

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No.28/TT/2019

Coram :

Shri P.K. Pujari, Chairperson

Dr. M. K. Iyer, Member

Shri I. S. Jha, Member

Date of Order: 05.02.2020

In the matter of

Approval under Regulation: 86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from DOCO to 31.03.2019 for Asset-1 : 2 nos. 220 kV Line Bays at 400/220 kV Damoh S/S, Asset-2 : 400/220 kV, 500 MVA, ICT 1 & 2 with associated bays and 2 nos. 220kV downstream bays at Vadodara substation and Asset-3: 2 nos. 220kV downstream bays at Vadodara substation under "Installation of Bus Reactor & ICT in Western Region " project for 2014-19 tariff period as per directive of the Commission vide order dated 04.07.2018 for Review petition no. 6/RP/2018 in petition no. 208/TT/2016.

And in the matter of:

Power Grid Corporation of India Limited

"Saudamini", Plot No.2,

Sector-29, Gurgaon -122 001

....Petitioner

Versus

1. Madhya Pradesh Power Management Company Ltd. (MPPMCL)

Shakti Bhawan, Rampur

Jabalpur - 482 008



2. Madhya Pradesh Power Transmission Company Ltd.
Shakti Bhawan, Rampur
Jabalpur - 482 008
3. Madhyapradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008
4. Maharashtra State Electricity Distribution Co. Ltd.
Hongkong Bank Building, 3rd Floor M.G. Road,
Fort, Mumbai-400 001.
5. Maharashtra State Electricity Transmission Co. Ltd.
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex,
Bandra (East) Mumbai-400 051.
6. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
7. Gujarat Energy Transmission Corporation Limited (GETCO)
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
8. Electricity Department
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001
9. Electricity Department
Administration of Daman & Diu
Daman - 396 21
10. Electricity Department
Administration of Dadra Nagar Haveli



U.T., Silvassa - 396 230

11. Chhattisgarh State Electricity Board
P.O.Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
12. Chhattisgarh State Power Transmission Co. Ltd.
Office of the Executive Director (C&P)
State Load Despacth Building,
Dangania, Raipur – 492 013
13. Chhattisgarh State Power Distribution Co. Ltd.
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013

...Respondents

Parties present:

For Petitioner: Shri C.K. Venkatsan, PGCIL
Shri Zafrul Hasan, PGCIL
Shri S. S. Raju, PGCIL

For Respondent: None

ORDER

The present petition has been filed by Power Grid Corporation of India Ltd. (“the Petitioner”) for determination of Transmission Tariff from DOCO to 31.03.2019 for Asset-1 : 2 nos. 220 kV Line Bays at 400/220 kV Damoh S/S, Asset-2 : 400/220 kV, 500 MVA, ICT 1 & 2 with associated bays and 2 nos. 220kV downstream bays at Vadodara substation and Asset-3: 2 nos. 220kV downstream bays at Vadodara substation under “Installation of Bus Reactor & ICT in Western Region ” project (hereinafter referred to as “transmission assets”) for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”) as per



directive of the Commission vide order dated 04.07.2018 for Review petition no. 6/RP/2018 in petition no. 208/TT/2016.

2. The Petitioner has made the following prayers:
 - i. *Approve the Transmission Tariff for the tariff block 2014-19 block for the asset covered under this petition.*
 - ii. *Admit the capital cost as claimed in the Petition and approve the Additional Capitalization incurred / projected to be incurred.*
 - iii. *Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges, on account of Return on Equity due to change in applicable Minimum Alternate/Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause 25 of the Tariff regulations 2014.*
 - iv. *Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and expenditure on publishing of notices in newspapers in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, and other expenditure (if any) in relation to the filing of petition.*
 - v. *Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.*
 - vi. *Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.*
 - vii. *Allow the Petitioner to bill and recover GST on Transmission Charges separately from the respondents, if at any time GST on transmission is withdrawn from negative list at any time in future. Further, any taxes and duties including cess etc. imposed by any statutory/Govt/municipal authorities shall be allowed to be recovered from the beneficiaries.*
 - viii. *Allow provisional tariff in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations,*



2014.

- ix. Allow reimbursement of tax if any on account of the proposed implementation of GST;
- x. Allow the petitioner to bill Tariff from actual DOCO and also the petitioner may be allowed to submit revised Auditor's Certificate and tariff Forms (as per the Relevant Regulation), if any.
- xi. pass such other relief as Commission deems fit and appropriate under the circumstances of the case and in the interest of justice

Background

3. The application for determination of tariff for the subject transmission assets was initially filed under petition no. 208/TT/2016. The assets covered under the instant petition vis-à-vis asset filed in petition no. 208/TT/2016 are summarized as under:

Asset in Petition no. 208/TT/2016	Description	Asset in instant Petition	Description
Asset-3	400/220 kV, 500 MVA ICT at Damoh S/S with associated bays and 2 Nos. 220 kV line bays	Asset-1	2 nos. 220 kV line bays at 400/220 kV Damoh Sub-station
Asset-5A	400/220 kV, 500 MVA ICTs at Vadodra GIS with associated bays	Asset-2	400/220 kV, 500 MVA, ICT 1 and 2 with associated bays and 2 nos. 220 kV downstream bays at Vadodara Sub-station
Asset-5B	4 nos. 220 kV downstream bays	Asset-3	2 nos. 220 kV downstream bays at Vadodara Substation

