

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 221/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 : 09.01.2017

In the matter of:

Approval of transmission tariff of **Asset-I:** 500 MVA 400/220 kV ICT-II at Bagpat GIS Sub-station alongwith associated bays, (COD: 3.7.2016) and **Asset-II:** 2 nos. 220 kV line bays associated with Bagpat GIS, (COD: 11.9.2016) under "Northern Region System Strengthening Scheme-XIX" in Northern 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. 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 Electricity Board,
The Mall, 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



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
18. U.P. Power Transmission Corporation Limited,
11th Floor, Shakti Bhawan, 14-Ashok Marg,
Lucknow-226 001

.....Respondents

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

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

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for two assets under “Northern Region System Strengthening Scheme-XIX” in 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”). 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 instant petition are as follows:-



Particulars	Elements	COD		Delay
		Scheduled	Actual	
Asset-I	500 MVA 400/220 kV ICT-II at Bagpat GIS Sub-station alongwith associated bays	15.2.2012	3.7.2016	52 months 17 days
Asset-II	2 nos. 220 kV line bays associated with Bagpat GIS		11.9.2016	54 months 25 days

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

Particulars	(₹ in lakh)					
	Approved apportioned cost		Cost as on COD	Projected capital expenditure		Estimated completion cost
	As per FR	As per RCE		2016-17	2017-18	
Asset-I	5564.57	5314.64	3662.70	998.06	499.03	5159.80
Asset-II	1053.76	1500.26	978.81	441.38	49.04	1469.23

4. The matter was heard on 6.12.2016 for consideration of the petitioner's prayer for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. The representative of the petitioner submitted that instant assets are covered under the NRSS XIX and the RLDDC and the DOCO letters in case of the instant assets have been submitted and prayed for grant of AFC as provided under Regulation 7(7) of the 2014 Tariff Regulations. Learned counsel for BSES Rajdhani Power Limited (BRPL), Respondent No. 12 submitted that reply in the matter was filed vide affidavit dated 5.12.2016. Learned counsel further submitted that there is time over-run in case of the instant assets and the petitioner has not filed the Transmission Service Agreement as per provided under Regulation 3(63) of the 2014 Tariff Regulations.

5. The petitioner had earlier claimed tariff for the instant assets in in Petition No.



253/TT/2015. AFC was granted under proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for the instant assets vide order dated 25.1.2016 in Petition No. 253/TT/2015. However, final tariff was not granted and the petitioner was directed to file a fresh petition. Accordingly, the petitioner has filed the instant petition. The AFC allowed under proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations vide order dated 25.1.2016 in Petition No. 253/TT/2015 is withdrawn, if not already withdrawn.

6. 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.

7. 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.



8. 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. However, the petitioner has filed the instant petition after commercial operation of respective assets. This delay in filing of petition has not been explained by the petitioner. Therefore, the petitioner is directed to submit the reasons of the delay in filing the petition.

9. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of both the assets, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow 65% of the transmission charges claimed for the instant assets for the period 2016-17 and 2017-18 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para-10 of this order.

10. 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 under:-

Assets	(₹ in lakh)		
	2016-17 (pro-rata)	2017-18	2018-19
Asset-I	614.61	949.27	972.91
Asset-II	168.76	346.27	347.19

B. Annual transmission charges allowed are as below:-

Assets	(₹ in lakh)	
	2016-17 (pro-rata)	2017-18
Asset-I	399.50	617.03
Asset-II	109.69	225.08



11. 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.

12. The petitioner is directed to submit the following information on affidavit with a copy to the respondents by 30.1.2017:-

- a) Details of time over-run and chronology of the activities along with documentary evidence, as per the format as under:-

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

- b) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;
- c) Auditors' certificate for expenditure in case of Asset-II for final tariff;
- d) Original Investment Approval alongwith RCE duly certified by the Company Secretary;
- e) Documents in support of interest rates and/or repayment schedules (as per Form-9C) of proposed loan and SBI loan deployed for instant assets;
- f) 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;



- g) Form-9 (Details of allocation of corporate loans to various transmission elements) in respect of each asset;
- h) Computation of interest during construction (IDC) along with editable soft copy in Excel format with links for instant assets 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; and
- i) Details of incidental expenditure during construction (IEDC) incurred during the period of delay of instant assets from scheduled COD to actual COD alongwith liquidated damages recovered or recoverable if any.

13. 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 said information is filed on affidavit with an advance copy to the respondents by 30.1.2017. In case, no information is filed within the said date, the matter shall be placed before the Commission for necessary orders.

14. The respondents are directed to file reply by 15.2.2017 and the petitioner to file rejoinder, if any, by 27.2.2017. The parties are directed to comply with directions within the specified dates.

15. The matter shall be listed on 7.3.2017.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

