CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition Nos. 158/TT/2018

Coram:

Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member

Date of Order: 21.11.2019

In the matter of:

Approval 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 for determination of Transmission Tariff from anticipated / actual COD to 31.03.2019 for **Asset-1**: 400/220 kV, 3 x 105 MVA ICT along with associated bays at Hamirpur Sub-station; **Asset-2**: 220 kV, 2 nos. Line bays at Hamirpur Sub-station; **Asset-3**: 220 kV, 2 nos. Line bays at Jallandhar Sub-station; and **Asset-4**: 1 x 500 MVA, 400/220 kV ICT-IV at GIS Gurgaon Sub-station, under "Augmentation of Transformers in Northern Region-Part B" in Northern Region.

And in the matter of:

Power Grid Corporation of India Limited
"Saudamini", Plot Nos.2,
Sector-29, Gurgaon -122 001 ……**Petitioner**

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Limited,
   Vidyut Bhawan, Vidyut Marg, Jaipur – 302 005.

2. Ajmer Vidyut Vitran Nigam Limited,
   400 kV GSS Building (Ground Floor), Ajmer Road, Heerapura, Jaipur.

3. Jaipur Vidyut Vitran Nigam Limited,
   400 kV GSS Building (Ground Floor), Ajmer Road, Heerapura, Jaipur.

4. Jodhpur Vidyut Vitran Nigam Limited,
   400 kV GSS Building (Ground Floor), Ajmer Road, Heerapura, Jaipur.

5. Himachal Pradesh State Electricity Board,
   Vidyut Bhawan, Kumar House Complex Building II, Shimla – 171 004.

6. Punjab State Electricity Board,
   The Mall, Patiala – 147 001.

7. Haryana Power Purchase Centre,
   Shakti Bhawan, Sector-6, Panchkula, Haryana – 134 109.

8. Power Development Deptt.,
   Govt. of Jammu and Kashmir,
   Mini Secretariat, Jammu.

9. Uttar Pradesh Power Corporation Limited,
   Shakti Bhawan, 14, Ashok Marg, Lucknow – 226 001.

10. Delhi Transco Limited,
    Shakti Sadan, Kotla Road, New Delhi – 110 002.

11. BSES Yamuna Power Limited,
    BSES Bhawan, Nehru Place, New Delhi.

12. BSES Rajdhani Power Limited,
    BSES Bhawan, Nehru Place, New Delhi.

13. North Delhi Power Limited,
    Power Trading and Load Dispatch Group, Cennet Building, Pitampura, New Delhi – 110 034.

14. Chandigarh Administration,
    Sector-9, Chandigarh.

15. Uttarakhand Power Corporation Limited,
    Urja Bhawan, Kanwali Road, Dehradun.

16. North Central Railway,
    Allahabad.

17. New Delhi Municipal Council,
    Palika Kendra, Sansad Marg, New Delhi – 110 002.

18. Himachal Pradesh Power Transmission Corporation Limited,
    HIMFED Bhawan, Panjari,
    Shimla-171005.

19. Punjab State Transmission Corporation Limited,
    Regd. Office, PSEB Head Office,
    The Mall, Patiala, Punjab-147001

……**Respondents**

Parties present:

For Petitioner:	Shri S. K. Niranjan, PGCIL, Shri S. K. Venkatesan, PGCIL, Shri S. S. Raju, PGCIL and, Shri V. P. Rastogi, PGCIL
For Respondent:	Shri R. B. Sharma, Advocate, BRPL, Shri Mohit Mudgal, Advocate, BRPL, Shri Ashwin Ramanathan, Advocate, HPPTCL and, Shri Anand K. Ganesan, Advocate, HPPTCL

ORDER

The Petitioner, Power Grid Corporation of India Limited (hereinafter referred to as "PGCIL") has filed the instant Petition for approval of transmission tariff, from COD to 31.03.2019, for 04 nos. of assets under augmentation of transformers in Northern Region-Part B (hereinafter referred to as "the instant assets") based on anticipated COD of Asset-1, Asset-2 and Asset-3 as 1.6.2018 and actual COD of Asset-4 as 31.12.2017, in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations"). Subsequently, the Petitioner vide affidavit dated 13.5.2019 submitted the revised COD of Asset-1, Asset-2 and Asset-3 as 31.3.2019 (actual), 31.3.2019 (anticipated) and 25.3.2019 (anticipated), respectively.

2. The Petitioner was entrusted with the implementation of Transmission System for **"Augmentation of Transformers in Northern Region-Part B"** in Northern Region scheme. The Petitioner has submitted that the scheme was discussed and agreed in 30th Standing Committee Meeting (hereinafter referred to as "SCM") held on 19.12.2011 and 25th NRPC meeting held on 19.3.2012.

3. The Investment Approval (hereinafter referred to as "IA") for implementation of the project was accorded by the Board of Directors of the Petitioner company in its 300th meeting held on 27.3.2014 (communicated vide Memorandum Ref.: C/CP/Aug. of transformers in NR - Part B dated 16.5.2014), at an estimated cost of ₹155.57 crore including IDC of ₹8.09 crore, based on December, 2013 price level. Further, Revised Cost Estimate (hereinafter referred to as “RCE”) of the project was approved by Board of Directors of the Petitioner in its 339th meeting held on 29.3.2017 (communicated vide the Memorandum Nos. C/CP/Aug NR-B dated 31.3.2017) at an estimated cost of ₹206.42 crore including IDC of ₹7.43 crore based on December, 2016 price level.

4. The project was scheduled to be commissioned within 24 months from the date of IA. Accordingly, the scheduled date of commercial operation (hereinafter referred to as "SCOD") of the project / instant assets comes to 27.3.2016. However, the Petitioner has considered SCOD of 16.5.2016 (based on the date of issuance of IA i.e. 16.5.2014). The SCOD of 27.3.2016 has been considered for the purpose of tariff in the instant Petition.

5. The broad scope of work covered under the project as per IA is as follows:

Sub-station Works:

(i) Samba (1 x 315 MVA, 400/220 kV Transformer)

(ii) Gurgaon (1 x 500 MVA, 400/220 kV Transformer)

(iii) Hamirpur (3 x 105 MVA, 400/220 kV Transformer along with 2 nos. of 220 kV Line bays)

(iv) Jalandhar (1x 500 MVA, 400/220 kV Transformer along with 2 nos. of 220 kV Line bays)

(v) Panchkula (1 x 500 MVA, 400/220 kV Transformer)

6. The details of the Petitions covering assets under the scope of work of the project are as under:

Assets	Covered under
Asset 1: 400/220kV, 3 X 105 MVA ICT alongwith associated bays at Hamirpur Sub-station	Instant Petition
Asset 2: 220kV, 2 nos. Line bays at Hamirpur Sub-station	
Asset 3: 220kV, 2 nos. Line bays at Jallandhar Sub-station	
Asset 4: 1 X 500 MVA, 400/220 kV Transformer at Gurgaon Sub-station	
Asset A: 1 X 500 MVA, 400/220 kV Transformer at Panchkula Sub-station	Petition No. 236/TT/2016 (Order dated 6.10.2017)
Asset B: 1 X 500 MVA , 400/220 kV Transformer at Jalandhar Sub-station	
Asset C: 1 X 315 MVA, 400/220 kV Transformer at Samba Sub-station	

7. Thus, the instant Petition covers following assets:

Name of Assets	COD (Claimed)
Asset-1: 400/220kV, 3 X 105 MVA ICT along with associated bays at Hamirpur Sub-station	31.3.2019 (Actual)
Asset-2: 220kV, 2 nos. Line bays at Hamirpur Sub-station	31.3.2019*
Asset-3: 220kV, 2 nos. Line bays at Jallandhar Sub-station	25.3.2019*
Asset-4: 1 x 500 MVA, 400/220 kV Transformer at Gurgaon Sub-station	31.12.2017 (Actual)

*(i) Proposed under proviso(ii) of Regulation 4(3) of the 2014 Tariff Regulations.
(ii) Considered as per respective Management Certificate of the Assets.

8. The details of the transmission charges claimed by the Petitioner are as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19 *	2018-19 *	2018-19 *	2017-18 *	2018-19
Depreciation	0.83	0.09	0.40	49.54	220.62
Interest on Loan	0.86	0.10	0.42	51.09	217.15
Return on Equity	0.92	0.10	0.45	55.20	245.81
Interest on Working Capital	0.07	0.02	0.12	4.69	20.16
O&M Expenses	0.29	0.26	1.81	26.13	106.83
Total	**2.97**	**0.57**	**3.20**	**186.65**	**810.57**

*pro-rata

9. No comments or suggestions have been received from the general public in response to the notices published by the Petitioner under Section 64 of the Electricity Act. Replies to the Petition have been filed by BRPL vide its affidavit

dated 18.7.2018 and by HPPTCL vide its affidavit dated 4.5.2019. The Petitioner vide its affidavit dated 27.7.2018 and 27.5.2019 filed its rejoinders to the replies filed by BRPL and HPPTCL, respectively.

10. Annual Fixed Charges (hereinafter referred to as "AFC") was allowed by the Commission for Asset-4 vide order dated 20.8.2018 under Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the PoC computation as under:

(₹ in lakh)

2017-18 (pro-rata)	2018-19
149.43	648.96

11. Based on the documents available on record and after considering the submission of the petitioner, we dispose of the claim of the petitioner in the instant Petition in terms of the provisions of the 2014 Tariff Regulations, as stated in the subsequent paragraphs.