4. With regard to COD of the subject transmission assets, the Commission vide Order dated 22.11.2017 in petition no. 208/TT/2016 decided as under:-

"14. The petitioner has claimed the COD of Asset-3 as 18.11.2016. The petitioner vide affidavit dated 18.7.2017 has submitted that the downstream network corresponding to Asset-3 is 1 km LILO of 2nd ckt of Damoh (MPPTCL)-Sagar at Damoh (PGCIL) and it is under the scope of MPPTCL. The petitioner has submitted RLDC charging certificate in support of COD of



Asset-3 dated 22.11.2016. It is observed from the charging certificate that the 500 MVA ICT and associated ICT bays (400 kV ICT bay and 220 kV ICT bay are commissioned) and the associated 2 Nos. 220 kV line bays (220 kV Damoh (MPPTCL) bay and Sagar bay) under the scope of the petitioner have not been commissioned due to non-commissioning of downstream transmission system of MPPTCL. The petitioner has submitted the correspondence carried out with MPPTCL from 6.10.2015 to 30.6.2017. It is observed from the Single line diagram (at Annexure-I), submitted by the petitioner, that the 500 MVA ICT is connected to the existing transmission system and power is flowing through existing transmission system. Therefore, the COD of 500 MVA ICT is considered as 18.11.2016. However, COD of the 2 nos. of 220 kV line bays shall be declared once associated downstream is commissioned. The cost break-up of the ICT at Damoh Sub-station and the line bays is not available. Therefore, it is not possible to work out the final tariff for ICT Damoh Substation based on the available capital cost. Accordingly, taking into consideration the commercial interest of the petitioner, 80% of the tariff claimed by the petitioner for Asset3 is allowed on provisional basis as given below. The same will be reconsidered at the time of truing up on submission of the break-up of the cost of the 500 MVA ICT and the bays at Damoh Sub-station”.

“16. We have considered the submissions of the petitioner for approval of COD of the Asset-5A and Asset-5B as 24.3.2017 and 20.5.2017 respectively under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that it has completed the work under its scope but GETCO has not completed the work under its control and as such sought approval of COD of Asset-5A and Asset5B under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that it had made its elements ready but was prevented from regular service for reasons not attributable to it. We are of the view that the COD of the assets should match with the upstream/downstream assets for their proper utilization and the petitioner should have taken appropriate measures to ensure the same through Implementation Agreement. In the instant case, the downstream assets under the scope of GETCO have not been put into commercial operation and the petitioner has not produced any document to show that the instant assets are put to any alternative use. Since assets have not been put to regular use, we are not inclined to approved the COD of Assets-5A and 5B under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as prayed by the petitioner. As such, the tariff of Assets-5A and 5B is not allowed in the instant order. The petitioner may approach the Commission for tariff for these assets after the COD of the downstream system”.

5. Aggrieved by the said order dated 22.11.2017 in petition No. 208/TT/2016, a Review Petition No. 6/RP/2018 was filed by the Petitioner. Subsequently, the Commission vide Order dated 4.7.2018 directed the Petitioner to file a fresh petition for the subject transmission assets. The relevant extracts of the Order dated 11.7.2018 is reproduced below:-



“8. Without going into the merit of the grounds raised by the Review Petitioner, we are of the view that the Review Petition needs to be allowed by permitting the Review Petitioner to file a fresh petition for approval of the COD not linking with the approval of COD of Assets 3, 5A and 5B with the COD or downstream assets, but under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations duly supported by all documents including the certificate from the CMD (which was not submitted earlier). We are disposing of the review petition at the admission stage without issuing a notice to the respondents as only a procedural relief for filing a fresh petition has been granted and the respondents shall get the opportunity to submit their views with regard to the COD of the assets after a fresh the petition is filed by the Review Petitioner.”

6. In compliance of the aforesaid direction of the Commission in the Order dated 4.7.2018 in petition no. 6/RP/2018, the Petitioner has filed the instant petition.
7. The Investment Approval (hereinafter referred to as "IA") for implementation of assets under “Installation of Bus Reactor and ICT in Western Region” was accorded by the Board of Directors of the Petitioner in 301st meeting held on 13.5.2014 for ₹30307 lakh including IDC of ₹1745 lakh based on February, 2014 price level (communicated vide Memorandum No. C/CP/ICT&Rctr/WR-415 dated 19.5.2014).
8. The Revised Cost Estimate (hereinafter referred to as "RCE") for implementation of assets under “Installation of Bus Reactor and ICT in Western Region” was accorded by the Board of Directors of the Petitioner on in 339th meeting held on 29.3.2017 for ₹38970 lakh including IDC of ₹1472 lakh based on October, 2016 price level (communicated vide Memorandum No. C/CP/RCE-Bus-Rctr & ICT dated 21.4.2017).
9. The scope of the scheme was discussed and agreed upon in 36th meeting of Standing Committee on Power System Planning in Western Region held 29.8.2013. The same was discussed and agreed in 24th meeting of Western Regional Power Committee held on 8.10.2013.
10. The broad scope of project is as under:



