

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. : 259/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:

Determination of transmission tariff for 400/220 kV 1X500 MVA ICT-III at Satna along with associated ICT bays and 2 Nos. 220 kV line bays at Satna Sub-station from COD to 31.3.2019 under "Western Region Strengthening Scheme-XVI" in Western Region for 2014-19 tariff block.

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, 4rd Floor, Andheri (East), Mumbai- 400052
3. Gujarat Urja Vikas Nigam Ltd.,
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-396210.
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) Ltd.,
3/54, Press Complex, Agra-Bombay Road ,Indore-452 008

.....**Respondents**

For petitioner : Shri Vivek Kumar Singh, PGCIL
Shri S.S. Raju, PGCIL
Shri A. Choudhary, PGCIL
Shri Rakesh Prasad, PGCIL
Shri B. Dash, PGCIL

For respondent : None

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for 400/220 kV 1X500 MVA ICT-III at Satna along with associated ICT bays and 2 Nos. 220 kV line bays at Satna Sub-station from COD to 31.3.2019 under the Western Region Strengthening Scheme-XVI in Western Region for 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 charges in accordance with the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010.

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 assets. As per the Investment Approval dated 20.7.2016, the instant asset was scheduled to be commissioned by 20.7.2018. The petitioner has submitted, vide affidavit dated 10.1.2018, the RPC Certificate, CEA Certificate and COD declaration letter. The asset was put under commercial operation on 27.11.2017. Thus, there is no time over-run. The capital cost claimed by the petitioner is as follows:-

(₹ in lakh)

Apportioned approved cost as per FR	Expenditure incurred upto anticipated COD	Additional Capital Expenditure			Total estimated cost
		2017-18	2018-19	2019-20	
4397.95	1949.33	845.67	495.64	74.19	3364.83

Thus, as against the total apportioned approved cost of ₹4397.95 lakh, the estimated completion cost is ₹3364.83 lakh. Therefore, there is no cost over-run in respect of the instant asset.

4. The matter was heard on 20.3.2018. The representative of the petitioner submitted that instant asset was put into commercial operation before the scheduled COD matching with the downstream assets. He submitted that there is reduction in completion cost due to early commissioning and reduction in line length. He further submitted that the CMD certificate, Auditor certificate and revised tariff forms based on the actual COD have been submitted vide affidavit dated 16.2.2018 and requested for grant of Annual Fixed Charges (AFC) 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. After carrying out preliminary prudence check of the AFC claimed by the petitioner, 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-8 of this order.

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

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

(₹ in lakh)	
2017-18	2018-19
207.64	717.30

B. Annual transmission charges allowed are as below:-



(₹ in lakh)	
2017-18 (pro-rata)	2018-19
176.49	609.71

9. The tariff allowed in this order shall be applicable from the actual COD of instant asset 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.

10. The petitioner is directed to submit the following information on affidavit by 16.4.2018, with advance copy to the beneficiaries:-

- a) Form-4A "Statement of Capital Cost" as per books of accounts and liabilities details for the Asset;
- b) Form-5 "Element wise Break-up of Project/Asset/Element cost for Transmission System or Communication System";
- c) Reconcile the amount of capital liabilities included in Gross Block as mentioned in Form-4A with liability mentioned in Form-5 and in Form-7;
- d) The details of IEDC as per Form-12A and the year wise discharge of IEDC;
- e) Form-13 "Breakup of Initial Spares" and clarify whether entire liability pertaining to initial spares has been discharged as on COD, if not, year wise detail of discharging of the same;
- f) Form-14 (Other Income as on COD) and Form-15 (Actual Cash Expenditure);
- g) Details of remaining scope of work covered in other petitions and its status;
- h) Reason for cost variation along with bifurcation of cost for the instant asset as per table below:



S.no	Asset	Cost of transformer	Switchgear +Civil works +F&I +Erection	Spares	Taxes & Duties	IDC+IEDC	EST. Completion cost
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- i) What is the cost and basis to arrive at the cost of one unit of transformer with the specification of “500 MVA, 400/220 kV” of different makes; and
- j) Colored SLD diagram for the instant asset clearly indicating complete scope of work under Western Region Strengthening Scheme-VXI and the scope covered in the instant petition.

11. The respondents are directed to file their reply by 7.5.2018 with an advance copy to the petitioner who shall file its rejoinder, if any by 14.5.2018. 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

