

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 296/TT/2013

- Subject:** Approval of Transmission tariff for Asset-1: Aurangabad-Aurangabad (MSETCL) 400 kV D/C (Quad) line and Shifting of 400 kV D/C Akola-Aurangabad (MSETCL) line to Aurangabad along with associated bays at both ends, Asset-2: 400/220 kV, 315 MVA ICT-I along with associated bays at Aurangabad Sub-station and Asset-3: 400/220 kV, 315 MVA ICT-II along with associated bays at Aurangabad Sub-station under "Transmission System associated with Mundra UMPP" in Western Region.
- Date of Hearing:** 17.3.2015
- Coram:** Shri Gireesh B. Pradhan, Chairperson
Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
- Petitioner:** Power Grid Corporation of India Limited (PGCIL)
- Respondents:** Madhya Pradesh Power Trading Company Limited and 11 others
- Parties present:** Shri Mohd. Mohsin, PGCIL
Shri Rakesh Prasad, PGCIL

Record of Proceedings

The representative of petitioner submitted as follows:-

- (a) This petition is filed by PGCIL seeking transmission tariff for transmission assets commissioned under "Transmission System associated with Mundra UMPP", for tariff block 2009-14 period in Western Region;
- (b) As per the Investment Approval (IA) dated 15.10.2008, the assets included in the project scope were to be commissioned within 48 months from the date of IA. Accordingly, the scheduled date of commercial operation works out to 14.10.2012, i.e. 1.11.2012;
- (c) The assets were anticipated to be commissioned on 1.1.2014 but actually have been commissioned on 1.2.2014 accordingly there is a delay of fifteen months in commissioning of the assets;



- (d) The total approved cost of the project is ₹482412 lakh including IDC of ₹44686 lakh. The revised apportioned cost of the instant assets is ₹18910.08 lakh. The estimated completion cost of the instant assets as on the date of commercial operation is ₹21715.71 lakh and the projected additional capital expenditure is ₹675.19 lakh, ₹5524.38 lakh and ₹663.23 lakh during 2013-14, 2014-15 and 2015-16 respectively. There is cost over-run in the case of Asset-1; and
- (e) Time over-run for instant assets is due to RoW problems, court cases, and severe draught at Aurangabad due to which there was a ban for usage of water for construction purposes.

2. None of the respondents was present.

3. The petitioner was allowed provisional tariff vide order dated 16.12.2013.

4. The Commission observed that the present petition is being considered for grant of final tariff for the period ending 31.3.2014 and after issue of the order in the petition, the petitioner will be required to file a true up petition based on the actual expenditure incurred as on 31.3.2014. As the audited cost incurred upto 31.3.2014 is available by now, the Commission directed the petitioner to update its claim in the petition, based on the actual audited cost. The Commission observed that this would curtail the time required for dealing with the true up petitions. The Commission further directed the petitioner to follow this procedure in all cases of tariff period for 2009-14 where petitions are yet to be heard or where the petition has been heard and reserved for orders.

5. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 24.4.2015:-

- a) Details of time over-run and chronology of the activities along with documentary evidence as there is a delay of 15 months in completion of assets covered in this petition, as per the format given below:-

Asset	Activity	Period of activity				Reason(s) for delay along with reference to supporting document
		Planned		Achieved		
		From	To	From	To	

- b) Clarification for delay in placement of order as the LOA for the instant assets was issued after a gap of about three years from the date of investment approval as per Form 5C;
- c) Details of actual capital expenditure incurred upto 31.3.2014 certified by the auditor along with all revised Tariff Forms for the instant assets;
- d) Revised apportioned approved cost or RCE, if any, duly approved by the Board;
- e) Reasons for disproportionate claim of IDC amongst the instant transmission elements though the funding of instant assets has been through foreign loans carrying floating rate of interest and to confirm whether the entire amount of IDC and IEDC has been actually paid prior to COD;
- f) Detailed break up of IDC and IEDC capitalised amongst the various elements (i.e. Buildings, civil work, sub-station, transmission line, PLCC etc.) of the respective assets in the instant petition;
- g) Details of element wise capital cost along with corresponding liabilities duly certified by the auditors;
- h) Computation of IDC and IEDC on cash basis (soft copy in Excel) along with agreements for loans deployed for the instant assets, applicable interest rates from time to time, exchange rates at the time of interest payments in case of foreign loans and interest amount together with interest payment schedule (quarterly/half yearly/annually);
- i) Supporting documents for loans indicated in Form-13 of the revised Tariff Forms, applicable interest rates from time to time, repayment schedule and exchange rates as on COD;
- j) Details of year wise liability discharged corresponding to initial spares procured up to cut off date; and

k) The working of Income Tax on Return on Equity as per Regulation 25 while arriving at Tariff in the petition. Also to submit details of Deferred Tax Liability and its treatment for the period 2014-19.

6. The Commission further observed that due date of filing the information should be complied with and information received after due date shall not be considered while passing the order.

7. Subject to this, Commission reserved the order in the petition.

By Order of the Commission

sd/-
(T. Rout)
Chief (Legal)