Date of Commercial Operation (COD)

12. The Petitioner vide affidavit dated 18.4.2019 has submitted that Asset-2 and Asset-3 was charged (at no load) on 28.3.2019 and 22.3.2019, respectively and has submitted NRLDC charging certificate dated 16.4.2019 in support of its claim. The Petitioner further submitted that Asset-2 and Asset-3 were charged at no load because of non-availability of the downstream network of HPPTCL and PSPCL/PSTCL. Accordingly, the Petitioner has prayed to approve the COD of Asset-2 and Asset-3 as 31.3.2019 and 25.3.2019, respectively in terms of proviso(ii) of Regulation 4(3) of the 2014 Tariff Regulations.

13. With regard to the status of downstream lines, the Petitioner vide affidavit dated 13.5.2019 has submitted as under:

Particulars	Details of downstream network
Downstream network pertaining to Asset-1 (400/220kV, 3 X 105 MVA ICT along with associated bays at Hamirpur Sub-station)	i) Downstream network is available. ii) RLDC certificate for 24 hour power flow is submitted in the instant affidavit.
Downstream network pertaining to Asset-2 (220kV, 2 nos. Line bays at Hamirpur Sub-station)	i) Downstream network is not available. ii) As per MoM of 43rd NRPC meeting dated 6.2.2019, HPPTCL informed that associated downstream network 220 kV Hamirpur-Dehan Line shall be commissioned by June'2020. iii) Copy of 43rd NRPC MoM along with the earlier coordination done by Petitioner is submitted in the instant affidavit.
Downstream network pertaining to Asset-3 (220kV, 2 nos. Line bays at Jallandhar Sub-station)	Downstream network is not available.
Downstream network pertaining to Asset-4 (1 X 500 MVA, 400/220 kV ICT-IV at GIS Gurgaon Sub-station)	i) Downstream network is available. ii) RLDC certificate for 24 hour power flow has been submitted in the instant Petition.

14. HPPTCL vide affidavit dated 20.5.2019 has submitted as under:

i) The Petitioner has wrongly sought approval of COD of the assets under the Proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations and sought to lay the entire blame on HPPTCL with regard to the downstream transmission system.

ii) In the 30th SCM held on 19.12.2012, it was proposed to provide two bays for inter-connection of Kangoo Sub-station of Respondent No. 5 (HPSEB) wherein the Petitioner requested HPPTCL to expedite 220 kV inter-connection from Hamirpur 400/220 kV Sub-station.

iii) The Hamirpur Sub-station of the Petitioner has been planned keeping in view the present as well as future requirements. In the aforesaid SCM, it has been clearly brought out between the parties that four bays will be utilized for LILO of 220 kV Jalandhar–Hamirpur D/c Line and two bays will be used for connecting Kangoo Sub-station of HPSEB. It was further agreed therein that requirement of two additional bays for connecting HPPTCL's Dehan Sub-station could be considered in future when required. HPPTCL at no point of time requested the Petitioner for construction of additional two bays for its requirement.

iv) Thus it is evident that the construction/erection of Asset-1 by the Petitioner, i.e. additional two bays, was not in any manner dependent on the downstream system of HPPTCL. It is completely wrong on the part of the Petitioner to put onus of delay in commissioning of the said asset on HPPTCL and stating that the associated downstream network i.e. Hamirpur–Dehan Line in the scope of HPPTCL is not commissioned. The Petitioner is only seeking to mislead this Commission that its assets could not be commissioned due to HPPTCL.

v) Two bays were allocated to HPSEB in the first place for connecting their Kangoo Sub-station and HPSEB is already paying charges to the Petitioner in respect of these two bays since FY 2014-15 in terms of CERC order in Petition no. 99/TT/2014. The creation of associated Line / System was the sole responsibility of HPSEB.

vi) In the 33rd SCM held on 23.12.2013, the Petitioner has admitted that Hamirpur is an ISTS Sub-station planned for drawl of power by HP. For injection of power into this Sub-station, even HPPTCL would need to apply for Long Term Access (hereinafter referred to as "LTA") declaring quantum of power and the time frame of injection along with certification that the generation is already connected to the State grid. It is submitted that the HPPTCL has neither signed LTA agreement with the Petitioner nor there is any Transmission Service Agreement (hereinafter referred to as "TSA") existing between the Petitioner and HPPTCL.

vii) HPPTCL is in no way responsible for establishing downstream network for utilization of allocated two bays for HPSEB. It is further pointed out that there is no agreement between HPPTCL and HPSEB for construction of downstream system for use of bays for which HPSEB is already paying charges to the Petitioner.

viii) In the 39th meeting of NRPC and 35th meeting of TCC, the Committee recommended that the number of bays to be commissioned for each Sub-station may be decided in consultation with the concerned State, keeping in view their specific requirement and utilization of STU network instead of following norms of standard number of bays as per existing guidelines. The Committee further advised the Petitioner to take up the issue of number of bays in the next SCM. The Committee further desired that since all the bays provided at ISTS Sub-stations can only be utilized in a phased manner, the bays should be built in phased manner.

ix) In the 37th meeting of the Empowered Committee on Transmission held on 20.9.2017, CEA stated that STUs raised the issue of bays in 39th meeting that while planning a Sub-station, upfront fixing of detailed scope of downstream works is not always possible as STU may require outgoing feeder bays at different point of time. To this, Empowered Committee suggested that 220 kV bays to be included in the scope of TBCB should be as per requirement indicated by the drawing entity.

x) Even in the 40th SCM held on 22.6.2018, the admitted position was that the two 220 kV D/c Line bays were to be utilized by HPSEB. However, in the said meeting HPPTCL informed the Committee that its Dehan-Hamirpur 220 kV D/c Line is scheduled to be commissioned by April, 2020. There is nothing on record which shows that two additional bays for which present Petition has been filed have been constructed at the instance and request of HPPTCL.

xi) After obtaining required statutory and necessary clearances, HPPTCL took necessary steps to commence work of construction of the required assets for connecting its Dehan Sub-station. The work of construction of 132/220 kV GIS Sub-station Dehan was awarded on 19.2.2018 (effective date 25.6.2018) with two years of completion period. Similarly, the work of 220 kV D/c Dehan-Hamirpur Line was awarded on 5.4.2018 (effective date of contract agreement 13.8.2018) with two years of completion period. In the 40th SCM held on 22.6.2018, HPPTCL has informed that these assets are scheduled for commissioning in April, 2020. The commissioning schedule would be subject to land being made available to the contractor as well as timely grant of forest clearance by MoEF, GoI.

xii) Therefore, HPPTCL is not liable to match the commissioning of its planned / under construction assets with commissioning schedule of Asset-1 and Asset -2 of the Petitioner and, therefore, not liable to pay charges to the Petitioner in respect thereof.

xiii) Further, the Petitioner has itself admitted that there is a delay of more than 23 months in commissioning of Asset-1 and Asset-2 and as per certificate issued by CEA the revised COD for these assets is 30.3.2019. There is no question of the Petitioner coordinating with HPPTCL during the execution of Assets-1 and Asset-2 at any point of time from the planning to the implementation stage.

xiv) HPPTCL states that it has nothing to do with payment of tariff for either Asset-1 or Asset-2. The matter may be decided without any linkage with the assets being developed by HPPTCL and tariff in respect thereof may be allowed to be recovered under PoC mechanism from all stake holders.

15. The Petitioner vide affidavit dated 27.5.2019 filed its rejoinder to the above reply filed by HPPTCL and submitted as under:

i) The Petitioner has requested for approval of COD in case of Asset-2 and Asset-3 due to non-availability of downstream network in the scope of HPPTCL and PSTCL. HPPTCL itself accepts that 220 kV downstream networks (Hamirpur-Dehan Line) associated with Asset-2 i.e. 220 kV, 2 nos. Line bays at Hamirpur Sub-station is yet to be commissioned. Further, as per MoM of 43rd NRPC meeting dated 6.2.2019, HPPTCL informed that the associated downstream network of 220 kV Hamirpur-Dehan Line is anticipated to be commissioned by June, 2020. In view of above, Petitioner has invoked proviso(ii) of Regulation 4(3) for approval of COD in line with the 2014 Tariff Regulations. Therefore, the contention raised by HPPTCL in this regard is baseless and wrong.

ii) With regard to MoM of 30th SCM as submitted by HPPTCL, it is submitted that concerned extracts of 30th SCM has already been submitted by the Petitioner, wherein, it could be clearly seen that Hamirpur ICT of 315 MVA along with 02 nos. 220 kV Line bays was discussed and agreed by the members. Subsequently, the same matter was discussed and agreed in 22nd meeting of TCC and 25th meeting of NRPC held on 23.2.2012 and 24.2.2012, respectively. As per list of participants enclosed along with the subject MoM, it can be seen that HPPTCL was present in these meetings and fully aware of the 220 kV bays which was additionally required along with 315 MVA ICT at

Hamirpur Sub-station. Therefore, contention raised by HPPTCL in this regard is baseless and wrong.

iii) It is submitted that out of 8 nos. 220 kV Line bays at Hamirpur Sub-station only 4 nos. 220 kV bays are getting utilized. Out of 4 nos. 220 kV Line bays 2 nos. 220 kV bays are supposed to be connected to Kangoo Sub-station and 2 nos. 220 kV Line bays are to be connected to Dehan Sub-station of HPSEB. Further, 2 nos. 220 kV Line bays (without downstream connectivity) are being claimed in the instant Petition and 2 nos. Line bays (without downstream connectivity) have already been claimed vide Petition no. 99/TT/2014. Tariff order in Petition nos. 99/TT/2014 and 32/RP/2016 (Review Petition) has already been granted by Commission vide order dated 29.4.2016 and 27.1.2017, respectively.

iv) Further, with regard to delay of 34.5 months in commissioning of Asset-1 and Asset-2 it is submitted that associated downstream network i.e. 220 kV Hamirpur-Dehan Line in the scope of HPPTCL is yet to be commissioned. HPPTCL informed the Petitioner vide letter dated 14.11.2017, that 220 kV Hamirpur-Dehan Line is in award stage and will be commissioned in December, 2019.

v) The SCOD of instant assets was 16.5.2016. These assets were tried to be aligned with downstream network. However, due to contractual implications it was not possible to further delay the commissioning of these bays. Therefore, Asset-1 has been commissioned on 31.3.2019 and Asset-2 has been proposed to be commissioned on 30.3.2019 as the downstream network of HPPTCL is not available.

