

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 118/TT/2017

Coram:

**Shri P. K. Pujari, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order : 05.04.2018

In the matter of:

Approval of transmission tariff for 400 kV D/C Kakrapar APP-Navsari T/L along with associated bays at Navsari GIS and 400 kV D/C Kakrapar APP-Vapi T/L along with associated bays at Vapi S/S under "Transmission System associated with Kakrapar Atomic Power Project 3 & 4" for tariff block 2014-19 in Western Region from COD to 31.3.2019.

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
9. Nuclear Power Corporation of India Limited
09-N-33, Vikram Sarabhai Bhavan,
Anushaktinagar,
Mumbai-400 094

...Respondents

For petitioner : Shri S.S. Raju, PGCIL
Shri Abhay Choudhary, PGCIL
Shri B. Dash, PGCIL
Shri Rakesh Prasad, PGCIL
Shri V.P. Rastogi, PGCIL

For respondents : None

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of tariff for 400 kV D/C Kakrapar APP-Navsari Transmission Line along



with associated bays at Navsari GIS and 400 kV D/C Kakrapar APP-Vapi Transmission Line along with associated bays at Vapi Sub-station under “Transmission System associated with Kakrapar Atomic Power Project 3 & 4” in Western Region for tariff block 2014-19 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 grant of 90% of the Annual Fixed Charges (AFC) claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

2. As per the Investment Approval dated 26.2.2014, the instant asset was scheduled to be put into commercial operation within 32 months, i.e. by 26.10.2016. The petitioner vide affidavit dated 9.3.2018 has submitted the actual COD of the instant asset was 29.6.2017. The petitioner has submitted the COD letter along with WRLDC certificate vide affidavit dated 6.7.2017. Accordingly, there is a time-run of 8 months 3 days.

3. The petitioner has claimed the tariff based on actual/estimated expenditure incurred up to COD and additional capitalization incurred from COD to 31.3.2019 in respect of the instant asset. The capital cost claimed by the petitioner is as follows:-

Apportioned approved cost as per RCE	Expenditure incurred upto COD	Additional Capital Expenditure			Total estimated cost
		2017-18	2018-19	2019-20	
37871.21	26625.21	2088.49	1004.12	449.24	30167.06



The estimated completion cost of the instant asset is within the approved apportioned cost.

5. The matter was heard on 15.3.2018, 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 asset.

6. We have considered the submissions of the petitioner. 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.

7. The petitioner has made the application 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. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run which will be considered at the time of grant 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. However, the transmission charges allowed for the instant assets shall be considered in the PoC charges from the date of actual COD of the associated bays at Kakrapar Switchyard and start of flow of power through the lines.

9. The details of the tariff claimed by the petitioner and tariff awarded by the Commission are as follows:-

A. Annual transmission charges claimed by the petitioner based on anticipated COD (i.e. 30.4.2017) are as follows:-

(₹ in lakh)

2017-18	2018-19
4750.56	5325.69

B. Annual transmission charges allowed based on actual COD (i.e. 29.6.2017) are as follows:-

(₹ in lakh)

2017-18	2018-19
3121.79	4260.55



10. The petitioner is directed to submit the following information on affidavit by 20.4.2018, with an advance copy to the respondents:-

- a. The current status of generating system of NPCIL;
- b. The COD of the associated bays at Kakrapar Station;
- c. The CMD certificate as required under Grid code for instant asset, clearly stating the date of issue of the certificate;
- d. Clarify how in the absence of associated generation system, the transmission lines are being utilized to improve the stability and reliability of the power system; and
- e. The details of reason for the assets covered in the instant petition for time over-run and chronology of the time over-run along with documentary evidence in the following format along with if any additional information required:-

Srl. No.	Activity	Envisaged		Actual	
		Starting date	Date of completion	Starting date	Date of completion
1.	LOA				
2.	Forest clearance				
3.	RoW issues				
4.	Material supply				
5.	Foundation				
6.	Tower erection				
7.	Stringing				
8.	Transmission line				
9.	Sub-station works				

- f. Auditor Certificate and revised tariff forms based on actual COD.

11. The respondents to file their reply by 7.5.2018 with an advance copy to the petitioner who shall file its rejoinder, if any, by 15.5.2018. The parties shall comply with



the above directions within the due date mentioned above and no extension of time shall be granted.

12. The petition shall be listed for final hearing on 7.6.2018.

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

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(P.K. Pujari)
Chairperson