1	Extension of 765/400KV Raigarh PS (Tamnar)	1 no. 1500 MVA, 765/400 kV ICT with associated Bays
2	Extension of 400/220KV Bina Sub Station	1 no. 125 MVAR Bus Reactor with associated Bays (Existing 63MVAR bus reactor to be replaced with 125MVAR reactor. The replaced reactor will be kept as regional spare)
3	Extension of 400/220KV Damoh Sub Station	1 no. 500 MVA, 400/220 kV ICT with associated Bays and 2 no 220 kV Line Bays.
4	Extension of 765/400KV Raipur PS	1 no. 1500 MVA, 765/400 kV ICT with associated Bays
5	Extension of 765/400KV Vadodara GIS	2 nos. 500 MVA, 400/220 kV ICTs with associated Bays and 4 no 220 kV Line Bays
6	Extension of 400/220 kV Rajgarh Sub Station	2 nos. 63 MVAR Switchable Line Reactors with associated bays for 400 kV D/C Rajgarh-Sardar Sarovar T/L

11. The details of scope of work covered under various petitions is as under:-

S.N.	Name of Asset	DOCO	Petition no. and order date
1	400 kV, 63 MVAR Switchable Line Reactor at 400/200 kV Rajgarh S/S with associated Bays for 400 kV D/C Rajgarh-Sardar Sarovar T/L ckt.-1.	20.10.2016	Order dated 22.11.2017 in Petition no. 208/TT/2016
2	400 kV, 63 MVAR Switchable Line Reactor at 400/200 kV Rajgarh S/S with associated Bays for 400 kV D/C Rajgarh-Sardar Sarovar T/L ckt.-2	23.10.2016	
3	400/220 kV, 500 MVA ICT at 400/220 kV Damoh S/S with associated Bays	18.11.2016	
4	765/400 kV, 1500MVA, ICT-2 at Raipur PS with associated Bays and 765/400 kV, 1500MVA, ICT-4 at Raigarh (Tamnar) PS with associated Bays	01.04.2017	
5	400 kV, 125 MVAR Bus Reactor at Bina	16.03.2016	Originally filed in petition No. 208/TT/2016. However, as directed by CERC vide order dated 22.11.2017, the same was refilled in petition no. 182/TT/2018.
6	2 nos. 220 kV Line Bays at 400/220 kV Damoh S/S	29.08.2017 (Actual)	
7	400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated	20.05.2017 (Proposed)	



S.N.	Name of Asset	DOCO	Petition no. and order date
	bays and 2 nos. 220kV downstream bays		Covered in instant petition
9	2 nos. 220kV downstream bays at 400/220kV Vadodara substation	20.05.2017 <i>(Proposed)</i>	

12. Vide order dated 30.4.2019 Annual Transmission Charges were allowed under the proviso (i) to Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the POC charges in respect of the Asset-1 only. The petitioner has sought approval of COD of Assets-II and III under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as the downstream 220 kV line bays under the scope of work of GETCO are not ready. The Commission decided not to grant AFC for Asset-2 and Asset-3 before hearing GETCO.

13. The details of the annual transmission charges claimed by the Petitioner are as under:-

(₹ in lakh)

Particulars	Asset-1		Asset-2		Asset-3	
	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19
Depreciation	15.93	27.92	396.84	491.48	54.63	66.03
Interest on Loan	16.94	27.87	393.45	454.72	53.81	60.46
Return on Equity	17.57	30.79	442.05	547.34	60.75	73.30
Interest on Working Capital	3.92	6.81	39.80	47.99	7.78	9.24
O&M Expenses	55.06	96.20	259.57	309.86	80.59	96.20
Total	109.42	189.59	1531.71	1851.39	257.56	305.23

14. The details of the interest on working capital claimed by the Petitioner are as under:-

(₹ in lakh)

Particulars	Asset-1		Asset-2		Asset-3	
	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19
Maintenance Spares	13.97	14.43	44.98	46.48	13.97	14.43
O&M expenses	7.76	8.02	24.99	25.82	7.76	8.02
Receivables	30.84	31.60	294.93	308.56	49.59	50.87
Total	52.57	54.05	364.90	380.86	71.32	73.32



Particulars	Asset-1		Asset-2		Asset-3	
	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19	2017-18 (Pro-rata)	2018-19
Rate of Interest	12.60%	12.60%	12.60%	12.60%	12.60%	12.60%
Interest	3.92	6.81	39.80	47.99	7.78	9.24

15. The Petitioner has served a copy of the petition upon the respondents and notice of this tariff application has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. 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, 2003. Reply to the petition has been filed by MPPMCL (Respondent no 1) and GETCO (Respondent no 7) vide their affidavits dated 9.4.2019 & 19.12.2019 respectively and the Petitioner vide its affidavits dated 5.12.2019 & 27.12.2019 filed its rejoinder in the matter, respectively.

16. The Petition was last heard on 18.11.2019 and the Commission reserved the order in the Petition.

17. Having heard the representatives of the Petitioner present at the hearing and perused the material on record, we proceed to dispose of the petition.

18. This order has been issued after considering the main petition dated 12.11.2018 and Petitioner's affidavits dated 5.2.2019, 10.5.2019, 31.5.2019, 5.12.2019 and 27.12.2019 and replies dated 9.4.2019 & 19.12.2019 of the Respondents.

Analysis and Decision

19. The Petitioner has claimed the COD in respect of the assets covered under the instant petition as per the following details:-

Assets	COD claimed
Asset-1: 2 nos. 220 kV Line Bays at 400/220 kV Damoh S/S	29.8.2017 (Actual)
Asset-2: 400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated bays and 2 nos. 220kV downstream bays	20.5.2017 <i>(Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)</i>
Asset-3: 2 nos. 220kV downstream bays at 400/220kV Vadodara substation	20.5.2017 <i>(Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)</i>

20. Clause (3) of Regulation 4 of the 2014 Tariff Regulations provides as under:-

"(3) date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end: Provided that:

(i) Where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavor to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations:

(ii) in case a transmission system or an element thereof is prevented from regular service or reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof."

