

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 136/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 : 02.07.2015**

In the matter of

Approval of transmission tariff for Asset-I: Split Bus Arrangement at Durgapur Sub-station, and Asset-II Split Bus Arrangement at Maithon Sub-station under Split Bus Arrangement for various sub-stations 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 0054



5. Power Department
Govt. of Sikkim, Gangtok- 737 101
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 Split Bus Arrangement at Durgapur Sub-station (hereinafter "Asset-I") and Split Bus Arrangement at Maithon Sub-station (hereinafter "Asset-II") under Split Bus Arrangement for various sub-stations 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:-

Particulars	Scheduled DOCO	Anticipated DOCO as on the date of filing petition	Delay
Asset-I	27.6.2014	1.5.2015	10 months
Asset-II	27.6.2014	1.5.2015	10 months



3. The matter was heard on 18.6.2015 for consideration of the petitioner's prayer for grant of 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 5.4.2013, the assets were scheduled to be commissioned within 15 months from the date of approval of Board of Directors (28.3.2013), i.e. by 27.6.2014. The assets were anticipated to be commissioned on 1.5.2015 after a delay of 10 months. The delay was mainly on account of heavy rains and labour problems at both the sub-stations. He requested to condone the time over-run and allow tariff as claimed in the petition. He further prayed to allow 90% of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

4. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff 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 the preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of both the assets, 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 year 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)			
	2015-16 (Pro-rata)	2016-17	2017-18	2018-19
Asset-I	172.71	205.44	208.00	210.70
Asset-II	172.51	205.22	207.80	210.49

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)
	2015-16 (pro-rata)
Asset-I	138.17
Asset-II	138.01

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 30.7.2015:-

- a) Status of the commissioning of both the assets. If there is any change in the date of commercial operation, auditor's certificate in case of actual date of commercial operation or Management certificate in case of anticipated date of commercial operation, along with the revised tariff forms;
- b) Certificate of date of commercial operation;
- c) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 within 15 days of declaration of date of commercial operation as applicable;
- d) The details of time over-run along with documentary evidence and chronology of the activities in respect of asset as per the format given below:

Asset	Activity	Period of activity				Reason(s) for delay along with reference of documentary evidence submitted
		Planned		Achieved		
		From	To	From	To	

- e) RLDC Certificate for charging of assets;
- f) Details of special/extra spares, purchased by the petitioner at such a high cost in sub-station ;
- g) Single Line Diagram (SLD) of sub-station, indicating clearly the swapping and bus splitting;

- h) Documents in support of interest rate for proposed loan (2014-15) and repayment schedule for the loans deployed (as per Form-9C) for both the assets. Details of default, if any, in the interest payment on any loan;
- i) Computation of interest during construction (IDC), for both the assets, for the following periods:
 - i) From the date of infusion of debt fund up to scheduled date of commercial operation as per Regulation 11(A) of the 2014 Tariff Regulations;
 - ii) From scheduled date of commercial operation to Actual date of commercial operation of the asset.
- j) Detailed break-up of IDC and IEDC capitalized among the elements (i.e. building, civil work, sub-station, transmission line, PLCC and etc) of both the assets;
- k) Details of IEDC incurred during the period of delay in the commissioning of the assets (i.e. from scheduled date of commercial operation to actual date of commercial operation) along with the liquidated damages recovered or recoverable, if any.
- l) Form-9 (Details of allocation of corporate loans to various transmission elements), Form-9A (Details of project Specific Loan), and Form-15 (Actual Cash Expenditure) in respect of both the assets.
- m) Whether entire capital expenditure pertaining to initial spares is included in the cost of respective element up to DOCO? Whether entire liability pertaining to initial spares has been discharged as on date of commercial operation? If no, year-wise details of discharging 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.

Sd/-
(A.S. Bakshi)
Member

Sd/-
(A.K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson

