

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 44/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 : 15.6.2017

In the matter of:

Determination of transmission tariff of **Asset-I:** Rajarhat-Farakka portion of 400 kV D/C Rajarhat-Purnea transmission line including LILO of one ckt of Rajarhat-Purnea transmission line at Farakka and associated line bays at Rajarhat and Farakka along with 2X80 MVAR Switchable line reactor at Rajarhat GIS and 1X80 MVAR line reactor at Farakka Sub-station, **Asset-II:** Farakka-Purnea portion of 400 kV D/C Rajarhat-Purnea transmission line alongwith 2 Nos of 80 MVAR switchable line reactor at Purnea Sub-station, **Asset-III:** LILO of one circuit of Rajarhat-Purnea transmission line at Gokarna and associated line bays at Gokarna alongwith 1X80 MVAR bus reactor at Gokarna Sub-station, **Asset-IV:** LILO of 400 kV S/C Subhasgram-Jeerat line at Rajarhat and associated bays; 1 no. 400/220 kV, 500 MVA ICT (1st) and associated bays alongwith 2 nos 220 kV line bays at Rajarhat Sub-station, **Asset-V:** 1 no 400/220 kV, 500 MVA ICT (2nd) and associated bays at Rajarhat Sub-station, **Asset-VI:** 1 no. 125 MVAR Bus Reactor (1st) and associated bays at Rajarhat Sub-station, **Asset-VII:** 1 no 125 MVAR Bus Reactor (2nd) and associated bay at Rajarhat Sub-station, **Asset-VIII:** 4 nos 220 kV line bays at Rajarhat Sub-station, **Asset IX:** 2 Nos of 400 kV Line bays for termination of LILO of 2nd Ckt of Jamsedpur Rourkela 400 kV Line at Chaibasa Sub-station under Eastern Region Strengthening Scheme-V in Eastern Region for 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

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-V in Eastern 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 assets are as follows:-

Sr. No.	Asset No.	Scheduled COD	COD/anticipated COD as per the petition	Actual/anticipated COD (as per affidavit dated 8.5.2017)
1.	Asset I(a)	23.4.2016	28.2.2017 (anticipated)	31.3.2017 (actual)
	Asset 1(b)			30.4.2017(actual)
	Asset 1(c)			30.9.2017(anticipated)
2.	Asset-II		25.3.2017 (anticipated)	30.9.2017 (anticipated)
3.	Asset-III		28.2.2017 (anticipated)	30.4.2017 (actual)
4.	Asset-IV		31.12.2016 (anticipated)	30.9.2017 (anticipated)
5.	Asset-V		31.12.2016 (anticipated)	30.9.2017 (anticipated)
6.	Asset-VI		31.12.2016 (anticipated)	30.9.2017 (anticipated)
7.	Asset-VII		31.12.2016 (anticipated)	30.9.2017 (anticipated)
8.	Asset-VIII	31.12.2016 (anticipated)	30.9.2017 (anticipated)	
9.	Asset-IX	22.11.2016 (actual)	22.11.2016 (actual)	

3. The instant assets were scheduled to be commissioned on 23.4.2016. The petitioner has submitted, vide affidavit dated 8.5.2017, that three assets out of nine assets are commissioned and six assets are anticipated to be commissioned in September, 2017. The petitioner has submitted that Assets IV and VIII consisting of two Nos. of 220 kV bays and 4 Nos. of 220 kV line bays are for the connectivity with the downstream system of WBSEDCL. The petitioner has submitted that WBSEDCL informed in the ERPC/OCC meetings that it would commission its downstream asset (related to Asset IV) matching with commissioning of Asset IV, but the commissioning of Asset-VIII would be only in mid 2018-19. PGCIL has submitted that since it is not possible to delay the completion/commissioning of ISTS/upstream network beyond a certain period due to obvious contractual reasons, PGCIL has sought approval of the anticipated date of commissioning of the said asset under proviso (ii) of Regulation 4(3) of the 2014 Regulations.

4. The representative of the petitioner, during the hearing on 11.5.2017, prayed for grant of Annual Fixed Charges (AFC) for the instant asset in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.



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) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these regulations.

6. 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. We have considered the submissions of the petitioner. The petitioner, vide affidavit dated 8.5.2017, has submitted that Asset-I has been split into three elements i.e. Asset I(a), I(b) and I(c). However, the petitioner has not submitted the revised tariff forms corresponding to these elements. The petitioner has further submitted that a part of Asset III has been combined with Asset 1(a) and accordingly there is change in scope and cost of Asset III. The petitioner is required to submit revised tariff forms for Asset III, which have not been submitted. The petitioner is directed to approach the Commission with the revised tariff forms in case of Asset I(a), I(b) I(c) and III. Asset IV and VIII are connected to the downstream systems of



WBSEDCL which have not been commissioned so far and are likely to be commissioned only in mid 2018-19. Declaration of COD of these assets without the downstream assets being commissioned will result in non-utilization of these assets and will not render any service to the DICs. In the tariff petition, the anticipated date of commissioning of Asset II was indicated as March, 2016 and that of Assets V, VI, and VII as December, 2016. In the affidavit dated 8.5.2017, the petitioner has revised the date of COD as September, 2017. Since capital cost on the basis of which the petition was filed with anticipated COD would undergo change, we direct the petitioner to revise the petition in the light of the revised COD. The petitioner is directed approach the Commission for tariff under Regulation 7(7) of the 2014 Tariff Regulations after the actual COD of Assets II, V, VI and VII.

8. AFC is allowed only for Asset IX, for the purpose of inclusion in the PoC charges in terms of proviso (i) of the Regulation 7(7) of the 2014 Tariff Regulations after carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run, which shall be looked into in detail at the time of issue of final tariff, as given in para 9 of this order.

9. 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	2017-18	2018-19
Asset I	1064.50	13639.77	14236.39
Asset II	130.45	7253.04	7726.88
Asset III	110.37	1376.03	1430.12
Asset IV	558.75	2640.73	2956.88
Asset V	151.09	639.42	654.78
Asset VI	75.84	333.94	346.74
Asset VII	79.45	341.43	353.10
Asset VIII	128.71	536.38	551.08



Asset IX	86.83	272.11	296.42
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B. Annual transmission charges allowed are as follows:-

(₹ in lakh)			
Asset IX	2016-17	2017-18	2018-19
	69.46	217.69	237.14

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 7.7.2017:-

- (i) RCE for the cost over-run.
- (iii) Details of time over-run and chronology of activities alongwith documentary evidence as per format given below:-

Asset	Activity	Period of activity				Reason(s) for delay
		Planned		Achieved		
		From	To	From	To	

- (iv) Revised tariff forms as per actual COD of assets.
- (v) CMD certificate as per Regulation 6.3 A Proviso (iv) of the Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010.
- (vi) RLDC Certificate/charging certificate of assets covered in the instant petition.
- (vii) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010.



- (viii) Auditor's Certificate, COD Letter (in case of actual COD) and revised tariff forms. Management certificate or Auditor's Certificate (in case of anticipated COD) and all tariff forms for the asset.
- (ix) With regard to additional capital expenditure on account of balance and retention payment, the nature/works against the payment is withheld.
- (x) Information for delay against each activity asset wise covered under the instant petition.
- (xi) Time over-run analysis with standard method such as PERT chart and explain/justify the activities attached which causes the delay in project execution.
- (xii) Current status of associated lines of WBSEDCL associated with 6 nos 220 kV bays at Rajarghat.

12. The respondents are directed to file their reply by 24.7.2017 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.

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

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

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

