

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 207/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 Order : 15.03.2017

In the matter of:

Approval of transmission tariff of **Asset-I:** 420 kV, 125 MVAR Bus Reactor at Raigarh Sub-station, (COD: 1.8.2014), **Asset-II:** 420 kV, 80 MVAR Switchable line Reactor at Solapur sub-station (COD: 26.11.2014) and **Asset-III:** 420 kV, 125 MVAR Bus Reactor at Aurangabad Sub-station (COD: 30.4.2014) under "Installation of Reactors in Western Region" in Western Region from actual 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. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur-482 008
2. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th floor,
Andheri (East), Mumbai-400 052
3. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007



4. Electricity Department,
Government of Goa, Vidyut Bhawan,
Panaji, Near Mandvi Hotel, Goa-403 001
5. Electricity Department,
Administration of Daman and Diu,
Daman-396 210
6. Electricity Department,
Administration of Dadra Nagar Haveli U.T,
Silvassa-396 230
7. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road
Indore-452 008

.....Respondents

For petitioner : Shri Rakesh Prasad, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri M.M. Mondal, PGCIL
Shri Jasbir 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 transmission assets under "Installation of Reactors in Western Region" in Western Region 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.



2. The details of the elements covered in the petition are as follows:-

Particulars	Name of the Asset	COD		Delay
		Scheduled	Actual	
Asset-I	420 kV, 125 MVAR Bus Reactor at Raigarh Sub-station	6.8.2014	1.8.2014	No delay
Asset-II	420 kV, 80 MVAR Switchable line Reactor at Solapur Sub-station		26.11.2014	3 months 20 days
Asset-III	420 kV, 125 MVAR Bus Reactor at Aurangabad Sub-station		30.4.2014	No delay

3. During the hearing on 17.11.2016, 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.

4. 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.



5. 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. However, it is observed that the petition for tariff is filed after two year of commercial operation of the instant assets and the petitioner has not explained the delay in filing the instant petition.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of Asset-II, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for the instant assets for the period 2014-15, 2015-16, 2016-17 and 2017-18 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order.

7. 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 are as follows:-

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset-I	156.23	248.77	269.58	283.09	278.86
Asset-II	62.44	191.13	203.96	211.52	209.55
Asset-III	157.57	178.90	184.64	189.83	188.42

B. Annual transmission charges allowed are as follows:-



(₹ in lakh)

Particulars	2014-15 (pro-rata)	2015-16	2016-17	2017-18
Asset-I	132.79	211.45	229.14	240.63
Asset-II	49.95	152.90	163.17	169.22
Asset-III	133.93	152.07	156.94	161.36

8. 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.

9. The Commission, for working out the final tariff, direct the petitioner to submit the following information on affidavit with a copy to the respondents by 5.4.2017:-

- a) Details of un-discharged liabilities as on COD and actual discharge of such liabilities by payments made during 2014-19 for all assets and duly certified by Auditors;
- b) Explain and reconcile the difference in loan amount as on COD as mentioned in Form-9C and Form-12B and loan amount considered for IDC computation, as on COD in respect of the instant assets;
- c) Year wise details of initial spares capitalised on accrual basis and year wise actual discharge of initial spares in case of Asset-I and Asset-II; and
- d) Confirm if there is any asset De-capitalised/replaced on commissioning of instant assets? if yes, details of De-capitalised/replaced asset (i.e. date of capitalisation of replaced asset, gross block, accumulated depreciation till date of replacement) alongwith petition numbers in which tariff of the replaced assets were claimed.



10. The parties are directed to complete the pleadings by 1.5.2017. The matter shall be listed on 11.5.2017.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