21. In support of actual COD of the Asset-1, the Petitioner has submitted self-declaration COD letter dated 30.12.2017, WRLDC Certification for completion of Trial Operation dated 28.8.2017, CEA energisation certificate dated 31.10.2016 under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 and CMD certificate as required under grid code.

22. In support of the COD of the Asset-2 and Asset-3, the Petitioner has submitted self-declaration COD letter dated 3.4.2017 and 1.6.2017, CEA energisation certificate dated 15.3.2017 under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010, RLDC 'no-load' certificate dated 30.3.2017 and



WRLDC Certification for completion of Trial Operation dated 31.5.2017 and 18.5.2018 and CMD certificate as required under Grid Code.

23. As per the Investment Approval (IA) dated 13.5.2014, the instant assets were scheduled to be commissioned within 26 months from the date of investment approval. Accordingly, the commissioning schedule comes to 13.7.2016.

24. The Petitioner has submitted the following reasons for time overrun in case of the instant assets:-

Asset-1

(i) The transmission tariff for additional 500 MVA ICT at 400/220 kV Damoh Sub-station (3rd no ICT) along with bays was approved in order dated 22.11.2017 in Petition No. 208/TT/2016 but transmission tariff for 2 nos. 220 kV downstream line bays at Damoh Sub-station was not approved due to non-commissioning of associated 220 kV downstream lines. The Petitioner has submitted that it made all earnest efforts to commission the above said 220 kV line bays at Damoh substation matching with downstream system being implemented by MPPTCL. The Petitioner has submitted the details of correspondence held in this regard.

(ii) After all efforts for coordination, the Petitioner has commissioned Asset-1 on 29.8.2017 matching with associated 220 kV Damoh (PG) – Sagar (MPPTCL) & 220kV Damoh (PG)- Damoh (MPPTCL) lines.

(iii) The issue was also discussed in the 40th & 41st SCM of Power System Planning of WR constituents and the constituents responsible for implementation of various downstream system were directed to expedite their schemes so that the transmission system being developed for evacuation of power may be utilized.



(iv) In view of the above reasons, the Petitioner submitted that the delay in charging the bays is mainly due to matching with associated 220 kV lines implemented by MPPTCL and the same were beyond the control of Petitioner.

Asset-2 and Asset 3

(i) The Petitioner has made all efforts for Commissioning of the 400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation and 4 nos. 220kV line bays matching with downstream system being implemented by GETCO. The Petitioner has submitted the details of correspondence held in this regard.

(ii) The Assets were Commissioned and put into Commercial Operation from 20.5.2017 as the Commissioning could not be inordinately delayed for absence of the downstream system and had serious Commercial implication on the Petitioner. Further, the downstream system corresponding to the Asset-2 and Asset-3 is also inordinately delayed. The same has been discussed in the 40th and 41st SCM of Power System Planning of WR constituents.

25. MPPMCL vide affidavit dated 9.4.2019 has submitted that the Petitioner has commissioned the line bays associated with Asset-1 matching with the downstream system being implemented by MPPTCL. The Petitioner has submitted a chronological detail of correspondence with MPPTCL. The Petitioner sought details of downstream lines of MPPTCL only on 6.10.2015 for various substation under Asset-1 i.e. nearly 17 months after the date of investment approval, and, in other words, just 9 months before the scheduled COD. This shows how sincere the Petitioner was for executing the work in time. In case of Asset-2 and Asset-3, the process was started on 13.8.2016 when first correspondence with GETCO was made. The SCOD of the Assets was 13.7.2016 and effort on part of the Petitioner started after expiry of SCOD. The Petitioner has mentioned that the Assets were Commissioned and put into



commercial operation w.e.f. 20.5.2017 as the Commissioning could not be inordinately delayed for absence of downstream system and had serious commercial implications of the Petitioner. Further, the same was not followed in case of Asset-1 and was further delayed by 3 months. As the chronology shows the effort to coordinate with MPPTCL was started very late and after the SCOD in case of Assets-2 and 3. The Petitioner could have Commissioned assets much earlier but is taking the plea of absence of downstream system to hide its slackness and inefficiency to justify the claims, including IDC and IEDC for the extended period. On one hand, the Petitioner has taken the shelter for absence of downstream system in case of Asset -1 while on the other hand Commissioned the Assets-2 and 3 on the plea that the Commissioning could not be inordinately delayed for the absence of downstream system and has serious commercial implications for the Petitioner. These contentions are contradictory and the Petitioner is trying to transfer its liability of delay to respondents.

26. In response, the Petitioner vide its affidavit dated 5.12.2019 submitted that the Transmission System "Installation of Bus Reactor & ICT in Western Region" has been discussed in 36th Standing committee on Power system planning in WR held on 29.8.2013. The Petitioner has submitted that the same was discussed and agreed in 24th WRPC Meeting held on 9.10.2013 wherein GED, MSETCL and MPPTCL were also the member. The Petitioner reiterated its submissions made in the Petition.

27. The GETCO vide affidavit dated 19.12.2019 has submitted its submission w.r.t. approval of COD of the assets under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations and same is as follows:-

- (i) PGCIL has wrongly sought approval of COD of the assets under proviso (ii) of Regulation 4 (3) of the 2014 Tariff Regulations in the present matter and sought to lay the entire blame on GETCO with regard to the downstream transmission system.



