

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 38/TT/2017**

**Coram:**

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

**Date of Order : 5.7.2017**

**In the matter of:**

Determination of transmission tariff of transmission assets in Eastern Region Strengthening Scheme IX in Eastern Region for the 2014-19 tariff period 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 Power (Holding) Company Limited  
(Formerly Bihar State Electricity Board),  
Bidyut Bhawan, Bailey road,  
Patna-800 001, Bihar
  
2. West Bengal State Electricity Distribution Company Ltd.  
Bidyut Bhawan, Bidhan Nagar Block DJ  
Sector-II, Salt Lake City  
Calcutta-700 091.
  
3. Grid Corporation of Orissa Ltd.  
Shahid Nagar, Bhubaneswar-751 007.
  
4. Damodar Valley Corporation  
DVC Tower, Maniktala Civic Centre,  
VIP Road, Calcutta-700 054.



5. Power Department, Government of Sikkim,  
Gangtok- 737 101
6. Jharkhand State Electricity Board  
In Front of Main Secretariat Doranda,  
Ranchi-834 002.

.....Respondents

**For petitioner** : Shri S.S. Raju, PGCIL  
Shri S.K. Venkatesan, PGCIL  
Shri R. Prasad, PGCIL  
Shri Jasbir Singh, PGCIL

**For respondents** : Shri R. B. Sharma, BSPHCL

### ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for transmission assets under Eastern Region Strengthening Scheme IX in Eastern Region for 2014-19 tariff period 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 assets alongwith date of commercial operation are as follows:-

Sr. No.	Asset	Scheduled COD	COD/anticipated COD as per the petition	Revised anticipated/ actual COD as per affidavit dated 26.4.2017
1.	Asset-I: 1 No. of 1x125 MVAR Bus Reactor (1st) and associated bay equipments at 400 kV Durgapur Sub-station,		23.10.2016 (actual)	23.10.2016 (actual)
2.	Asset-II: 1 No. of 1x125		30.11.2016	30.12.2016 (actual)



	MVAR Bus Reactor (2nd) and associated bay equipments at 400 kV Durgapur Sub-station		(anticipated)	
3.	Asset-III: 1 Nos. of 125 MVAR Bus Reactor (1st) at Rengali Sub-station		31.1.2017 (anticipated)	31.5.2017 (anticipated)
4.	Asset-IV: 1 Nos. of 125 MVAR Bus Reactor (2nd) at Rengali Sub-station		31.3.2017 (anticipated)	31.5.2017 (anticipated)
5.	Asset-V: Installation of 1x125 MVAR Bus Reactor by replacing existing 1x50 MVAR Bus Reactor at 400 kV Rourkela Sub-station	25.2.2016	31.3.2017 (anticipated)	30.6.2017 (anticipated)
6.	Asset-VI: Installation of 1x125 MVAR Bus Reactor in Parallel with existing 50(3X16.67) MVAR Bus Reactor at Biharsharif Sub-station		15.12.2016 (anticipated)	30.6.2017 (anticipated)
7.	Asset-VII: Installation of 2x125 MVAR Bus Reactor in Parallel with existing 2X50 MVAR Bus Reactor at Jamshedpur Sub-station		15.1.2017 (anticipated)	30.6.2017 (anticipated)
8.	Asset-VIII: Procurement of one 500 MVA, Single phase unit of 765/400 kV ICT for Eastern Region to be stationed at Gaya Sub-station (diverted to Ranchi)		15.1.2017 (anticipated)	30.6.2017 (anticipated)
9.	Asset-IX: Installation of 1X125 MVAR Bus Reactor at 400 kV Gazuwaka Sub-station		31.3.2017 (anticipated)	30.6.2017 (anticipated)
10.	Asset-X: Converting 2X80 MVAR line reactor to 2X80 MVAR switchable line reactor at Gorakhpur end for 400 kV Barh-II-Gorakhpur transmission line		1.2.2017 (anticipated)	9.2.2017 (actual)

3. The representative of the petitioner, during the hearing on 11.5.2017, 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 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. 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.

