

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 132/TT/2015**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson  
Shri A. K. Singhal, Member  
Shri A.S. Bakshi, Member**

**Date of Hearing: 18.06.2015  
Date of Order : 06.07.2015**

**In the matter of**

Approval of transmission tariff for Asset I: Balance portion of 400 kV D/C Kodarma-Gaya T/L CKT-II including multi circuit portion, Asset II: Balance portion of 400 kV D/C Kodarma-Gaya T/L CKT-I including multi circuit, and Asset III: 400 kV D/C Bokaro TPS Extension- Kodarma TPS Line and PLCC Equipment for Kodarma TPS- Bokaro TPS line associated with Supplementary Transmission System under DVC and Maithon Right Bank Project in Eastern Region for tariff block 2014-19, 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.

**And in the matter of**

Power Grid Corporation of India Limited,  
"Saudamani", Plot No.2,  
Sector-29, Gurgaon -122 001

**.....Petitioner**

Vs

1. Bihar State Power (Holding) Company Limited  
(Formerly Bihar State Electricity Board- BSEB)  
Vidyut Bhawan, Bailey Road  
Patna- 800 001
2. West Bengal State Electricity Distribution Company Limited  
Bidyut Bhawan, Bidhan Nagar  
Block DJ, Sector-II, Salt Lake City  
Calcutta- 700 091
3. Grid Corporation of Orissa Ltd.  
Shahid Nagar, Bhubaneshwar- 751 007



4. Damodar Valley Corporation  
DVC Tower, Maniktala  
Civic Centre, VIP Road, Calcutta- 700 054
5. Power Department  
Govt. of Sikkim, Gangtok- 737 101  
Goa-403001
6. Jharkhand State Electricity Board  
In front of Main Secretariat  
Doranda, Ranchi- 834002

.....**Respondents**

**For petitioner** : Shri S. S. Raju, PGCIL  
Shri M. M. Mondal, PGCIL  
Shri S.K. Venkatesan, PGCIL  
Shri Rakesh Prasad, PGCIL

**For respondents** : None

### **ORDER**

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for Balance portion of 400 kV D/C Kodarma-Gaya Transmission Line CKT-II including multi circuit (hereinafter "Asset-I"), Balance portion of 400 kV D/C Kodarma-Gaya Transmission Line CKT-I including multi circuit (hereinafter "Asset-II"), and 400 kV D/C Bokaro TPS Extension- Kodarma TPS Line and PLCC Equipment for Kodarma TPS- Bokaro TPS Line (hereinafter "Asset-III") associated with Supplementary Transmission System under DVC and Maithon Right Bank Project in Eastern Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to



as "the 2014 Tariff Regulations"). The petitioner has also prayed to allow 90% of the Annual Fixed Charges in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

2. The details of the assets covered in the instant petition are given hereunder:-

<b>Particulars</b>	<b>Scheduled DOCO</b>	<b>DOCO</b>	<b>Delay</b>
Asset-I	27.8.2012	8.9.2014	24 months
Asset-II		30.12.2014	28 months
Asset-III		28.12.2014	28 months

3. The petition was heard on 18.6.2015 for consideration of the petitioner's prayer for Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. The representative of the petitioner submitted that as per the Investment Approval (IA) dated 29.8.2008, the assets were scheduled to be commissioned within 48 months from the dated of IA, i.e. by 1.9.2012. However, Assets-I, II and III were commissioned on 8.9.2014, 30.12.2014 and 28.12.2014 respectively. Thus, there is time over-run of 24 months in case of Asset-I, and 28 months in case of both the Assets II and III. The delay is mainly on account of forest clearance, law and order and ROW problems. He requested to condone the delay and allow tariff as claimed in the petition. There is also cost over-run in case of Asset-II. He further prayed to allow Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the assets covered in the instant petition.



4. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses) Regulations, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these Regulations.

5. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run and cost over-run, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for the instant assets in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order for the years 2014-15 and 2015-16.



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

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

Particulars	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset-I	1272.43	2219.87	2162.59	2100.82	2039.06
Asset-II	237.12	919.26	897.00	873.59	850.16
Asset-III	678.17	2578.94	2530.18	2469.49	2400.76

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)	
	2014-15 (pro-rata)	2015-16
Asset-I	1017.94	1775.90
Asset-II	172.96	670.54
Asset-III	542.54	2063.15

8. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission system and the billing, collection and disbursement of the transmission charges shall be governed by the provisions of Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010, as amended from time to time. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

9. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 31.7.2015:-

a) RLDC Certificate for charging of assets;



- b) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;
- c) Schematic Diagram;
- d) Documents in support of Interest Rate and Repayment Schedule for the proposed loan (9.30%) deployed (as per Form 9C), for all the assets, and details of default, if any, in the interest payment on any loan;
- e) Revised Form-5B for all the assets, after reconciling the mismatch in the RCE and FORM-5B cost data
- f) The estimated completion cost of Asset-III (the total estimated cost given in the petition in Para No. 7.1.0 does not sum up to ₹14322.72);
- g) The computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for the assets, for the following periods:
  - i) From the date of infusion of debt fund up to scheduled COD as per Regulation 11(A) of 2014 Tariff Regulations;
  - ii) From scheduled COD to actual COD of the asset;
- h) Detailed break-up of IDC and IEDC capitalized among the elements (i.e. building, civil work, sub-station, transmission line, PLCC, etc.) for all the 3 assets;
- i) Details of IEDC incurred during the period of delay in the commissioning of the assets (i.e. from scheduled COD to actual COD) along with the liquidated damages recovered or recoverable, if any for all the 3 Assets;
- j) Form-9 (Details of allocation of corporate loans to various transmission elements), and Form-15 (actual cash expenditure) in respect of all the assets.
- k) Clarification for wrong description of Asset-III in Form-13;
- l) How the petitioner proposes to deal with the transmission system to be withdrawn from the interim arrangement and its implications on tariff in view of the following observation of CEA:
 

“.....the Interim arrangement would be withdrawn to restore the lines as originally approved under the corresponding projects after the construction of the lines in the affected forest area”
- m) Whether entire capital expenditure pertaining to initial spares is included in the cost of respective element up to COD? Whether entire liability pertaining to initial spares has been discharged as on COD? If no, year-wise details of discharging of the same.

10. The petitioner is directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

**(A.S. Bakshi)**  
Member

**(A.K. Singhal)**  
Member

**(Gireesh B. Pradhan)**  
Chairperson