16. The Petitioner has submitted following documents in support of COD of assets covered under the instant Petition:

Name of Assets	COD	Document submitted	Date of affidavit
Asset-1: 400/220 kV, 3 x 105 MVA ICT along with associated bays at Hamirpur Sub-station	31.3.2019	(i) Self declared "Notification of DOCO" letter dated 22.4.2019. (ii) CEA certificate dated 27.3.2019 as required under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. (iii) CMD certificate as required under Grid Code – Not filed by the Petitioner. (iv) RLDC certificate dated 22.4.2019.	13.5.2019 13.5.2019 (and) 13.5.2019
Asset-2: 220 kV, 2 nos. Line bays at Hamirpur Sub-station	31.3.2019	(i) Self declared "Notification of DOCO" letter – Not filed by the Petitioner. (ii) CEA certificate dated 27.3.2019, as required under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. (iii) CMD certificate as required under Grid Code. (iv) RLDC no load charging certificate dated 16.4.2019.	($) 18.4.2019 18.4.2019 18.4.2019
Asset-3: 220 kV, 2 Nos. Line bays at Jallandhar Sub-station	25.3.2019	(i) Self declared "Notification of DOCO" letter – Not filed by the Petitioner. (ii) CEA certificate dated 12.10.2018 as required under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. (iii) CMD certificate as required under Grid Code. (iv) RLDC no load charging certificate	($) 18.4.2019 18.4.2019 18.4.2019

		dated 16.4.2019.	
Asset-4: 1 X 500 MVA, 400/220 kV Transformer at Gurgaon Sub-station	31.12.2017	(i) Self declared "Notification of DOCO" letter dated 6.2.2018. (ii) CEA certificate dated 3.7.2017 as required under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010. (iv) CMD certificate as required under Grid Code. (v) RLDC certificate dated 12.1.2018.	21.3.2018 21.3.2018 21.3.2018 21.3.2018

(and) CMD certificate has not been furnished for Asset-1. Accordingly, the Petitioner is directed to furnish the same at the time of truing up.

($) Self declaration of notification of DOCO letter has not been furnished for Asset-2 and 3. Accordingly, the Petitioner is directed to furnish the same at the time of truing up.

17. In case of Asset-1 and Asset-4, the petitioner has submitted self declaration certificate, CEA energisation certificate, RLDC charging certificate and CMD certificate as required under Grid Code. Taking into consideration the CEA certificate, RLDC certificate and CMD certificate as required under Grid Code, the COD of the Asset-1 and 4 is approved as 31.3.2019 and 31.12.2017 respectively.

18. In case of Asset-2 (i.e. 220kV, 2 Nos. line Bays at Hamirpur Substation), the petitioner has prayed for approval of COD as 31.3.2019 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that asset-2 has been charged on 'no-load' because of non availability of the downstream transmission system under the scope of the HPPTCL.

19. The Respondent, HPPTCL has submitted that HPPTCL is not responsible for establishment of downstream network for utilization of two no. of bays at Hamirpur

Sub-station. Further, in the 39th Meeting of Northern Regional Power Committee and 35th Meeting of TCC, the Committee recommended that the number of bays to be commissioned for each substation may be decided in consultation with the concerned State, keeping in view the specific requirement of the State and utilization of STU network instead of following norms of standard number of bays as per existing guidelines. Even in the 40th Meeting of the Standing Committee on Power System Planning of Northern Region held on 22.6.2018, the admitted position was that the two 220 kV D/C line bays were to be utilized by HPSEB.

20. In response, the petitioner has submitted that HPPTCL itself accepts that 220 kV downstream networks (Hamirpur-Dehan Line) associated with Asset-2 i.e. 220 kV, 2 no. of Line bays at Hamirpur Sub-station is yet to be commissioned. With regard to MoM of 30th SCM as submitted by HPPTCL, petitioner has submitted that concerned extracts of 30th SCM has already been submitted by the Petitioner, wherein, it could be clearly seen that Hamirpur ICT of 315 MVA along with 02 nos. 220 kV Line bays was discussed and agreed by the members. Subsequently, the same matter was discussed and agreed in 22nd meeting of TCC and 25th meeting of NRPC held on 23.2.2012 and 24.2.2012, respectively. The petitioner also submitted that out of 8 nos. 220 kV Line bays at Hamirpur Sub-station only 4 nos. 220 kV bays are getting utilized. Out of 4 nos. 220 kV Line bays 2 nos. 220 kV bays are supposed to be connected to Kangoo Sub-station and 2 nos. 220 kV Line bays are to be connected to Dehan Sub-station of HPSEB. Further, 2 nos. 220 kV Line bays (without downstream connectivity) are being claimed in the instant Petition and 2 nos. Line bays (without downstream connectivity) have already been claimed vide Petition no. 99/TT/2014.

21. In case of Asset-3 (i.e. 220kV, 2 Nos. line Bays at Jallandhar Substation), the petitioner has prayed for approval of COD as 25.3.2019 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that asset-2 has been charged on 'no-load' because of non availability of the downstream transmission system under the scope of the PSTCL.

22. We have considered the submissions of the petitioner and respondent HPPTCL.

23. We note that the requirement of the 220 kV line bays was discussed in the Standing Committee of NR held on 19.12.2011. The relevant extract of the meeting is as under:

> "3. Augmentation of Transformation Capacity and provision of additional 220 kV bays in Northern Region
> d) Requirement of 400/220 kV ICTs at other locations as per 2016-17 studies
> In addition to above, studies have been carried out in the time frame of 2016- 17 to work out the requirement of ICTs at other locations also. From the studies requirement of augmentation of ICTs has been observed at various locations in Northern region. After detailed deliberations following transformer augmentation capacity, in addition to above was agreed:

400kV S/s	Aug. proposed	220kV Line bays to be provided
Samba	3x105MVA	---
Gurgaon	1x500 MVA	---
Mandaula	1x500 MVA	---
Hamirpur	3x105 MVA	2 nos
Jallandhar	1x500 MVA	2 nos
Panchkula	1x500 MVA	---

> It was also agreed that 220 kV bays would be provided as per the requirement of STU. It was decided that respective STU would inform its requirement of 220 kV bays to POWERGRID at least 2 years in advance.
> Members agreed to the above proposal.

24. The requirement of the 220 kV line bays also discussed in the 22nd TCC meeting and 25th NRPC meeting held on 23.2.2012 & 24.2.2012. The relevant extract of the meeting is as under:

“xv) Augmentation of Transformation Capacity and provision of additional 220 kV bays in Northern Region

Sl. No	Substation	Transformation capacity	
		Existing	Proposed
Transformation Augmentation in Northern Region : Part –B			
9	Samba	7x105 (1ph)	3x105 (1ph)
10	Gurgaon	2x315	1x500
11	Hamirpur	7x105 (1ph)	3x105 (1ph)**
12	Jullandhar	2x315	1x500**
13	Panchkula	2x315	1x500

** With 220kV line Bays

25. It is seen from the above that the requirement of 2 no 220 kV line bays at Hamirpur and Jallandhar was agreed in meetings of standing committee, TCC and NRPC. Further, it is observed that in the 22nd meeting of TCC and 25th meeting of NRPC held on 23rd and 24th February, 2012 the representative of PSTCL and HPPTCL were present and agreed for 220 kV line bays at Hamirpur and Jallandhar Sub-stations. Therefore the contention of the HPPTCL and PSTCL is not justified that at no point of time they have agreed for additional bays at Hamirpur and Jallandhar Sub-station respectively. Based on the above, we approve COD of Asset-2 and Asset-3 as 31.3.2019 and 25.3.2019 respectively under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, 2014.

26. In view of the above, the transmission charges for Asset-2 from 31.3.2019 till commissioning of the associated 220 kV transmission system under the scope of HPPTCL shall be borne by HPPTCL and thereafter, shall be recovered under provisions of Sharing Regulations. Similarly, the transmission charges for Asset-3 from 25.3.2019 till commissioning of the associated 220 kV transmission system under the scope of PSTCL shall be borne by PSTCL and thereafter, shall be recovered under provisions of Sharing Regulations.

27. We have considered the submissions made by the Petitioner and HPPTCL. Taking into consideration the self declaration “Notification of DOCO” certificate,

RLDC certificate, CEA certificate and CMD certificate, the COD of the Asset-1 and 4 is approved as 31.3.2019 and 31.12.2017 respectively.

28. In case of Asset-2 (i.e. 220kV, 2 Nos. line Bays at Hamirpur Substation), the petitioner has requested to approve the COD as 31.3.2019 under proviso (ii) of 4(3) of 2014 Tariff Regulations. It is seen from 30th SCM held on 19.12.2011 that, requirement of 2 nos. of 220kV line bays for Hamirpur was agreed. Further, in the 22nd meeting of TCC and 25th meeting of NRPC held on 23rd and 24th Feb., 2012 wherein the representative of HPPTCL were present, the minutes of meeting indicate that after deliberations the transmission proposals were concurred by NRPC and it was agreed that 2 nos. of 220 kV line bays would be constructed at Hamirpur substations. However, HPPTCL vide affidavit dated 20.5.2019 has informed that, at no point of time it has requested PGCIL for construction of additional two bays for its requirement. He further submitted that, it is completely wrong on the part of PGCIL to put onus of delay in commissioning of the said asset on HPPTCL It has further pointed out that, HPPTCL is in no way responsible for establishing downstream network for utilization of allocated two number bays for HPSEBL. It has further pointed out that there is no agreement between HPPTCL and HPSEBL for construction of downstream system for use of bays for which HPSEBL is already paying charges to PGCIL. Further, in the 39th Meeting of Northern Regional Power Committee and 35th Meeting of TCC, the Committee recommended that the number of bays to be commissioned for each substation may be decided in consultation with the concerned state, keeping in view the specific requirement of the State and utilization of STU network instead of following norms of standard number of bays as per existing guidelines. Even in the 40th

Meeting of the Standing Committee on Power System Planning of Northern Region held on 22.6.2018, the admitted position was that the two 220kV D/C line bays were to be utilized by HPSEB. However, in the said meeting HPPTCL informed the Committee that its Dehan-Hamirpur 220 kV D/C line is scheduled to be commissioned by April 2020. There is nothing on record which shows that two additional bays for which present petition have been filed has been constructed at the instance and request of HPPTCL.

29. Further, the Petitioner has referred to the minutes of meeting of 30th SCM held on 19.12.2011 and 22nd meeting of TCC and 25th meeting of NRPC held on 23rd and 24th Feb., 2012 wherein representative from HPPTCL were present. It is observed from letter of HPPTCL dated 14.11.2017 that, tenders for construction of above line were called and price evaluation were carried out and it was expected that, work will be awarded by Dec, 2017 and considering minimum construction period of 24 months, above transmission line completion was scheduled to be completed in Dec, 2019. Accordingly, the Petitioner Commissioned the 220kV, 2 Nos. Line Bays at Hamirpur Substation on 31.3.2019. Therefore, the contention of HPPTCL is not justified that, at no point of time it has asked for additional 2 nos. of 220kV bays for their use and accordingly, we are of the view that, the COD for Asset-2 i.e. 220kV, 2 Nos. line Bays at Hamirpur Substation qualifies under Proviso (ii) of Regulation 4 (3) in line with the 2014 Tariff Regulations. Accordingly, the Transmission charges from 31.3.2019 till Commissioning of the associated downstream network 220 kV Hamirpur-Dehan line shall be borne by HPPTCL and thereafter, shall be recovered under PoC mechanism.

30. In case of Asset-3 (i.e. 220kV, 2 Nos. line Bays at Jallandhar Substation), the Petitioner has requested to approve the COD as 25.3.2019 under proviso (ii) of 4(3) of 2014 Tariff Regulations. It is seen from 30th SCM held on 19.12.2011 that requirement of 2 nos. of 220kV line bays for Jallandhar was agreed. Further, in the 22nd meeting of TCC and 25th meeting of NRPC held on 23rd and 24th Feb., 2012 wherein the representative from PSTCL were present, the minutes of meeting indicate that after deliberations the transmission proposals were concurred by NRPC and it was agreed that 2 nos. of 220 kV line bays would be constructed at Jallandhar substations. Therefore, the contention of PSTCL is not justified that at no point of time it has agreed for additional bays at Jallandhar. Based on above, we are of the view that, the COD for Asset-3 i.e. 25.3.2019 as requested by the Petitioner qualifies under Proviso (ii) of Regulation 4 (3) in line with the 2014 Tariff Regulations. Accordingly, the transmission charges from 25.3.2019 till commissioning of associated 220kV downstream network of PSTCL shall be borne by PSTCL and thereafter, shall be recovered under PoC mechanism.

31. In view of above, the COD claimed and allowed are as under:

S.no	Assets	COD claimed	COD allowed
1	Asset 1: 400/220kV, 3 X 105 MVA ICT alongwith associated bays at Hamirpur Substation	31.3.2019 (Actual)	31.3.2019 (Actual)
2	Asset 2: 220kV, 2 Nos. Line Bays at Hamirpur Substation	31.3.2019*** (proposed)	31.3.2019*
3	Asset 3: 220kV, 2 Nos. Line bays at Jallandhar Substation	25.3.2019*** (proposed)	25.3.2019**
4	Asset 4: 1 X 500 MVA, 400/220 kV Transformer at Gurgaon Substation	31.12.2017 (Actual)	31.12.2017 (Actual)

*COD approved under Proviso (ii) of Regulation 4 (3) in line with the 2014 Tariff Regulations. The Transmission charges from 31.3.2019 till Commissioning of the associated downstream network 220 kV Hamirpur-Dehan line shall be borne by HPPTCL and thereafter, under PoC mechanism.

**COD approved under Proviso (ii) of Regulation 4 (3) in line with the Tariff Regulation'2014. The transmission charges from 25.3.2019 till commissioning of associated 220kV downstream network of PSTCL shall be borne by PSTCL and thereafter, shall be recovered under PoC mechanism.

*** As per respective Management Certificate of the Assets.

Time over-run

32. As per the investment approval, the schedule completion is within 24 months from the date of investment approval. The date of Investment Approval is 27.3.2014 and accordingly, schedule COD (SCOD) works out to be 27.3.2016 and against which COD and time over-run of subject assets are as under:

S.no	Assets	Timeline	Investment approval date	SCOD	COD considered	Time overrun
1	Asset 1	24 months	27.3.2014	27.3.2016	31.3.2019	36 months 4 days (1099 days)
2	Asset 2	24 months	27.3.2014	27.3.2016	31.3.2019	36 months 4 days (1099 days)
3	Asset 3	24 months	27.3.2014	27.3.2016	25.3.2019	35 months 26 days (1093 days)
4	Asset 4	24 months	27.3.2014	27.3.2016	31.12.2017	21 months 4 days (644 days)

33. The Petitioner vide affidavit dated 13.5.2019 submitted the reasons for delay in commissioning of the Assets are as under:

Asset-1 and Asset-2

With regard to the delay in the commissioning of Asset-1 and Asset-2, the Petitioner has submitted that the associated downstream network i.e. 220 kV Hamirpur-Dehan Line in the scope of HPPTCL is yet to be commissioned. HPPTCL informed the Petitioner vide letter dated 14.11.2017, that 220 kV Hamirpur-Dehan Line is in award stage and will be commissioned in December, 2019. The assets were tried to be aligned with downstream network. The Petitioner has submitted that there were engineering issues as erection of 220 kV bus duct was held up due to less clearance and hence new module was to be supplied and delay was also due to implementation of GST that resulted in F&I variation which further delayed the process. A justification of time over-run as submitted by the Petitioner is as under:

Activity	Schedule		Actual		Reasons
	From	To	From	To	
LOA	2.10.2014	2.10.2014	3.11.2014	3.11.2014	Non-availability of downstream network in the scope of HPPTCL.
Supplies	20.2.2015	10.2.2016	12.8.2015	30.6.2017	
Civil works and Erection	2.12.2014	12.4.2016	18.5.2015	27.3.2019	
Testing and COD	13.4.2016	15.5.2016	1.12.2018	31.3.2019	

Asset-3

With regard to Asset-3, the Petitioner has submitted that the associated downstream system network in the scope of PSTCL not yet commissioned. A Justification of time over-run as submitted by the Petitioner is as under:

Activity	Schedule		Actual		Reasons
	From	To	From	To	
LOA	2.10.2014	2.10.2014	25.11.2014	25.11.2014	Non- Availability of Downstream network in the scope of PSTCL
Supplies	20.2.2015	10.2.2016	15.12.2015	30.6.2017	
Civil works and Erection	2.12.2014	12.4.2016	1.5.2015	27.9.2018	
Testing and COD	13.4.2016	15.5.2016	12.9.2018	24.3.2019	