(ii) In the 36th Standing Committee Meeting held on 20.08.2013 for Power System Planning in Western Region, it was decided to allot 4 nos. of 220KV feeder bays for following 220KV transmission lines from GETCO substation.

a) 220 kV D/C Vyankatpura – Vadodara (PGCIL) line, and

b) LILO of one circuit of 220KV Jambuva – Gotri line at Vadodara (PGCIL)

(iii) With context of 400/220 KV, 2x500 MVA ICT at 765KV Vadodara (PGCIL) substation, provision of total 6 nos. of 220KV feeder bays was made at 765KV Vadodara (PGCIL) substation for grid connectivity with GETCO as per 37th Standing Committee Meeting dated 5.9.2014 and accordingly, the following transmission scheme was approved vide BR No. 99.10/1590 dated 9.2.2015.

a) 220KV D/C Vyankatpura – Vadodara (PGCIL) line, and

b) LILO of both circuit of 220KV Jambuva – Gotri line at Vadodara (PGCIL)

(iv) The survey was carried out for both the above transmission lines but due to RoW constraint for construction of LILO of both circuit of 220 kV Jambuva – Gotri line at Vadodara (PGCIL), the same was reviewed and construction of 220 kV D/C Jambuva – Vadodara (PGCIL) line was approved instead of LILO of both circuit of 220 kV Jambuva – Gotri line at Vadodara (PGCIL) as approved vide BR No. 114.6/1908 dated 18.9.2017.

(v) GETCO had awarded the construction of 220KV D/C Vyankatpura – Vadodara (PGCIL) line on 24.10.2016 with schedule completion period of 12 months which was extended by 6 months due to implementation of GST w.e.f. 01.07.2017 and thereby the schedule completion date was 23.4.2018 against which the line was commissioned on 16.2.2018.



(vi) The survey & route alignment of 220KV D/C Jambuva – Vadodara (PGCIL) line was carried out in October 2016 and the Notice Inviting Tender (NIT) for construction of 220KV D/C Jambuva – Vadodara (PGCIL) line – 33.98 Km was published on 16.1.2017. Even the contract was awarded to lowest evaluated bidder on 15.7.2017 with schedule completion period of 18 months and thereby the schedule completion date is January 2019. However, due to GST implementation w.e.f. 1.7.2017, and there being fundamental changes in the contract pricing, the schedule completion was revised to July 2019 with extension of 6 months. The present status of the line is as follows:

Activity	Work Involved	Work executed	Balance
Foundation (Nos.)	121	101	20
Erection (Nos.)	121	98	23
Stringing (Km)	33.980	17.721	16.259

(vii) The route of the 220 kV D/C Jambuva – Vadodara (PGCIL) line is passing near to Vadodara City and due to residential & industrial development, the land cost has increased tremendously.

(viii) GETCO is facing severe Right of Way (RoW) issues during construction of the 220KV D/C Jambuva – Vadodara line and the land owners are protesting very strongly for laying the transmission line in their premises.

(ix) As per the provision of Electricity Act, 2003, GETCO has applied for District Magistrate order for locations in the hard resistance area and passing necessary order by the District Magistrate has taken considerable time which has resulted in hampering of the progress of the said line. Even after issuing District Magistrate order followed by hearing of the cases, the land

owners/farmers are not permitting execution of the work in their land premises and ultimately, GETCO has to apply for police protection.

(x) Vadodara city is fastest growing city in Gujarat with residential and industrial expansion and laying transmission line in the agriculture land results in devaluation of land which is a prime factor for huge protest of the farmers. GETCO is constantly monitoring the progress of the line with aim to complete the work as early as possible but due to State & Central Election and various law & order situation, GETCO is not getting administration support on time and such delay is beyond the control of GETCO.

(xi) There was heavy rainfall in the monsoon season from July to October 2019 which has hampered the progress of the line. Further, one land owner in village- Madodhar, Ta- Waghodia, Dist- Vadodara has applied on 20.5.2019 for revision of the route from his land premises for which the land owner has to pay the differential cost of the line on account of diversion of the route. Moreover, due to development of residential scheme between location 33/0 to 33/2; the applicant Milestone Infrastructure, Vadodara vide application dated 25.10.2019 requested GETCO to shift the 220 kV D/C Jambuva – Vadodara (PGCIL) line from their premises with payment of differential cost on account of diversion of the route. One more applicant Mr. Chandrakant Jasbhai Patel had also applied on 7.2.2019 for shifting of the line from their premises in village-Kelanpur, Ta-Vadodara and the party was issued estimate on 28.3.2019 for payment of differential cost and the same was paid on 15.4.2019.

(xii) The transmission line for grid connectivity of 765 kV Vadodara (PGCIL) Substation with GETCO substation could be finalized in Sep-2017 against the original planning of Aug-2013 as mentioned above.



(xiii) GETCO has taken up the work on urgent basis after finalization of scheme but due to severe Right of Way (ROW) issues, huge protest of land owners/ farmers and frequent change in route on account of new development along the route of the 220 kV D/C Jambuva – Vadodara (PGCIL) line, the work could not be completed in its schedule time.

