

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 233/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 : 21.01.2017

In the matter of:

Approval of transmission tariff for **Asset I:** Conversion of 50 MVAR line Reactor (installed at Jeerat end of 400 kV Baharampur-Jeerat T/I) as Bus Reactor in parallel with existing Bus Reactor at Jeerat, (COD: 29.8.2016), **Asset-II:** Installation of 1 no. 125 MVAR Bus Reactor at Maithon Sub-station with GIS bays, (COD: 6.10.2016), **Asset-III:** 4 nos. 220 kV GIS Line Bays at Kishanganj Sub-station, (COD: 20.10.2016) and **Asset-IV:** Shifting of 1x315 MVA, 400/220 kV ICT from Patna (after replacement of 1x500 MVA ICT) and install it at 400/220 kV Jamshedpur Sub-station as 3rd ICT alongwith associated bays, Modification of 132 kV Bus arrangement with GIS bays at 220/132 kV Purnea Sub-station, Shifting of 1x315 MVA ICT from Pusauli and install it at Farakka alongwith associated bays and Modification of 132 kV Bus arrangement at 220/132 kV Siliguri Sub-station with GIS bays, (Anticipated COD: 31.1.2017) under "Eastern Region Strengthening Scheme-XII" in Eastern 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. 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,
Kolkata-700 091
3. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar-751 007
4. Damodar Valley Corporation,
DVC Tower, Maniktala
Civic Centre, VIP Road,
Kolkata-700 054
5. Power Department,
Govt. of Sikkim, Gangtok-737 101
6. Jharkhand State Electricity Board,
In front of Main Secretariat,
Doranda, Ranchi-834 002

.....**Respondents**

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

For respondents : Shri R.B. Sharma, Advocate for BSP(H)CL

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff in respect of 4 assets in the Eastern Region as per the details given below 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 petition and the elements covered, as per affidavit dated 13.12.2016 are as under:-

S. No.	Particulars	Element	COD		Delay
			Scheduled	Anticipated/ Actual as on the date	
1	Asset-I	Conversion of 50 MVAR line Reactor (installed at Jeerat end of 400 kV Baharampur-Jeerat T/I) as Bus Reactor in parallel with existing Bus Reactor at Jeerat	12.11.2016	29.8.2016 (Actual)	none
2	Asset-II	Installation of 1 no. 125 MVAR Bus Reactor at Maithon Sub-station with GIS bays		6.10.2016 (Actual)	
3	Asset-III	4 nos. 220 kV GIS Line Bays at Kishanganj Sub-station		20.10.2016 (Actual)	
4	Asset-IV	Shifting of 1x315 MVA, 400/220 kV ICT from Patna (after replacement of 1x500 MVA ICT) and install it at 400/220 kV Jamshedpur Sub-station as 3 rd ICT alongwith associated bays, Modification of 132 kV Bus arrangement with GIS bays at 220/132 kV Purnea Sub-station, Shifting of 1x315 MVA ICT from Pusauli and install it at Farakka alongwith associated bays and Modification of 132 kV Bus arrangement at 220/132 kV Siliguri Sub-station with GIS bays		31.1.2017 (Anticipated)	2 months 19 days

3. The details of capital costs claimed by the petitioner as per Management certificate dated 16.9.2016, 29.9.2016 and 25.10.2016, for Asset-I & Asset-II, Asset-III and Asset-IV respectively are as follows:-



(₹ in lakh)

Particulars	Approved apportioned cost	Cost as on COD/ anticipated COD*	Projected capital expenditure			Estimated completion cost
			2016-17	2017-18	2018-19	
Asset-I	351.04	182.98	237.48	200.00	-	620.46
Asset-II	5249.00	4473.77	776.86	800.00	-	6050.63
Asset-III	4637.80	3528.71	398.45	298.84	298.85	4524.85
Asset-IV	14656.25	9663.19	1956.17	1687.85	1037.85	14345.06
Total	24894.09	17848.65	3368.96	2986.69	1336.70	25541.00

*The capital costs are based on the anticipated CODs as per the original petition.

4. During the hearing of this petition 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 the instant petition.

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. 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.

8. 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-IV and cost over-run in case of Asset-I and Asset-II in the instant petition, which shall be looked into detail at the time of issue of final tariff, the Commission has decided to allow tariff 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:-



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

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18	2018-19
Asset-I	71.70	161.09	178.58
Asset-II	431.15	1006.21	1051.45
Asset-III	315.50	885.57	924.99
Asset-IV	756.07	2559.60	2751.86

B. After considering affidavit dated 13.12.2016, Annual transmission charges allowed are as below:-

(₹ in lakh)

Assets	2016-17 (pro-rata)	2017-18
Asset-I	34.48	77.47
Asset-II	317.92	741.97
Asset-III	319.07	752.73
Asset-IV	299.93	2047.68

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 30.1.2017:-



- a) RLDC charging certificate alongwith COD letter under Regulation 5(2) of the 2014 Tariff Regulations;
- b) Coloured Single line diagram alongwith upstream/downstream network details;
- c) CEA certificate under Regulation 43 of CEA (Measures Relating to safety and Electric supply) Regulations, 2010 certificate for instant assets;
- d) Actual COD of Asset-IV alongwith revised tariff forms for all assets and current status of downstream system with respect to Asset-III and Asset-IV;
- e) Reasons of cost over-run in case of Asset-I and Asset-II alongwith RCE duly approved, if any;
- f) Detailed reasons for time over-run and chronology of the activities asset wise 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	

- g) SCM/RPC for approval for Asset-I, Asset-II and Asset-III;
- h) In respect of Asset-I, details of COD of 400 kV Baharampur-Jeerat transmission line and associated bays;
- i) In respect of Asset-II, Status of assets associated with Maithon Sub-station;
- j) Furnish Auditors' Certificates for actual COD alongwith revised tariff forms and supporting documents regarding declaration of commissioning status of Asset-III and Asset-IV;
- k) Documents in support of interest rates and repayment schedule of proposed loan 2016-17 (7.97%) and 2016-17 (7.55%) and repayment schedule for SBI loan 10000 (1.5.2014) deployed as per Form-9C;
- l) Computation of interest during construction (IDC) on cash basis for all assets 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;
- m) 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
- n) Form-5B (Details of element wise cost of the project) and Form-15 (Actual cash expenditure) for instant assets;
- o) 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; and
- p) Form-10B (statement of decapitalisation) for Asset-I and Asset-IV. In case of Asset-I details of gross block and accumulated depreciation recovered for 50 MVAR line Reactor and under which petition its tariff was claimed. Details of gross block and accumulated depreciation recovered for shifted 1x315 MVA ICT from Patna Sub-station and Pusauli Sub-station and petition no. under which tariff was originally claimed together with details of gross block and accumulated depreciation recovered of replaced 1x500 MVA ICTs at Patna Sub-station and Pusauli Sub-station.

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 27.2.2017. The matter shall be listed on 7.3.2017.



14. 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