Asset-4

With regard to Asset-4, the Petitioner has submitted that the delay is mainly due to civil works, engagement of civil contractor by the agency, submission of drawing to the Petitioner and then approval of drawings from the Petitioner. After engagement of civil contractor the actual completion and finishing of civil work was delayed accordingly for providing front for another agency to start the GIS erection and other electrical works like panel erection, cable laying, lighting installation and wiring. GIS erection work was started one month later only after completion of GIS erection by another agency. Further, additional delay occurred due to civil foundation mismatch in transformer foundation and also mismatch in GIS alignment due to which GIS bay interconnection work was delayed. Later on, after correction of GIS mismatch, further work was delayed due to various issues like HV test completion, availability of other agency engineer for supervision of GIS interconnection work etc. Despite all odds, the ICT was charged on 26.10.2017 but it was tripped on REF protection on 27.10.2017 while taking on load. After that it took two months for rectification and then final commissioning with COD took place on 31.12.2017. A justification of time over-run as submitted by the Petitioner is as under:

Activity	Schedule		Actual		Reasons
	From	To	From	To	
LOA	2.10.2014	2.10.2014	3.11.2014	3.11.2014	Delay is mainly due to civil works, engagement of civil contractor by the agency, submission of drawing to the Petitioner, due to civil foundation mismatch in transformer foundation and also mismatch in GIS alignment etc.
Supplies	20.2.2015	10.2.2016	25.8.2015	30.6.2017	
Civil works and Erection	2.12.2014	12.4.2016	10.2.2016	14.10.2017	
Testing and COD	13.4.2016	15.5.2016	5.7.2017	31.12.2017	

34. We have considered the submissions made by the Petitioner. The project was schedule to be completed within a time line of 24 months with scheduled COD as 27.3.2016. However, COD for Assets-1, 2, 3 and 4 have been approved as 31.3.2019, 31.3.2019, 25.3.2019 and 31.12.2017 respectively, with a time over-run of 36 months 4 days (1099 days) in case of Asset-1, 36 months 4 days (1099 days) in case of Asset-2, 35 months 26 days (1093 days) in case of Asset-3, and time over-run of 21 months 4 days (644 days) in case of Asset-4.

35. In case of Asset-1 and Asset-2, the Petitioner has submitted that time over-run has incurred mainly due to non-availability of downstream system of 220 kV bays which are under the scope of HPPTCL and as erection of 220 kV bus duct was held up due to less clearance. Hence, new module was to be supplied. Delay was also due to implementation of GST that resulted in F&I variation which further delayed the process. From the documents placed on records by the Petitioner, it is seen that, vide letter dated 18.10.2017, the Petitioner informed HPPTCL that, construction

work of ICT (3 x 105 MVA) along with 2 nos. of 220 kV transmission line bays is in advance stage of completion at 400/220 kV GIS Sub-station, Hamirpur and expected to be commissioned by 30.11.2017 and further requested HPPTCL to make corresponding downstream of 220 kV transmission lines for evacuation of power from 400/220 kV GIS Sub-station, Hamirpur to match the commissioning of said ICT along with Line bay by 30.11.2017. Thus, it is seen that, the Petitioner was not ready as on SCOD of 27.3.2016 and was anticipated to come by 30.11.2017 i.e. with a time over-run of 613 days (from the SCOD of 27.3.2016). Further, it is observed that, in response, to above letter dated 18.10.2017, HPPTCL wrote letter to the Petitioner on 14.11.2017 and informed that, survey work of 220 kV D/c transmission Line from the Petitioner 400/220 kV Sub-station, Hamirpur to Dehan (Patti) district Kangra has already been completed and forest clearance case is being submitted to the concerned authorities for obtaining necessary permission and tenders for construction of above Line have been called and price evaluation is being carried out and it is expected that, work will be awarded by December, 2017 and considering minimum construction period of 24 months, above transmission Line completion is scheduled in December, 2019 and further, requested the Petitioner to provide technical parameters of PLCC, and FOTE system so as to procure compatible communication system for other end and also requested to confirm the parameters for 220 kV bus bar.

36. After considering the submissions made by the Petitioner and HPPTCL, it is observed that the commissioning of Asset-1 and Asset-2 is delayed due to non-availability of downstream network of 220 kV Hamirpur-Dehan Line, which has not yet been commissioned. However, from the documents placed on record, it is seen

that the Petitioner was also not ready as on SCOD of 27.3.2016 and nor on 30.11.2017 as the anticipated time line was given to HPPTCL. The Petitioner has submitted CEA energisation certificates dated 27.3.2019. From these certificates, it observed that Asset-1 and Asset-2 have become ready only with effect from 27.3.2019. Hence, the time delay from SCOD i.e. 27.3.2016 to 27.3.2019 (1095 days) cannot be considered beyond the control of the Petitioner. As such, out of total time delay of 1099 days for Asset-1 and Asset-2, 1095 days is not condoned for Asset-1 and Asset-2. Further, as the delay period from 27.3.2016 to 27.3.2019 (1095 days) is on part of the Petitioner, therefore, the IDC and IEDC from SCOD (i.e. 27.3.2016 to 27.3.2019) 1095 days shall not be capitalized.

37. In case of Asset-3, there is a time over-run of 35 months 26 days (1093 days). The Petitioner has made submissions that delay has occured due to non-availability of downstream system of 220 kV bays which is under the scope of PSTCL. The Petitioner has submitted CEA energisation certificates dated 12.10.2018. From these certificates, it observed that Asset-3 has become ready only with effect from 12.10.2018. Hence, the time delay from SCOD (i.e. 27.3.2016 to 12.10.2018) of 929 days was not beyond the control of the Petitioner. As such, out of total time delay of 1093 days (from SCOD i.e. 27.3.2016 to COD i.e. 25.3.2019), 929 days (from SCOD i.e. 27.3.2016 to 12.10.2018) is not condoned. Further, the Petitioner has not explained the delay of remaining period of 164 days (i.e. from 12.10.2018 to 25.3.2019). Therefore, same is also not condoned. As the delay period from 27.3.2016 to 25.3.2019 (1093 days) is on part of Petitioner, therefore, the IDC and IEDC from SCOD i.e. 27.3.2016 to 25.3.2019 (1093 days) shall not be capitalized.

38. In case of Asset-4, the Petitioner has submitted that, time over-run has been

mainly due to civil works, engagement of civil contractor by the agency, submission of drawing to the Petitioner and due to civil foundation mismatch in transformer foundation and also mismatch in GIS alignment. The issue of time over-run is dealt by APTEL in judgment dated 27.4.2011 in Appeal no. 72 of 2010. It was held that if the time over-run is due to the contractor or supplier, the Petitioner is liable for the time over-run and the consequent cost. The relevant portion of the judgment is extracted hereunder:

> *"7.4. the delay in execution of a generating project could occur due to following reasons:*
>
> *i) due to factors entirely attributable to the generating company, e.g., imprudence in selecting the contractors/suppliers and in executing contractual agreements including terms and conditions of the contracts, delay in award of contracts, delay in providing inputs like making land available to the contractors, delay in payments to contractors/suppliers as per the terms of contract, mismanagement of finances, slackness in project management like improper co-ordination between the various contractors, etc.*
>
> *ii) due to factors beyond the control of the generating company e.g. delay caused due to force majeure like natural calamity or any other reasons which clearly establish, beyond any doubt, that there has been no imprudence on the part of the generating company in executing the project.*
>
> iii) *Situation not covered by (i) and (ii) above."*
>
> *In the first case the entire cost due to time over-run has to be borne by the generating company. However, the liquidated damages (LDs) and insurance proceeds on account of delay, if any, received by the generating company could be retained by the generating company. In the second case the generating company could be given benefit of the additional cost incurred due to time over-run. However, the consumers should get full benefit of the LDs recovered from the contractors/ suppliers of the generating company and the insurance proceeds, if any, to reduce the capital cost. In the third case the additional cost due to time over-run including the LDs and insurance proceeds could be shared between the generating company and the consumer. It would also be prudent to consider the delay with respect to some benchmarks rather than depending on the provisions of the contract between the generating company and its contractors/ suppliers. If the time schedule is taken as per the terms of the contract, this may result in imprudent time schedule not in accordance with good industry practices.*
>
> *7.5. In our opinion, the above principals will be in consonance with the provisions of Section 61(d) of the Act, safeguarding the consumers "interest and at the same time, ensuring recovery of cost of electricity in a reasonable manner".*

39. Moreover, we are of the view that, the reasons submitted by the Petitioner for time over-run are generic in nature and are controllable as specified in Regulation 12(1) of the 2014 Tariff Regulations. Regulation 12(1) of the 2014 Tariff Regulations provides as under:

"12xxxx

(1) the "controllable factors" shall include but shall not be limited to the following:

(a) Variations in capital expenditure on account of time and/or cost over-runs on account of land acquisition issues;

(b) Efficiency in the implementation of the project not involving approved change in scope of such project, change in statutory levies or force majeure events; and

(c) Delay in execution of the project on account of contractor, supplier or agency of the generating company or transmission licensee."

40. In view of the above discussion, we are of the view that the time over-run in the instant case is attributable to the Petitioner, its contractor or supplier, which is controllable in nature. Hence, the time over-run of 644 days in case of Asset-4 is not condoned. The entire cost due to time over-run shall be borne by the Petitioner. However, the liquidated damages (LDs) on account of time over-run recovered, if any, by the Petitioner from its contractor or supplier may be retained by the Petitioner.