(xiv) In all tariff petitions of the Petitioner, this Commission appreciates the above ROW issues and permits both time over-run and cost over-run while determining the tariff. However, when it comes to other STUs, this Commission without appreciating the very same difficulties loads the transmission charges of the Petitioner assets of the licensees. Further, there is no provision in the 2014 Tariff Regulations or the 2010 Sharing Regulations which envisages bilateral billing of the kind which is being proposed by PGCIL. In fact, PGCIL itself in several matters has pleaded before this Commission that transmission charges should only be recovered through the POC mechanism and not otherwise. This being the case, there can be no question of the approving the COD of the assets under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations or directing GETCO to make payment of the transmission charges to the Petitioner.

28. In response, the Petitioner vide its affidavit dated 27.12.2019 submitted the following:-

(i) The instant asset i.e. 2 nos. 400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated bays and 4 nos. 220 kV downstream bay was discussed and agreed on the request of GETCO in 36th Standing committee meeting on Power system planning in WR held on 29.8.2013. Further, the same was discussed and agreed in 24th WRPC Meeting held on 9.10.2013 on the request of GETCO. The asset covered under instant petition has been



executed as system strengthening scheme. The progress of downstream line was discussed in several subsequent WRPC meetings.

(ii) As per MOM of WRPC meeting, the Status of 220 kV downstream system of GETCO are as follows:

Asset	Asset Details	COD	Status of 220 kV downstream system of GETCO
2	400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated bays and 2 nos. 220kV downstream bays	20.5.2017 (Proposed)	220 kV D/C Venkatpura - Vadodara line charged on 14.4.2018 (as per MOM of 37th meeting of WRPC held on 17.12.2018 at kumarkom, Kerala)
3	2 nos. 220kV downstream bay at 400/220kV Vadodara substation.	20.05.2017 (Proposed)	220 kV Jambua - Vadodara D/C line planned for Jun,2019. (As per 38th WRPC meeting held on 27.6.2019 at Bhopal, MP)

(iii) The downstream system corresponding to Asset-2 and Asset-3 was inordinately delayed and the same was also captured in the 40th and 41st standing Committee meeting of Power System planning in WR. It is submitted that the various reasons for delay including ROW was given by the respondent (GETCO) are general in nature which clearly establish the fact that the downstream line were not ready because of which 4 nos. line bays covered under instant petition are not utilised. Considering above the petitioner has invoked approval of COD for Asset-2 and Asset-3 w.e.f. 20.5.2017 under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.

29. The Commission vide ROP for the hearing dated 30.4.2019, directed the Petitioner to submit the status of 220 kV downstream system of GETCO in respect of Asset-2 and Asset-3 and also to submit the copy of implementation agreement made with GETCO, if any. In addition, the Petitioner was directed to submit the details of time over-run and chronology of activities along with documentary evidence as per the prescribed format.

30. In response, the Petitioner has submitted the status of 220 kV downstream system of GETCO as follows:

Asset	Asset Details	COD	Status of 220 kV downstream system of GETCO as per MOM of 37 th meeting of WRPC held on 17.12.2018 at Kumarkom, Kerala
Asset-2	400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated bays and 2 nos. 220 kV downstream bays	20.5.2017 (Proposed)	220 kV D/C Venkatpura Vadodara line charged on 14.4.2018
Asset-3	2 nos. 220kV downstream bay at 400/220 kV Vadodara substation.	20.5.2017 (Proposed)	220 kV Jambua - Vadodara D/C line planned for Jun,2019

31. The Petitioner has further submitted that the instant Asset i.e. 2 nos. 400/220 kV, 500 MVA, ICT 1 & 2 at Vadodara substation with associated bays and 4 nos. 220 kV downstream bay was discussed and agreed on the request of GETCO in 36th Standing committee on Power system planning in WR held on 29.8.2013 and the same was discussed and agreed in 24th WRPC Meeting held on 9.10.2013 on the request of GETCO. The asset covered under instant petition has been executed as system strengthening scheme. The progress of downstream line was discussed in several sequent WRPC meetings. The Petitioner has submitted the details of time over run in respect of instant assets in the prescribed format.

32. We have considered the submissions made by the Petitioner and the Respondents and perused the documents available on records.

Asset-1

33. As regards time over-run in commissioning of the Asset-1, Asset-2 and Asset-3, the Petitioner has submitted that the Petitioner was ready for commissioning of the Assets but was not able to commission the instant Assets as the downstream 200 kV line bays under the scope of work of MPPTCL (Asset-1) and GETCO (Asset-2 and



Asset-3) was not ready. Further, the Petitioner has submitted that the Asset-1 has been put into commercial operation on 29.8.2017 matching with the downstream lines under the scope of MPPTCL.

34. In case of Asset-1, we note that in Petition No. 208/TT/2016, the Petitioner had claimed COD of the asset at 18.11.2016. However, the Commission, vide paragraph 14 of the order dated 22.11.2017 decided that the COD shall be declared once associated downstream is commissioned. The relevant portion of the order is as under:

“14. The petitioner has claimed the COD of Asset-3 as 18.11.2016. The petitioner vide affidavit dated 18.7.2017 has submitted that the downstream network corresponding to Asset-3 is 1 km LILO of 2nd ckt of Damoh (MPPTCL)-Sagar at Damoh (PGCIL) and it is under the scope of MPPTCL. The petitioner has submitted RLDC charging certificate in support of COD of Asset-3 dated 22.11.2016. It is observed from the charging certificate that the 500 MVA ICT and associated ICT bays (400 kV ICT bay and 220 kV ICT bay are commissioned) and the associated 2 Nos. 220 kV line bays (220 kV Damoh (MPPTCL) bay and Sagar bay) under the scope of the petitioner have not been commissioned due to non-commissioning of downstream transmission system of MPPTCL. The petitioner has submitted the correspondence carried out with MPPTCL from 6.10.2015 to 30.6.2017. It is observed from the Single line diagram (at Annexure-I), submitted by the petitioner, that the 500 MVA ICT is connected to the existing transmission system and power is flowing through existing transmission system. Therefore, the COD of 500 MVA ICT is considered as 18.11.2016. However, COD of the 2 nos. of 220 kV line bays shall be declared once associated downstream is commissioned”.

