

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 140/TT/2015

Coram:

**Shri Gireesh B. Pradhan
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 Establishment of 765/400 kV, 2X1500 MVA GIS at Vadodara under Transmission System for IPP Generation Projects in MP & Chhattisgarh in Western 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. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur
Jabalpur-482 008
2. Maharashtra State Electricity Distribution Company Limited,
Hongkong bank Building, 3rd floor
M.G Road, Fort, Mumbai-400 001
3. Gujarat Urja Vikas Nigam Ltd.,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007
4. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001



5. Electricity Department,
Administration of Daman and Diu,
Daman-396 210
 6. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230
 7. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
 8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road
Indore -452 008
-**Respondents**

For petitioner : Shri Mohd. Mohsin, 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 establishment of 765/400 kV, 2x1500 MVA GIS at Vadodara under "Transmission System for IPP Generation Projects" in Madhya Pradesh and Chhattisgarh in Western 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 for allowing 90% of the Annual Fixed Charges, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.



2. Details of the asset covered in the instant petition are follows:-

Particulars	Scheduled DOCO as per Investment Approval	Anticipated DOCO as on the date of petition
Extension of 765/400 kV, 2x1500 MVA GIS at Vadodara	1.1.2013	1.7.2015 (anticipated)

3. The petition was heard on 18.6.2015. During the hearing, the representative of the petitioner submitted that, as per Investment Approval (IA) dated 2.9.2011, the instant asset was scheduled to be commissioned within 27 months from the date of investment approval, i.e. by 1.12.2013. The asset is anticipated to be commissioned on 1.7.2015. He further submitted that the time over-run is mainly on account of delay in acquisition of land, rain and flooding in Vadodara. The petitioner has requested to allow 90% of the 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 up to 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), Regulation, 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 in case of the instant asset, 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 asset 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. 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
Extension of 765/400 kV, 2x1500 MVA GIS at Vadodara	5447.24	7986.10	8206.19	8125.70

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)
	2015-16 (pro-rata)
Extension of 765/400 kV, 2x1500 MVA GIS at Vadodara	4357.79

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, by 10.8.2015, with advance copy to the respondents:-

- i) Actual COD of assets;
- ii) RLDC certificate for charging of assets;
- iii) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;
- iv) The details of time over-run, along with documentary evidence and chronology of the activities 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	

- v) Reason for huge variation in cost as compared to FR cost under the following heads (Form 5):
 - i) Control relay and protection panel- 113.13% (₹335 lakh to ₹714 lakh)
 - ii) Structure for switchyard - 501.8% (₹77 lakh to ₹463 lakh);
 - iii) Compensating equipments (Reactors, SVCs etc.) – 39.6% (₹2980lakh to ₹4160 lakh)
 - iv) Transformers- 36.37% (₹7390lakh to ₹8770 lakh)
 - v) Land 101% (From ₹1740lakh to ₹3500 lakh)
- vi) Single Line Diagram and schematic of general arrangement;
- vii) Separate cost estimates for each element considered in the Investment Approval;
- viii) Element-wise (i.e. Land, building and civil work, T/L, S/S, etc.) and year-wise actual capital expenditure incurred along with the un-discharged liability corresponding to the elements of the asset, duly certified by Auditors (in cases where assets have been commissioned) or management certificate (in cases where assets are yet to be commissioned), as the case may be;

- ix) Treatment of other incomes as on COD;
- x) Loan Agreements, supporting documents for date of drawl, interest rate applicable from time to time in case of floating rate of interest, interest payment date, Repayment Schedule and if there is any default in interest payment on loan, details thereof, i.e. amount in lieu of default in respect of all the loans including proposed loan, if availed;
- xi) Whether entire amount of IEDC has been paid prior to COD? Month wise details of IEDC paid on cash basis (i.e. from zero date to COD);
- xii) Amount of opening gross block (as on COD) as per Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for the asset, indicating the un-discharged liabilities included in the gross block.
- xiii) Form-9, Form-9A, Form-12 and Form-15;
- xiv) Whether the entire amount pertaining to initial spares has been discharged as on COD? Amount pertaining to initial spares for PLCC included in the amount of spares claimed i.e. ₹1844.51 lakh, if any;
- xv) Original apportioned approval cost (along with IDC & IEDC) as per investment approval dated 26.8.2011; and
- xvi) Period wise and loan wise computation of interest during construction on cash basis along with editable soft copy in Excel format with links for the asset
 - a) From the date of infusion of debt fund up to SCOD;
 - b) From SCOD to Anticipated COD/Actual COD, as the case may be;
 - c) Whether entire amount pertaining to IDC has been paid prior to COD.

10. The petitioner is further 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