<u>Capital Cost</u>

41. The details of capital cost claimed by the Petitioner in terms of the Management certificate dated 10.5.2019 for Asset-1, Asset-2 and Asset-3 and in terms of Auditor certificate dated 7.2.2018 for Asset-4 as on COD along with the estimated additional capital expenditure incurred / to be incurred for the instant asset is summarized below:

(₹ in lakh)

Name of Asset	Apportioned Approved Cost (FR)	RCE (Apportioned)	Cost up to COD	Projected Expenditure for FY				Estimated Completion Cost
				2017-18	2018-19	2019-20	2020-21	
Asset-1	3425.67	6007.86	5953.37	0.00	0.00	736.68	617.51	7307.56
Asset-2	1071.63	1959.45	629.12	0.00	0.00	122.57	73.81	825.50
Asset-3	536.77	502.07	393.24	0.00	33.15	0.00	0.00	426.39
Asset-4	3581.82	4757.19	3617.09	275.14	600.00	0.00	0.00	4492.23
Total	**8615.89**	**13226.57**	**10592.82**	**275.14**	**633.15**	**859.25**	**691.32**	**13051.68**

42. The break-up of the capital cost claimed by the Petitioner for various assets as on respective COD's are as under:

(₹ in lakh)

Asset-1			
Particulars	**Capital cost claimed (on accrual basis) (A)**	**Un-discharged Liabilities (B)**	**Capital cost claimed (on cash basis) (C = A-B)**
Hard Cost	6175.08	1354.00	4821.08
IDC	652.50	113.88	538.62
IEDC	479.98	0.00	479.98
Less: Unexplained difference not claimed	0.00	0.00	(-) 0.20
Total	**7307.56**	**1467.88**	**5839.48**
Asset-2			
Particulars	**Capital cost claimed (on accrual basis) (A)**	**Un-discharged Liabilities (B)**	**Capital cost claimed (on cash basis) (C = A-B)**
Hard Cost	738.13	196.38	541.75
IDC	33.01	5.76	27.25
IEDC	54.36	0.00	54.36
Total	**825.50**	**202.14**	**623.36**
Asset-3			
Particulars	**Capital cost claimed (on accrual basis) (A)**	**Un-discharged Liabilities (B)**	**Capital cost claimed (on cash basis) (C = A-B)**
Hard Cost	368.85	33.15	335.70
IDC	30.37	6.50	23.87
IEDC	27.17	0.00	27.17
Total	**426.39**	**39.65**	**386.74**
Asset-4			
Particulars	**Capital cost claimed (on accrual basis) (A)**	**Un-discharged Liabilities (B)**	**Capital cost claimed (on cash basis) (C = A-B)**
Hard Cost	3998.60	578.82	3419.78
IDC	168.15	55.72	112.43
IEDC	29.16	0.00	29.16
Total	**4195.91**	**634.54**	**3561.37**

Cost Over-run

43. It is observed that against the FR cost of ₹8615.89 lakh the corresponding apportioned approved cost is ₹13226.57 lakh and the estimated completion cost is ₹13051.68 lakh for Asset-1, Asset-2, Asset-3 and Asset-4. Thus, there is no cost over-run on overall basis. But on individual basis the estimated completed cost of Asset-1 i.e. ₹7307.56 lakh is more than the corresponding (revised) apportioned approved cost of ₹6007.86 lakh. However, considering the fact that capital cost claimed upto 31.3.2019 is only ₹5839.48 lakh which is well within the revised apportioned approved cost of ₹6007.86 lakh, cost over-run would be reviewed from the ACE claimed after 31.3.2019, at the time of truing up.

Treatment of IDC and IEDC

44. The IDC for various assets as claimed by the Petitioner is as under:

(₹ in lakh)

Asset	IDC as per Auditor/Management certificate	IDC discharged			
		Up to COD	2017-18	2018-19	2019-20
Asset-1	652.50	538.62	0.00	0.00	113.88
Asset-2	33.01	27.25	0.00	0.00	5.76
Asset-3	30.37	23.88	0.00	0.00	6.50
Asset-4	168.15	112.43	27.99	27.73	0.00

45. However, IDC is being considered, keeping in view the fact that time over-run of 1095 days out of 1099 days in case of Asset-1 and Asset-2, time over-run of 1093 days in case of Asset-3 and overall time over-run of 644 days in case of Asset-4 is not condoned in the instant petition and drawls of all loans (except 1 drawl of SBI loan dated 4.3.2016) are beyond the date of SCOD.

46. Further, the Petitioner is directed to furnish the documentary evidences to prove that utilised SBI loan is not a working capital loan at the time of truing up.

47. In view of above, admissible IDC to be considered as on COD of respective assets, subject to truing up, is as under:

(₹ in lakh)

Asset	IDC (on accrual basis)	IDC discharged		
		upto COD	2017-18	2018-19
Asset-1	0.00	0.00	0.00	0.00
Asset-2	0.00	0.00	0.00	0.00
Asset-3	0.00	0.00	0.00	0.00
Asset-4	0.14	0.14	0.00	0.00

48. The IEDC claimed by Petitioner for respective assets is as under:

(₹ in lakh)

Asset-1	Asset-2	Asset-3	Asset-4
479.98	54.36	27.17	29.16

49. However, as per the statement showing "Abstract of Cost" corresponding to IA, IEDC as a percentage of accorded capital cost (before IDC, IEDC and FERV) is 10.75%, in Line with the prevailing practice, the same has been considered as ceiling limit for working out the admissible IEDC. Further, after adjusting the time over-run of 1095 days for Asset-1 and Asset-2, 1093 days for Asset-3 and 644 days for Asset-4, not condoned in the Petition, the admissible IEDC works out to ₹192.78 lakh for Asset-1, ₹21.83 lakh for Asset-2, ₹10.89 lakh for Asset-3 and ₹15.50 lakh for Asset-4, the same has been considered for the purpose of tariff.

Treatment of initial spares

50. The Petitioner has claimed initial spares as under:

(₹ in lakh)

Asset	Plant and Machinery cost excluding IDC, IEDC and land etc.	Initial spares claimed	Ceiling limit (SS) as per Regulations (%)
Asset-1	6175.08	466.61 (7.56%)	5.00%
Asset-2	738.13	0.00	5.00%
Asset-3	368.85	0.00	5.00%
Asset-4	4294.92	452.06 (10.53%)	5.00%

51. We have considered the submissions made by the Petitioner. Since tariff period 2014-19 is ending on 31.3.2019, the admissible initial spares has been

worked out only after considering cost of admissible plant and machinery (excluding IDC, IEDC, land and cost of civil works) up to 31.3.2019 and the disallowed initial spares, if any, along with additional claim under this head upto the cut-off date will be considered while finalizing the tariff for the tariff period 2019-24 based on the prevailing Tariff Regulations. The allowed initial spares, subject to true up, are summarized as under:

(₹ in lakh)

Particulars	Total cost (P and M cost excluding IDC, IEDC, land and cost of civil works)	Initial spares claimed	Ceiling limit (%) as per Regulation 13 of the 2014 Tariff Regulation	Initial spares claimed	Excess Initial spares disallowed	Initial spares allowed
Asset – 1	4821.08	466.61	5.00%	229.18	237.43	229.18
Asset – 2	541.75	0.00	5.00%	28.51	0.00	0.00
Asset – 3	368.85	0.00	5.00%	19.41	0.00	0.00
Asset – 4	3419.78	452.06	5.00%	156.20	295.86	156.20

Capital cost as on COD

52. The details of the capital cost considered as on COD of respective assets after adjustment of IDC, IEDC, cost over-run and initial spares are as under:

(₹ in lakh)

Asset	Capital cost as on COD (on accrual basis) (A)	Items disallowed (B)					Items corresponding to admitted capital cost as on COD (C)		Capital cost allowed as on COD (D=A-B-C)
		IDC	IEDC	Cost over-run	Initial Spares	Rounding-off difference (not claimed)	Un-discharged IDC	Balance and retention payments	
Asset – 1	7307.56	652.50	287.20	0.00	237.43	0.20	0.00	1354.00	4776.23
Asset – 2	825.50	33.01	32.53	0.00	0.00	0.00	0.00	196.38	563.58
Asset – 3	426.39	30.37	16.28	0.00	0.00	0.00	0.00	33.15	346.59
Asset – 4	4195.91	168.01	13.66	0.00	295.86	0.00	0.00	578.82	3139.55

Additional capital expenditure

53. The details of additional capital expenditure (hereinafter referred to as "ACE") on actual / projected basis as claimed by the Petitioner under Regulation 14(1) of the 2014 Tariff Regulations are as under:

(₹ in lakh)

Particulars	Asset-1		Asset-2		Asset-3		Asset-4	
	2019-20	2020-21	2019-20	2020-21	2018-19	2019-20	2017-18	2018-19
ACE to the extent of unexecuted work	0.00	0.00	0.00	0.00	0.00	0.00	93.16	203.16
Discharges of un-discharged IDC as on COD	113.69	0.00	5.76	0.00	0.00	6.50	27.99	27.73
Discharges towards balance and retention payments	736.68	617.51	122.57	73.81	33.15	0.00	181.98	396.84
ACE claimed	**850.37**	**617.51**	**128.33**	**73.81**	**33.15**	**6.50**	**303.13**	**627.73**

54. The ACE claimed by the Petitioner for the instant assets are on the account of balance and retention payments, work executed after DOCO and discharges of un-discharged liabilities corresponding to IDC and are well within the approved apportioned cost as well as the cut-off date. However, considering the fact that tariff in the instant petition is being allowed for tariff period 2014-19 only, the ACE claim for Asset-1, Asset-2 and Asset-3 subsequent to tariff period 2014-19 has been ignored for the present. Further, out of ₹578.82 lakh being pertaining to un-discharged liabilities corresponding to admissible assets on COD of Asset-4 the Petitioner has discharged an amount of ₹181.98 lakh and ₹396.84 lakh during FY 2017-18 and FY 2018-19, respectively, the same has been allowed for the purpose of tariff. Further, the Petitioner's claim towards works executed after COD amounting to ₹93.16 lakh and ₹203.16 lakh during FY 2017-18 and FY 2018-19 has also been allowed for the purpose of tariff.

55. In view of above, the ACE allowed, subject to truing up, for the tariff period 2014-19 is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19	2018-19	2018-19	2017-18	2018-19
ACE to the extent of unexecuted work	0.00	0.00	0.00	93.16	203.16
Discharges of un-discharged IDC as on COD	0.00	0.00	0.00	0.00	0.00
Discharges towards balance and retention payments	0.00	0.00	33.15	181.98	396.84
ACE claimed	**0.00**	**0.00**	**33.15**	**275.14**	**600.00**

Capital cost for the tariff period 2014-19

56. Accordingly, the capital cost considered for the tariff period 2014-19, subject to truing up, is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19	2018-19	2018-19	2017-18	2018-19
Opening Capital Cost as on COD	4776.23	563.58	346.59	3139.55	3414.69
Add: ACE	0.00	0.00	33.15	275.14	600.00
Closing Capital Cost	**4776.23**	**563.58**	**379.74**	**3414.69**	**4014.69**
Average Capital Cost	4776.23	563.58	363.16	3277.12	3714.69

Debt-Equity Ratio

57. The Petitioner has claimed debt-equity ratio of 70:30 for the instant assets for the tariff period 2014-19. However, considering the details of debt as has been used for calculation of IDC the debt-equity ratio as on COD works out to 71.37:28.63, 70.65:29.35, 71.18:28.82 and 71.10:28.90 for Asset-1, Asset-2 and Asset-4, respectively. The same is allowed, subject to truing up. Further, for the purpose of ACE, debt-equity of 70:30 has been considered, subject to truing up. The details of (gross) debt and equity considered, subject to truing up, is as under:

(₹ in lakh)

Asset-1			
Particulars	**%**	**As on COD**	**As on 31.03.2019**
Debt	71.37	3408.57	3408.57
Equity	28.63	1367.66	1367.66
Total	**100.00**	**4776.23**	**4776.23**
Asset-2			
Particulars	**%**	**As on COD**	**As on 31.03.2019**
Debt	70.65	398.15	398.15
Equity	29.35	165.43	165.43
Total	**100.00**	**563.58**	**563.58**
Asset-3			
Particulars	**%**	**As on COD**	**As on 31.03.2019**
Debt	71.18	246.69	269.89
Equity	28.82	99.90	109.85
Total	**100.00**	**346.59**	**379.74**
Asset-4			
Particulars	**%**	**As on COD**	**As on 31.03.2019**
Debt	71.10	2232.07	2844.67
Equity	28.90	907.48	1170.03
Total	**100.00**	**3139.55**	**4014.69**

Return on equity

58. The Petitioner has claimed RoE considering rate of 19.61% after grossing up the RoE of 15.5% with MAT rate of 20.961%, for the instant assets. The Petitioner also submitted that the grossed up RoE is subject to truing up based on the actual tax paid along with any additional tax or interest, duly adjusted for any refund of tax including the interest received from IT authorities, pertaining to the tariff period 2014-19 on actual gross income of any financial year. Any under-recovery or over recovery of grossed up RoE after truing up shall be recovered or refunded to the beneficiaries on year to year basis.

59. The Petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable / adjustable after completion of

income tax assessment of the financial year.

60. We have considered the submission of the Petitioner. RoE has been computed at the rate of 19.610% for the period 2014-19 after grossing up the RoE with MAT rate in terms of the provisions contained in the 2014 Tariff Regulations. Regulation 24 read with Regulation 25 in the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The Petitioner has submitted that MAT rate is applicable to the Petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity. This is however subject to truing up based on the actual tax rate in accordance with Regulation 25 (3) in the 2014 Tariff Regulations. Accordingly, ROE has been allowed, subject to truing up, as under:

(₹ in lakh)

Particulars	**Asset-1**	**Asset-2**	**Asset-3**	**Asset-4**	
	2018-19*	**2018-19***	**2018-19***	**2017-18***	**2018-19**
Opening Equity	1367.66	165.43	99.90	907.48	990.03
Addition due to ACE	0.00	0.00	9.95	82.54	180.00
Closing Equity	**1367.66**	**165.43**	**109.85**	**990.03**	**1170.03**
Average Equity	1367.66	165.43	104.88	948.76	1080.03
Return on Equity (Pre-tax)	**0.73**	**0.09**	**0.39**	**46.39**	**211.79**

*pro-rata

Interest on loan

61. In terms of the provisions of Regulation 26 of the 2014 Tariff Regulations, the Petitioner's entitlement to interest on loan has been calculated on the following basis:

(i) Gross normative loan of ₹3408.57 lakh, ₹398.15 lakh, ₹246.69 lakh and ₹2232.07 lakh have been considered as on COD of Asset-1, Asset-2, Asset-3 and Asset-4, respectively.

(ii) The gross opening loan as on COD as stated at Form-9C is at variance with the amount of loan used for computing the IDC as shown at "Statement showing IDC Discharged up to DOCO". Accordingly, for the present the weighted average rate of interest as claimed by the Petitioner has been considered, subject to truing up, for the purpose of tariff.

(iii) The normative repayment for the tariff period 2014-19 shall be deemed to be equal to the depreciation allowed for that period.

62. Based on the above, interest on loan has been calculated, subject to truing up, as under:

(₹ in lakh)

Particulars	**Asset-1**	**Asset-2**	**Asset-3**	**Asset-4**	
	2018-19*	**2018-19***	**2018-19***	**2017-18***	**2018-19**
Gross Normative Loan	3408.57	398.15	246.69	2232.07	2424.67
Cumulative Repayment up to previous Year	0.00	0.00	0.00	0.00	43.14
Net Loan-Opening	**3408.57**	**398.15**	**246.69**	**2232.07**	**2381.53**
Addition due to ACE	0.00	0.00	23.21	192.60	420.00
Repayment during the year	0.69	0.08	0.37	43.14	196.14
Net Loan-Closing	**3407.88**	**398.07**	**269.52**	**2381.53**	**2605.39**
Average Loan	3408.22	398.11	258.10	2306.80	2493.46
Weighted Average Rate of Interest	7.847%	8.131%	7.978%	7.854%	7.853%
Interest on Loan	**0.73**	**0.09**	**0.39**	**45.17**	**195.82**

* pro-rata

<u>Depreciation</u>

63. The depreciation has been calculated annually based on Straight Line Method at the rates specified in **Appendix-II** in the 2014 Tariff Regulations. Based on the above, the depreciation has been considered and allowed, subject to truing up, as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19*	2018-19 *	2018-19*	2017-18*	2018-19
Average Capital Cost	4776.23	563.58	363.16	3277.12	3714.69
Rate of Depreciation	5.280%	5.304%	5.321%	5.280%	5.280%
Depreciable Value	4298.61	507.22	326.85	2949.41	3343.22
Remaining Depreciable Value (at the beginning)	4298.61	507.22	326.85	2949.41	3300.09
Depreciation	**0.69**	**0.08**	**0.37**	**43.14**	**196.14**

*pro-rata

Operation and Maintenance Expenses (O&M Expenses)

64. The Petitioner has claimed O&M Expenses as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19*	2018-19 *	2018-19*	2017-18*	2018-19
O&M Expenses	0.29	0.26	1.81	26.13	106.83

*pro-rata

65. The O&M norms as per Regulation 29(4) of the 2014 Tariff Regulations for 400 kV (GIS) Sub-station is ₹56.84 lakh per bay for FY 2017-18 and ₹58.73 lakh per bay for FY 2018-19 and for 220 kV Sub-station is ₹46.55 lakh per bay for FY 2017-18 and ₹48.10 lakh per bay for FY 2018-19.

66. The Petitioner has submitted that norms for O&M Expenses for the tariff period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The Petitioner has further submitted that the wage revision of the employees of the Petitioner is due during the 2014-19 tariff period and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The Petitioner has submitted that it would approach the Commission for suitable revision in norms for O&M Expenses for claiming the impact of wage hike during 2014-19, if any.

67. BRPL in affidavit dated 18.6.2018 has submitted that the increase in the employee cost, if any, due to wage revision must be taken care by improvement in their productivity levels by the Petitioner company so that the beneficiaries are not unduly burdened over and above the provisions made of the 2014 Tariff Regulations. In response, the Petitioner filed rejoinder dated 27.7.2018 and submitted that for the tariff period 2014-19 had been arrived at on the basis of normalized actual O&M Expenses during the period 2008-09 to 2012-13. The Petitioner has further submitted that the wage revision of the employees is due during 2014-19 and actual impact of wage hike effective from a future date has not been factored in fixation of the normative O&M rates specified for the tariff block 2014-19.

68. The Petitioner has submitted that it would approach the Commission for suitable revision in norms for O&M Expenses for claiming the impact of wage hike during 2014-19, if any.