35. We also note our decision dated 4.7.2018 in review petition 6/RP/2018 filed by the Petitioner for allowing the petitioner to file a fresh petition for approval of the COD not linking with the approval of COD of Assets 3, 5A and 5B with the COD or downstream assets. The relevant portion of the order is as under:

“8. Without going into the merit of the grounds raised by the Review Petitioner, we are of the view that the Review Petition needs to be allowed by permitting the Review Petitioner to file a fresh petition for approval of the COD not linking with the approval of COD of Assets 3, 5A and 5B with the COD or downstream assets, but under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations duly supported by all documents including the certificate from the CMD (which was not submitted earlier). We are disposing of the review petition at the admission stage without issuing a notice to the respondents as only a procedural relief for filing a fresh petition has been granted and the



respondents shall get the opportunity to submit their views with regard to the COD of the assets after a fresh the petition is filed by the Review Petitioner.”

36. Now, the Petitioner has submitted that the downstream assets of MPPTCL have been commissioned on 29.8.2017. The Petitioner has approached the Commission now seeking revised COD as 29.8.2017 and requested to condone the time over-run. However, the Petitioner had already approached the Commission for declaration of COD as 18.11.2016, but the Commission did not approve the COD since downstream assets were not ready and the Commission directed the Petitioner to approach the Commission once downstream assets are commissioned. Subsequently, vide order dated 4.7.2018 in Petition No. 6/RP/2018, the Commission allowed the Petitioner to file a fresh petition for COD approval without linking them to downstream asset. Therefore, we approve the COD for Asset-I as 18.11.2016.

37. As per the investment approval dated 13.5.2014, the assets were scheduled to be put into commercial operation by 13.7.2016. The COD of Asset-1 has been approved as 18.11.2016. Therefore, there is a time over-run of 128 days (from SCOD i.e. 13.7.2016 to 17.11.2016). We are of the view that the time over-run of 128 days on account of matching with the downstream assets of MPPTCL between 13.7.2016 to 17.11.2016 was a decision of the Petitioner and hence same is not condoned.

38. The transmission charges in case of Asset-1 from 18.11.2016 (COD) to 28.8.2017 (one day before actual charging of downstream system) shall be on account of MPPTCL and thereafter, from 29.8.2017 (Actual Charging of downstream system), it will be shared under PoC mechanism, as per provisions of the 2010 sharing regulations.

39. The COD of Asset-1 is approved as 18.11.2016 under the provisions of proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. However, the Petitioner has



provided the tariff forms and Auditor's certificate based on the COD of 29.8.2017 as claimed in this petition. Therefore, computation of transmission charges in respect of Asset-1 at this stage is not possible. It is also noted that the Commission, vide order dated 30.4.2019, had already allowed provisional tariff in respect of Asset-1. Therefore, we are of the view that the provisional tariff as allowed vide Order dated 30.4.2019 should continue and the final tariff will be allowed at the time of truing up on submission of Auditor's certificate alongwith tariff forms based on the approved COD of 18.11.2016.

Asset-2 and Asset-3

40. The Petitioner has sought to declare COD of Asset-2 and Asset-3 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Petitioner has submitted CEA energisation certificate and 'no-load' RLDC certificate in support of the COD of Asset-2 and Asset-3 and claimed the COD of both the assets as 20.5.2017. We note that Asset-2 and Asset-3 of the instant petition were initially filed in the petition no. 208/TT/2016 as Asset-5 viz. 400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays. In the said petition, the Petitioner vide affidavit dated 21.4.2017 further bifurcated Asset-5 into Asset-5A as 400/220 kV, 500 MVA, 2 nos. ICTs at Vadodara GIS with associated bays and Asset-5B as 4 nos. 220 kV downstream bays due to delay in commissioning of the 4 Nos. 220 kV downstream bays by GETCO. At that time, the Petitioner had claimed the COD of Asset-5A as 24.3.2017 and for Asset-5B as 20.5.2017 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. In view of the fact that these two assets have not been put to regular use, the Commission, vide paragraph 16 of the order dated 22.11.2017 had decided not to approve the COD of these 2 assets and held that the COD shall be declared once associated downstream is commissioned. The relevant portion of the order is as under:



“16. We have considered the submissions of the petitioner for approval of COD of the Asset-5A and Asset-5B as 24.3.2017 and 20.5.2017 respectively under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that it has completed the work under its scope but GETCO has not completed the work under its control and as such sought approval of COD of Asset-5A and Asset5B under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The petitioner has submitted that it had made its elements ready but was prevented from regular service for reasons not attributable to it. We are of the view that the COD of the assets should match with the upstream/downstream assets for their proper utilization and the petitioner should have taken appropriate measures to ensure the same through Implementation Agreement. In the instant case, the downstream assets under the scope of GETCO have not been put into commercial operation and the petitioner has not produced any document to show that the instant assets are put to any alternative use. Since assets have not been put to regular use, we are not inclined to approved the COD of Assets-5A and 5B under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as prayed by the petitioner. As such, the tariff of Assets-5A and 5B is not allowed in the instant order. The petitioner may approach the Commission for tariff for these assets after the COD of the downstream system.”

