

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 207/TT/2017

Coram:

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

Date of Order : 06.03.2018

In the matter of:

Approval of transmission tariff for **Asset 1:** Part of 400 kV D/C Navsari Boisar T/L from 45 A/0 to 69/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus), Part of 400 kV D/C Navsari-Boisar T/L from 69/0 to 313/0 and Part of 400 kV D/C Navsari-Boisar from 313/0 to 332/0 (D/C portion strung on M/C Twin-Quad portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Aurangabad-Boisar); **Asset 2:** 240 MVar Switchable Line Reactor for 765 kV Seoni-Wardha Ckt.#1 at Seoni S/S; **Asset 3:** 240 MVar Switchable Line Reactor for 765 kV Seoni-Wardha Ckt.#2 at Seoni S/S; **Asset 4:** Part of 400 kV D/C Vapi- Kudus T/L from location 44-45 A/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus)- {400 kV D/C Navsari-Boisar portion from location 44 to 45 A/0 already commissioned on 1.4.2014; **Asset 5:** Part of 400 kV D/C Vapi- Kudus T/L from 45 A/0 to 69/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus)-, Part of 400 kV D/C Vapi-Kudus T/L from 69/0-104/0 and Part of 400 kV D/C Aurangabad-Boisar from 313/0 to 332/0 (D/C portion strung on M/C Twin-Quad portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Aurangabad-Boisar) under "Transmission System associated with Mundra Ultra Mega Power Project" 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,
5th Floor, Prakashgad,
Bandra (East),
Mumbai-400 052.
3. Gujarat UrjaVikas 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.

...Respondents

For petitioner : Shri S.S. Raju, PGCIL
Shri Mohd. Mohsin, PGCIL
Shri B. Dash, PGCIL
Shri R. Prasad, PGCIL
Shri Vivek Kumar Singh, 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 **Asset 1**: Part of 400 kV D/C Navsari Boisar Transmission



Line from 45 A/0 to 69/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus), Part of 400 kV D/C Navsari-Boisar Transmission Line from 69/0 to 313/0 and Part of 400 kV D/C Navsari-Boisar from 313/0 to 332/0 (D/C portion strung on M/C Twin-Quad portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Aurangabad-Boisar); **Asset 2:**240 MVar Switchable Line Reactor for 765 kV Seoni-Wardha Ckt.#1 at Seoni Sub-station; **Asset 3:**240 MVar Switchable Line Reactor for 765 kV Seoni-Wardha Ckt.#2 at Seoni S/S; **Asset 4:**Part of 400 kV D/C Vapi-Kudus Transmission Line from location 44-45 A/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus)- {400 kV D/C Navsari-Boisar portion from location 44 to 45 A/0 commissioned on 1.4.2014; **Asset 5:**Part of 400 kV D/C Vapi-Kudus Transmission Line from 45 A/0 to 69/0 (D/C portion strung on M/C Twin-Twin portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Vapi-Kudus), Part of 400 kV D/C Vapi-Kudus Transmission Line from 69/0-104/0 and Part of 400 kV D/C Aurangabad-Boisar from 313/0 to 332/0 (D/C portion strung on M/C Twin-Quad portion comprising of 400 kV D/C Navsari-Boisar and 400 kV D/C Aurangabad-Boisar) under “Transmission System associated with Mundra Ultra Mega Power Project” 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. 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:-

Asset	Apportioned approved cost as per RCE	Expenditure incurred upto COD	Additional Capital Expenditure						Total estimated cost
			2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	
1	25329.91	14736.04	0.00	0.00	917.86	2058.07	572.88	0.00	18284.85
2	2908.98	1562.01	1075.27	66.64	138.54	0.00	0.00	0.00	2842.46
3	3665.62	1263.05	785.16	53.58	919.78	0.00	0.00	0.00	3021.57
4	316.40	130.37	0.00	0.00	1.15	0.00	0.00	0.00	131.52
5	13784.64	8663.65	0.00	0.00	0.00	934.77	1237.43	247.77	11083.62

The estimated completion cost for all the assets is within the RCE approved apportioned cost. Hence, there is no cost over-run.

