over-run in case of Asset-4 and time over-run in case of Asset-2, Asset-3 and Asset-4 covered in Petition No. 236/TT/2016, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff in Petition Nos. 234/TT/2016 and 236/TT/2016 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para-9 of this order for 2016-17 and 2017-18.

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



Petition No. 234/TT/2016

A. Annual transmission charges claimed by the petitioner are as under:-

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18	2018-19
Asset-I	127.73	155.78	155.79
Asset-II*	73.10	231.07	235.56
Asset-III	203.52	656.62	677.07
Asset-IV	125.43	542.71	561.71

*The petitioner has submitted that tariff for 2016-17 in respect of Asset-II is worked out to ₹116.96 lakh as on anticipated COD of 1.8.2016 as per Management Certificate. However, it is proportionately reduced based on revised anticipated COD of 1.11.2016.

B. Annual transmission charges allowed are as below:-

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18
Asset-I	102.18	124.62
Asset-II	58.48	184.86
Asset-III	104.12	335.93
Asset-IV	100.34	434.17

Petition No. 236/TT/2016

A. Annual transmission charges claimed by the petitioner are as under:-

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18	2018-19
Asset-1	467.87	520.73	526.01
Asset-2	271.63	439.71	465.13
Asset-3	131.58	438.92	470.41
Asset-4	151.08	799.29	818.75

B. Annual transmission charges allowed are as below:-

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18
Asset-1	397.69	442.62
Asset-2	217.30	351.77
Asset-3	105.26	351.14
Asset-4	99.81	528.06



10. 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.

11. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 17.2.2017:-

Petition No. 234/TT/2016

- a) Actual COD of Asset-II, Asset-III and Asset-IV alongwith RLDC certificate;
- b) Reasons of cost over-run in case of Asset-III alongwith RCE duly approved, if any;
- c) Detailed reasons for time over-run as reasons submitted are not commensurate with huge delay in commissioning of Asset-III and Asset-IV and chronology of the activities along with documentary evidence, as per the format below:-

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

- d) Furnish Auditors' Certificates for actual COD alongwith revised tariff forms and supporting documents regarding declaration of commissioning Status of all assets except Asset-I for final tariff calculations;
- e) Documents in support of interest rates and/or repayment schedule of proposed loan and SBI loan deployed (as per Form-9C) for all assets except Asset-I;



- f) Computation of interest during construction (IDC) for the asset along with editable soft copy in Excel format with links for the following time periods:-
- (i) From the date of infusion of debt fund up to scheduled COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (ii) From scheduled COD to actual/anticipated COD of the asset;
- g) Details of incidental expenditure during construction (IEDC) incurred during the period of delay of the asset, from scheduled COD to actual/anticipated COD alongwith liquidated damages recovered or recoverable, if any; and
- h) Form-4A “Statement of Capital Cost” as per book of accounts, separately on accrual basis and cash basis alongwith statement of capital liabilities in gross block.

Petition No. 236/TT/2016

- a) Trial run operation certificate issued by RLDC for Asset-3 and Asset-4 and Central Electricity Authority (Measures Relating to safety and Electric supply) Regulations, 2010 certificate for instant assets;
- b) Detailed reasons for time over-run in case of instant assets and chronology of the activities along with documentary evidence, alongwith details of efforts/coordination made with PSTCL in respect to non readiness of associated transmission line, as per the format below:-

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

- c) In case of Asset-3 and Asset-4, furnish Auditors’ Certificates for actual COD alongwith revised tariff forms. In case of Asset-1, furnish Auditors’ Certificates alongwith revised tariff forms considering COD as 2.4.2016 instead of claimed COD as on 1.4.2016;
- d) Documents in support of interest rates and/or repayment schedule of proposed loans 2016-17 (8.13%) and 2016-17 (7.55%) and repayment schedule for SBI loan 10000 (1.5.2014) and SBI (2014-15) deployed (as per Form-9C);



- e) Computation of interest during construction (IDC) on cash basis for Asset-3 and Asset-4 along with editable soft copy in Excel format with links for the following time periods:-
- (i) From the date of infusion of debt fund up to scheduled COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
- (ii) From scheduled COD to actual COD of the asset;
- f) Date of drawl of each loan for the purpose of calculation of IDC and to clarify while submitting the undischarged liability portion of IDC/IEDC whether it has been included in the projected add-cap claimed in case of instant assets; and
- g) Form-12A (IEDC) for Asset-3 and Asset-4 and revised cost estimate (RCE), if any;
- h) Clarify whether entire liability pertaining to initial spares has been discharged as on COD, if no, year wise details of discharging of the same separately amongst sub-station and transmission line.

12. The information sought above is in terms of the Commission's order dated 6.5.2016 in Petition No.8/SM/2016, which has not been filed by the petitioner. The petitioner shall ensure that the above information is filed within the due date mentioned. In case, no additional information is filed within the said date, the matter shall be placed before the Commission for necessary orders.

13. The parties are directed to complete the pleadings by 3.3.2017. The matter shall be listed on 7.3.2017. The Commission also directed the petitioner and the respondents to file the information within the specified dates.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