6. We have considered the submissions of the petitioner. It is observed that Asset VIII, i.e. 500 MVA, Single phase unit of 765/400 kV ICT for Eastern Region to be stationed at Gaya Sub-station (diverted to Ranchi) is going to be used as a spare at this stage. The petitioner is directed to submit a comprehensive list of regional spare ICTs, including bus reactors, line reactors, etc. their gross value, year of purchase and petition under which tariff was granted/claimed. As such, we are not inclined to tariff for Asset VIII for inclusion in the PoC charges. Further, Asset V is to replace the existing 1x50 MVAR Bus Reactor at 400 kV Rourkela Sub-station with 1x125 MVAR Bus Reactor. We are of the view that the petitioner should claim tariff for the replaced Bus Reactor separately with reference to the tariff of the assets sought to be replaced. Accordingly, tariff is not allowed for Asset V in this petition.



Out of the remaining assets, Assets I, II and X are commissioned and Assets III and IV were anticipated to be commissioned in May, 2017 and Assets VI, VII and IX are anticipated to be commissioned on 30.6.2017. As per the revised COD/revised anticipated COD there is time over-run in case of all the assets. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of the instant assets, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for Assets I, II, III, IV, VI, VII, IX and X in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order for the years 2016-17, 2017-18 and 2018-19.

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:-

(₹ in lakh)			
Asset	2016-17 (pro-rata)	2017-18	2018-19
Asset I	56.11	142.49	151.51
Asset II	77.60	256.05	270.51
Asset III	45.28	280.98	289.56
Asset IV	0.70	273.74	290.43
Asset V	0.29	117.50	131.42
Asset VI	46.71	174.51	182.91
Asset VII	49.72	257.80	269.53
Asset VIII	49.35	248.72	255.65
Asset IX	1.18	471.31	501.46
Asset X	26.21	167.91	175.10

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)			
Asset	2016-17 (pro-rata)	2017-18	2018-19
Asset I	44.89	113.99	121.21



Asset II	46.81	204.84	216.41
Asset III	-	187.83	231.65
Asset IV	-	182.99	232.34
Asset VI	-	105.81	146.33
Asset VII	-	155.39	215.62
Asset IX	-	284.08	401.17
Asset X	18.12	134.33	140.08

8. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system on pro-rata basis 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 directed the petitioner to submit the following information on affidavit with a copy to the respondents by 7.7.2017:-

- (i) Auditor Certificates for all the assets, along with their COD letters and Revised Tariff Forms, if any.
- (ii) Actual COD of the Assets III, IV, V, VI, VII, VIII and IX.
- (iii) RLDC charging certificate along with COD letter under Regulation 5 (2) of the 2014 Tariff Regulations.
- (iv) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for all the assets covered in the petition.
- (v) Details of time over-run along with documentary evidence and chronology of the activities asset-wise as per the format given below:-



Assets	Activity	Period of activity				Reason(s) for Delay alongwith reference to supporting documents
		Planned		Achieved		
		From	To	From	To	

- (vi) How reactor will be installed for parallel operation at Jamshedpur technically?
- (vii) RPM/SCM approval for diversion of 500 MVA ICT at Gaya Sub-station to Ranchi Sub-station.
- (viii) In case of replacement of bus reactors (50 MVAR) details regarding life of existing reactor, deap value for existing reactor and total requirement of regional spares vis-a-vis current status of availability of regional spare.
- (ix) How line reactor will be converted to switchable line reactor at Gorakhpur?
- (x) A comprehensive list of regional spares including Bus reactors, line reactors, ICTs etc. Their gross value, year of purchase and petition number in which tariff was granted/claimed. Requirement of regional spares vis-a-vis their current availability status.

10. The respondents to file their reply by 28.7.2017 with an advance copy to the petitioner who shall file its rejoinder, if any by 11.8.2017. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

11. The petition shall be listed for final hearing on 24.8.2017.

**sd/-**  
**(Dr. M.K. Iyer)**  
**Member**

**sd/-**  
**(A.S. Bakshi)**  
**Member**

**sd/-**  
**(A.K. Singhal)**  
**Member**

**sd/-**  
**(Gireesh B. Pradhan)**  
**Chairperson**