3. The details of the assets are as follows:-

Asset No.	Scheduled COD	COD as per the petition	Time over-run
Asset 1	15.10.2012	31.12.2016	50 months
Asset 2		2.5.2014	18 months
Asset 3		1.4.2014	17 months
Asset 4		1.3.2015	28 months
Asset 5		31.12.2017 (anticipated)	62 months

4. During the hearing on 18.1.2018, the representative of the petitioner submitted that Assets 2 and 3 were put under commercial operation during 2014-19 tariff period and tariff was claimed in Petition No. 185/TT/2014. However, tariff was not allowed by the Commission stating that tariff was already granted in Petition No. 72/TT/2012. The petitioner submitted that 765 line bays alongwith Switchable Line Reactors at Seoni end for upgradation of 400 kV Seoni-Wardha D/C Transmission Line were filed under Petition No. 72/TT/2012. Line bays were commissioned during 2009-14 period but the Switchable Line Reactors could not be put into commercial operation in 2009-14 period due to delay leading to withdrawal of the assets from



World Bank Funding and re-bidding. The petitioner submitted that the O&M Expenses claimed for Switchable Line Reactors in Petition No. 72/TT/2012 will be adjusted at the time of truing up and accordingly requested to grant tariff for Assets 2 and 3 in the instant petition. The representative of the petitioner further requested to grant AFC for all the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

5. We have considered the submissions of the petitioner. The petitioner had claimed transmission tariff for Asset-2 and 3 of the instant petition in Petition No. 185/TT/2014 and tariff under Regulation 7(7) of the 2014 Tariff Regulations was allowed vide order dated 24.9.2014 in the said petition for inclusion in the PoC computation. However, the final tariff was not allowed for the said assets observing that tariff was already allowed in Petition No. 72/TT/2012. But, it is observed that tariff for the Switchable Line Reactors at Seoni Sub-Station was not allowed in Petition No.72/TT/2012. Therefore, the tariff for the Switchable Line Reactors at Seoni Sub-station is allowed in the instant petition as prayed by the petitioner. The CTU shall ensure that the tariff allowed for the Switchable Line Reactors at Seoni Sub-Station under Regulation 7(7) of the 2014 Tariff Regulations in order dated 24.9.2014 in Petition No. 185/TT/2014 is withdrawn from the PoC computation, if it has not been already withdrawn. Further, the O&M charges allowed for the Switchable Line Reactors at Seoni Sub-Station in Petition No. 72/TT/2012 shall be adjusted at the time of determination of final tariff in the instant petition. As regards Asset-5, the petitioner has submitted vide affidavit dated 10.1.2018 that it was put into commercial operation on 31.12.2017. The petitioner has submitted the CEA clearance certificate and WRLDC Certificate regarding trial operation and has also



submitted that COD letter, CMD certificate, Auditor certificate and revised tariff forms will be submitted shortly. The petitioner's request for AFC for Asset-5 under Regulation 7(7) of the 2014 Tariff Regulations shall be considered after submission of COD letter, CMD certificate and revised tariff forms.

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), Regulations, 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 the 2014 Tariff 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.

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

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

(₹ in lakh)					
Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Asset 1	-	-	694.58	2993.10	3167.88
Asset 2	367.72	496.82	508.98	514.85	509.64
Asset 3	335.94	405.43	479.20	546.81	541.03
Asset 4	2.00	24.33	23.97	23.52	22.96
Asset 5	-	-	-	1645.80	1793.46

B. Annual transmission charges allowed are as follows:-

(₹ in lakh)					
Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Asset 1	-	-	555.66	2394.48	2534.30
Asset 2	294.18	397.45	407.18	411.88	407.71
Asset 3	268.75	324.34	383.36	437.44	432.82
Asset 4	1.60	19.46	19.17	18.82	18.39
Asset 5	-	-	-	-	-

10. The petitioner is directed to submit the following information on affidavit by 16.3.2018, with advance copy to the beneficiaries:-

- a. Notification letter of COD for Asset 5;
- b. Auditor Certificate and revised tariff forms based on actual date of commissioning of Asset 5;
- c. Supporting document for foreign loan- IBRD-V for Asset 2 and Asset 3;
- d. Form- 5B i.e. details of asset wise apportioned approved cost;
- e. Nature of initial spares (i.e. green field or brown field) for Asset 3.



11. The respondents are directed to file their reply by 1.4.2018 with an advance copy to the petitioner who shall file its rejoinder, if any, by 15.4.2018. The parties shall comply with the above directions within the specified dated and no extension of time shall be granted.

12. The petition shall be listed for final hearing on 24.4.2018.

sd/-

(Dr. M.K. Iyer)
Member

sd/-

(A.S. Bakshi)
Member

sd/-

(A.K. Singhal)
Member

