

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 450/TT/2014

- Subject:** Approval of Transmission tariff for **Asset-I:** 3x80 MVAR Switchable line reactor for 765 kV S/C Gaya-Balia Transmission line at Gaya Sub-station, **Asset-II:** 3x80 MVAR Switchable line reactor for 765 kV S/C Ranchi-Dharamjaygarh Transmission line along with associated bays at Ranchi Sub-station as Bus Reactor and **Asset-III:** 3x80 MVAR Switchable line reactor for 765 kV S/C Gaya-Varanasi Transmission line along with associated bays at Gaya Sub-station as Bus Reactor under “Transmission System for phase-I Generation Projects in Jharkhand and West Bengal Part A2”.
- Date of Hearing:** 20.1.2015
- 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:** Bihar State Electricity Board and 5 others
- Parties present:** Shri M. M. Mondal, PGCIL
Shri S. S. Raju, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri Jasbir Singh, PGCIL
Shri Himanshu Shekhar, Advocate, JSEB

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 for phase-I Generation Projects in Jharkhand and West Bengal Part A2” in Eastern Region;
- (b) As per the Investment Approval (IA) dated 27.12.2011, the assets included in the project scope were to be commissioned within 32 months from the date of IA. Accordingly, the scheduled date of commercial operation works out to 26.8.2014;



- (c) The Asset-I, II and III were anticipated to be commissioned on 15.11.2014, 1.12.2014 and 1.1.2015 respectively and accordingly there is delay of two to four months in anticipated commissioning of the assets as per the petition;
- (d) The total approved cost of the project is ₹242266 lakh including IDC of ₹14070 lakh. The apportioned cost of the instant asset is ₹12032.24 lakh. The estimated completion cost of the instant asset as on the anticipated date of commercial operation is ₹9103.32 lakh and the projected additional capital expenditure is ₹802.71 lakh, ₹1014.92 lakh and ₹719.66 lakh during 2014-15, 2015-16 and 2016-17 respectively;
- (e) Time over-run for Asset-I is due to technical suitability beyond the petitioner's control, in case of Asset-II is due to delayed forest clearance and other ROW problems and certain technical reasons to upgrade the voltage profile and in case of Asset-III is due to delay in land acquisition, other issues and certain technical reasons to upgrade the voltage profile for overall stability of the grid; and
- (f) Allow 90% of the annual fixed charges as tariff in accordance with Regulation 7 (7) of the 2014 Tariff Regulations for the purpose of inclusion in POC charges.

2. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 3.4.2015:-

- a) Status of the Commissioning of instant assets. Auditor's certificate in case of any change in the actual COD or Management Certificate in case of any change in anticipated COD along with the revised tariff forms.
- b) A copy of Investment Approval certified by the Company secretary.
- c) Details of proposed loan and documents in support of Interest Rates and repayment schedules (as per Form-9c) of proposed loans, for instant assets and details of any default in interest payment on loan, if any.
- d) Form-4A "Statement of Capital Cost" as per Books of Account (accrual Basis and cash basis separately) for instant assets along with amount of Capital Liabilities in Gross Block.
- e) Computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for instant assets for the following periods:-

- i. From the date of infusion of debt fund up to scheduled COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014.
 - ii. From Scheduled COD to actual/revise d COD of the instant assets.
 - f) Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of instant assets (i.e. from scheduled COD to actual/anticipated COD) along with the liquidated damages recovered or recoverable, if any.
 - g) Form-9 (Details of allocation of corporate loans to various transmission elements) and Form-15 (actual cash expenditure) in respect of instant assets.
 - h) 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.
3. 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.
4. Subject to this, Commission reserved the order in the petition.

By Order of the Commission

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