69. We have considered the submissions made by the Petitioner and the BRPL. We are of the view that the O&M Expenses needs to be worked out as per the norms of O&M Expenses specified in the 2014 Tariff Regulations. As regards the impact of wage revision, any application filed by the Petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations.

70. The O&M expenses worked out for the purpose of tariff is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	1 nos. 400 kV (GIS) bay and 1 nos. 220 kV bay	2 nos. 220 kV bay	2 nos. 220 kV bay	1 nos. 400 kV (GIS) bay and 1 nos. 220 kV bay	
	2018-19*	2018-19 *	2018-19*	2017-18*	2018-19
O&M Expenses	0.29	0.26	1.81	25.78	106.83

*pro-rata

Interest on Working Capital (IWC)

71. The Petitioner is entitled to claim interest on working capital as per the 2014 Tariff Regulations. The components of the working capital and the Petitioner's entitlement to interest thereon are discussed hereunder:

(i) **Receivables**

Receivables as a component of working capital will be equivalent to two months fixed cost. In the tariff being allowed, receivables have been worked out on the basis of 2 months transmission charges.

(ii) **Maintenance spares**

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M expenses. The value of maintenance spares has accordingly been worked out.

(iii) **O&M expenses**

O&M expenses have been considered for one month as a component of working capital.

(iv) **Rate of interest on working capital**

The Petitioner has considered 12.20% (i.e. SBI Base Rate of 8.70% as on 1.4.2018 + 350 bps) as the rate of interest on working capital for Asset-1, Asset-2, Asset-3 and 12.60% (i.e. SBI Base Rate of 9.10% as on 1.4.2017 + 350 bps) as the rate of interest on working capital for Asset-4. However, the same is considered for the purpose of tariff.

72. The interest on working capital, subject to truing up, has been worked out and allowed as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19*	**2018-19 ***	**2018-19***	**2017-18***	**2018-19**
Maintenance Spares	0.04	0.04	0.27	3.87	16.02
O&M expenses	0.02	0.02	0.15	2.15	8.90
Receivables	0.42	0.09	0.51	27.45	121.51
Total	**0.49**	**0.15**	**0.94**	**33.46**	**146.43**
Interest on Working Capital	**0.06**	**0.02**	**0.11**	**4.22**	**18.45**

*pro-rata

Annual Transmission charges

73. In view of the above, the transmission charges allowed for the instant asset is as under:

(₹ in lakh)

Particulars	Asset-1	Asset-2	Asset-3	Asset-4	
	2018-19 (pro-rata)	**2018-19 (pro-rata)**	**2018-19 (pro-rata**	**2017-18 (pro-rata)**	**2018-19**
Depreciation	0.69	0.08	0.37	43.14	196.14
Interest on Loan	0.73	0.09	0.39	45.17	195.82
Return on Equity	0.73	0.09	0.39	46.39	211.79
Interest on Working Capital	0.06	0.02	0.11	4.22	18.45
O&M Expenses	0.29	0.26	1.81	25.78	106.83
Total	**2.51**	**0.54**	**3.09**	**164.69**	**729.03**

Filing fee and the publication expenses

74. The Petitioner has sought reimbursement of fee paid by it for filing the Petition and publication expenses, in terms of Regulation 52 in the 2014 Tariff Regulations.

The Petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present Petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 in the 2014 Tariff Regulations.

License fee and RLDC Fees and Charges

75. The Petitioner has prayed to allow the Petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the Petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a) of Regulation 52 in the 2014 Tariff Regulations.

Goods and Services Tax

76. The Petitioner has prayed for reimbursement of tax, if any, on account of proposed implementation of GST. The Petitioner has submitted that the Commission should allow recovering GST from the beneficiaries, if imposed on transmission charges under the proposed GST when implemented by Government of India. We are of the view that Petitioner's prayer is premature.

Transmission Service Agreement (TSA)

77. BRPL in affidavit dated 18.6.2018 has submitted that the Petitioner has not furnished the Transmission Service Agreement (TSA) and as per Regulation 3(63) of the 2014 Tariff Regulations, the Petitioner is required to submit the TSA. The Petitioner vide affidavit dated 8.8.2018 has submitted a copy of the Model TSA dated 19.8.2011 entered into between the Petitioner and BRPL. The Commission has already dealt with the issue of TSA raised by BRPL in order dated 19.9.2018 in Petition Nos.206/TT/2017. The relevant portion of the order dated 19.9.2018 is as follows:

> "17. As regards TSA, BRPL has submitted that as per Regulation 3(63) of the 2014 Tariff Regulations, TSA means the agreement between transmission license and designated inter-State transmission customers in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (hereinafter referred to as the "2010 Sharing Regulations") and any other agreement between the transmission licensee and the long term transmission customer where the payment of transmission charges is not made through PoC mechanism under the 2010 Sharing Regulations. BRPL has submitted that accordingly, there is need to enter into another agreement for recovery of the transmission charges through PoC mechanism. In response, the Petitioner has submitted that the Petitioner has complied with the provisions of 2010 Sharing Regulations and the terms of the model TSA entered into with the designated customers including BRPL".

78. We have considered the submissions of the Petitioner and BRPL. As per Regulation 2(u) of the 2010 Sharing Regulations, TSA means an agreement to be entered into between the designated ISTS customers and ISTS licensee in terms of the said Regulation. Regulation 2(u) provides as under:-

> "(u) Transmission Service Agreement (TSA) shall mean the agreement to be entered into between the Designated ISTS Customer(s) and ISTS Licensee(s) in terms of Chapter 6;"

79. As per Regulation 13 of the 2010 Sharing Regulations, the designated ISTS customers and the CTU have to enter into new TSA or modify the existing BPTA to incorporate the new tariff and related conditions and it shall govern the provisions of transmission services and the charges for the same and the agreement be called TSA. Further, as per the said Regulation, the CTU shall notify a model TSA and it shall be the default transmission agreement and shall mandatorily apply to all the designated ISTS customers. The relevant provisions of Regulation 13 of the 2010 Sharing Regulations are as under:-

> "(1) The Designated ISTS Customers and the CTU shall enter into new transmission services agreement or modify the existing Bulk Power Transmission Agreements to incorporate the new tariff and related conditions. Such agreement shall govern the provision of transmission services and charging for the same and shall be called the Transmission Service Agreement (TSA) and shall, interalia, provide for:"
>
> (4) The final version of the Model Transmission Service Agreement, as approved by the Commission shall be notified and used as the base transmission service agreement by the ISTS Licensees.

(5) The notified Model Transmission Service Agreement shall be the default transmission agreement and shall mandatorily apply to all Designated ISTS Customers."

80. Accordingly, the Petitioner and all the DICs entered into model TSA and the Petitioner signed the model TSA with BRPL on 19.8.2011. As per clause 4 of the model TSA, the existing ISTS owned, operated and maintained by it are given in Schedule II of the model TSA. Any new ISTS, on approval of the concerned RPC, shall be intimated to the DICs and shall become part of Schedule-II of the TSA. Clause 4 of the TSA provides as follows:-

> **"4.0 Description of inter-State Transmission System (ISTS).**
>
> **4.1 Existing ISTS**
>
> 4.1.1 The list of ISTS presently owned, operated and maintained by ISTS Licensees in the country is detailed in Schedule-II.
>
> 4.2 Deemed ISTS.
>
> 4.2.1 The provisions of the Agreement shall be applicable to Deemed ISTS, as detailed in Schedule-II.
> 4.2.2 Any additions/deletions to the existing list as certified by the RPCs and approved by the Commission shall be intimated to the DICs by the Regional Power Committee (RPC). Such modifications shall form part of Schedule-II of the Agreement and shall be governed by the terms and conditions contained herein.
>
> 4.3 New ISTS Schemes
> 4.3.1 New ISTS Schemes shall be as identified in consultation with the stakeholders, by CEA and CTU.
>
> 4.3.2 Any element that may be added to the ISTS detailed in Article 4.1.1 and declared for commercial operation by the concerned ISTS Licensee will be intimated to the DICs by the ISTS License or the CTU, as and when these are declared under commercial operation. Such addition shall form a part of Schedule II of this Agreement and shall be governed by the terms and conditions as contained herein.
>
> 4.3.3 CTU shall notify all the ISTS Licensees and the DICs, as and when such element, as mentioned in Article 4.3.2 comes into operation."

81. The Petitioner has complied with the 2010 Sharing Regulations by entering into a TSA with BRPL and has also complied with the requirement of the TSA by including the new ISTS in Schedule-II of the TSA.

Sharing of Transmission Charges

82. We have considered the submissions made by the Petitioner and BRPL. In case of instant Asset-1 and 4, the billing, collection and disbursement of the transmission charges approved 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 and in case of instant Asset-2, Transmission charges from 31.3.2019 till Commissioning of the associated downstream network 220 kV Hamirpur-Dehan Line shall be borne by HPPTCL and thereafter, transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010 and similarly, in case of Asset-3, transmission charges from 25.3.2019 till commissioning of associated 220 kV downstream network of PSTCL shall be borne by PSTCL and thereafter, transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010.

83. This order disposes of Petition Nos. 158/TT/2018.

Sd/-	**Sd/-**	**Sd/-**
(I. S. Jha)	**(Dr. M. K. Iyer)**	**(P. K. Pujari)**
Member	**Member**	**Chairperson**