41. In the instant petition, the Petitioner has now claimed Asset-2 as 400/220 kV, 500 MVA, ICT 1 & 2 with associated bays and 2 nos. 220 kV downstream bays at Vadodara substation and Asset-3 as 2 nos. 220 kV downstream bays at Vadodara substation. Based on the documents available on record, following is the comparison of Asset-2 and Asset-3 filed in the instant petition vis-à-vis filed in petition no. 208/TT/2016 (Asset-5).

Details as per petition no. 208/TT/2016				Details as per petition no. 28/TT/2019			
Asset claimed at the time of filing of instant petition		Assets revised vide affidavit dated 21.4.2017		COD Claimed	Asset claimed at the time of filing of instant petition		COD Claimed
Asset-5	400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays	Asset-5A	400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays	24.3.2017 (Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)	Asset-2	400/220 kV, 500 MVA, ICT 1 & 2 with associated bays and 2 nos. 220kV downstream bays at Vadodara substation	20.5.2017 (Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)
		Asset-5B	4 nos. 220 kV downstream bays	20.5.2017 (Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)	Asset-3	2 nos. 220kV downstream bays at Vadodara substation	20.5.2017 (Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations.)



42. As can be seen from the Table above, out of the 4 no. of 220 kV downstream bays covered under Asset-5B in the Petition no. 208/TT/2016, the Petitioner has clubbed 2 no. of 220 kV downstream bays with Asset-5A i.e. 400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays and claimed the combined asset as Asset-2 in the instant petition with COD of 20.5.2017. It is not clear as to why the Petitioner has carried out the clubbing of 2 no. of 220 kV downstream bays. The remaining 2 no. of 220 kV downstream bays covered under Asset-5B has now been claimed as Asset-3 in the instant petition. It has been further observed from the Table above that the Petitioner has claimed the COD of Asset-2 as 20.5.2017 whereas the Petitioner had earlier claimed the COD of 24.3.2017 in respect of Asset-5A. The Petitioner has not furnished any reason for this clubbing and its claim for different COD.

43. The Petitioner has submitted that the out of the 4 no. of downstream assets of GETCO 2 no. of downstream assets have been commissioned on 16.4.2018 and remaining 2 no. of downstream assets have not been commissioned till date. The Petitioner has approached the Commission now, seeking revised COD as 20.5.2017 for Asset-2 and Asset-3 and requested to condone the time over-run. However, the Petitioner had already approached the Commission for declaration of COD, but it could not be declared since downstream assets were not ready and Commission directed the Petitioner to approach the Commission once downstream assets are commissioned. In the absence of justified reasons for clubbing of assets and different COD as observed in Para 42 above, we are of the view that the clubbing of 2 no. of 220 kV downstream bays with 400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays with claim of different COD cannot be allowed at this stage and the approval of COD for Asset-2 and Asset-3 should be considered in line with the



original claim of the Petitioner in petition no. 208/TT/2016. Accordingly, the COD of Asset-2, and Asset-3 have been considered as per following details:

Asset	COD <i>(approved under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations)</i>
Asset-2**: 400/220 kV, 500 MVA, 2 Nos. ICTs at Vadodara GIS with associated bays	24.3.2017
Asset-3****: 4 nos. 220 kV downstream bays	20.5.2017

***Asset-5A of the Petition no. 208/TT/2016 considered as it is.*

*****Asset-5B of the Petition no. 208/TT/2016 considered as it is.*

44. As per the investment approval dated 13.5.2014, the assets were scheduled to be put into commercial operation on 13.7.2016. The COD of Asset-2 and Asset-3 has been approved as 24.3.2017 and 20.5.2017 respectively. Therefore, there is a time over-run of 254 days (from SCOD i.e. 13.7.2016 to 23.3.2017) and 311 days (from SCOD i.e. 13.7.2016 to 19.5.2017) in respect of Asset-2 and Asset-3 respectively. We are of the view that the time over-run of 254 days and 311 days in respect of Asset-2 and Asset-3 on account of matching with the downstream assets of GETCO was a decision of the Petitioner and hence same is not condoned.

45. The transmission charges in case of Asset-2 and Asset-3 from their COD, i.e. 24.3.2017 and 20.5.2017 respectively upto COD of downstream transmission system under the scope of GETCO shall be borne by GETCO and thereafter, the transmission charges allowed in this order, as provided in Regulation 43 of the 2014 Tariff Regulations, shall be shared by the beneficiaries and long term transmission customers in terms of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

46. Since, the tariff forms and Auditor's certificate based on the CODs as decided in Para 43 above is not available, the computation of transmission charges in respect of Asset-2 and Asset-3 at this stage is not possible. Therefore, the final tariff in respect



of Asset-2 and Asset-3 will be allowed at the time of truing up on submission of Auditor's certificate alongwith tariff forms based on the approved CODs.

47. This order disposes of Petition No.28/TT/2019.

**Sd/-
(I. S. Jha)
Member**

**Sd/-
(Dr. M. K. Iyer)
Member**

**Sd/-
(P. K. Pujari)
Chairperson**

