

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 110/TT/2015

Coram:

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

Date of Hearing : 19.5.2015

Date of Order : 28.5.2015

In the matter of:

Determination of transmission tariff from DOCO to 31.3.2014 for LILO of 2nd circuit of 220 kV Jalandhar-Hamipur transmission line under "Strengthening Scheme in Northern Region" in Northern Region 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, (Haryana).

.....**Petitioner**

Vs

1. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.,
Vidyut Bhawan, Vidyut Marg,
Jaipur- 302 005.
2. Ajmer Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
3. Jaipur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
4. Jodhpur Vidyut Vitran Nigam Ltd.,
400 kV GSS Building (Ground Floor), Ajmer Road,
Heerapura, Jaipur.
5. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Kumar House Complex Building II,
Shimla-171 004.



6. Punjab State Electricity Board
The Mall, Patiala-147 001.
7. Haryana Power Purchase Centre,
Shakti Bhawan, Sector-6,
Panchkula (Haryana)-134 109.
8. Power Development Department,
Govt. of Jammu and Kashmir,
Mini Secretariat, Jammu.
9. UP Power Corporation Ltd.,
Shakti Bhawan, 14, Ashok Marg,
Lucknow-226 001.
10. Delhi Transco Ltd.,
Shakti Sadan, Kotla Road,
New Delhi-110 002.
11. BSES Yamuna Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi.
12. BSES Rajdhani Power Ltd.,
BSES Bhawan, Nehru Place,
New Delhi.
13. North Delhi Power Ltd.,
Power Trading & Load Dispatch Group,
Cennet Building, Adjacent to 66/11kV Pitampura-3,
Grid Building, Near PP Jewellers,
Pitampura, New Delhi-110 034.
14. Chandigarh Administration,
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Ltd.,
Urja Bhawan, Kanwali Road,
Dehradun.
16. North Central Railway,
Allahabad.
17. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110 002.

....Respondents



For petitioner : Shri S.S Raju, PGCIL
Smt. Sangeeta Edwards, PGCIL

For respondent : Shri R.B Sharma, Advocate for BRPL

ORDER

The petition has been filed by Power Grid Corporation of India Limited (PGCIL) for determination of the transmission tariff for LILO of 2nd circuit of 220 kV Jalandhar-Hamipur transmission line under "Strengthening Scheme in Northern Region " based on 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 claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

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

Asset	Scheduled DOCO	DOCO
LILO of 2 nd circuit of 220 kV Jalandhar-Hamipur transmission line	13.10.2014	28.2.2015

3. The matter was heard on 19.5.2015. During the hearing, the representative of the petitioner prayed for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the instant asset. The representative of petitioner further submitted that as per the investment approval, the scheduled completion is within 24 months from the date of approval of Board of Directors i.e. 14.10.2012. Accordingly, the schedule date of completion works out to 13.10.2014 against which the asset is put under commercial operation from 28.2.2015. There is a time over-run of 4.5 months. The time over-run is due to delay in getting forest clearance. The

total estimated completion cost is ₹1746.32 lakh against the apportioned approved cost ₹2016.19 lakh. The learned counsel for BRPL submitted that reply of BRPL has already been filed.

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), 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 the said 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 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 follows:-

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

Assets	(₹ in lakh)				
	2014-15 (pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset	18.98	272.27	303.87	294.92	286.05

B. Annual transmission charges allowed are as follows:-

Assets	(₹ in lakh)	
	2014-15 (pro-rata)	2015-16
Asset	15.18	217.82

8. The AFC allowed in this order shall be applicable from the date of commercial operation of the transmission assets 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 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 31.3.2015 in Petition No. 532/TT/2014.

10. The Commission directed the petitioner to submit the following information/clarification on affidavit with a copy to respondents by 30.6.2015:-

a) RLDC Certificate for charging of asset;

- b) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010;
- c) FR cost of Earth-wire (OPGW) and spares has not been mentioned in Form-5 (page 89). However, an expenditure of ₹15.416 lakh and ₹11.383 lakh for earth wire and spares has been incurred respectively. Justification of cost of OPGW;
- d) Single Line Diagram (SLD) of Assets with sub-station;
- e) DOCO Certificate mentions DOCO as 2.3.2015 while the Management Certificates gives the Capital Cost data as on 28.2.2015 based on which the tariff has been claimed. Clarify the discrepancy;
- f) Form-5B mentions the name of the asset as 'LILO of Jalandhar-Hamirpur 220kV D/C T/L at Hamirpur (Powergrid)' giving apportioned approved cost as ₹2016.19 lakh whereas the tariff has been claimed in the petition for the LILO of Circuit-II of Jalandhar-Hamirpur 220kV D/C T/L. The apportioned cost of the element LILO Circuit-II of Jalandhar-Hamirpur 220kV D/C T/L, for which the tariff is being claimed may be submitted, supported by the apportioned approved cost details of the complete system i.e. Strengthening Scheme in Northern Region;
- g) Documents in support of Interest Rate for bond XLIII and Repayment Schedules for the bonds deployed (as per **Form-9C**) for the asset. If there is any default in the interest payment on any loan, provide the details;
- h) Form-4A "Statement of Capital Cost" as per Books of accounts (Accrual Basis and cash basis separately) for the Asset. Amount of Capital Liabilities in Gross Block should also be indicated;
- i) The computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for the Asset, for the following periods:-
 - i) From the date of infusion of debt fund up to Scheduled DOCO as per Regulation 11 (A) of Tariff Regulation, 2014.
 - ii) From Scheduled DOCO to Actual DOCO of the Asset.
- j) Detailed breakup of IDC and IEDC capitalized among the elements (i.e. Building, civil work, Sub-station, Transmission Line, PLCC and etc) of the asset covered in the instant petition;
- k) Details of incidental expenditure incurred (IEDC) during the period of delay in commissioning of the Asset (i.e. from Scheduled DOCO to Actual DOCO) 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), Form-12A (IEDC), Form-

12B (Draw down schedule for calculation of IDC & Financing charges), Form-13 (Breakup of Initial Spares), Form-14 (Other income generated, if any) and Form-15 (Actual Cash Expenditure) in respect of the Asset;

- m) Whether entire capital expenditure pertaining to initial spares is included in the cost of respective element up to DOCO? Clarify whether entire liability pertaining to initial spares has been discharged as on DOCO, if no, year wise detail of discharging of the same: and
- o) The working of effective tax on Return on Equity as per Regulation 25 while arriving at tariff. The details of Deferred Tax Liability and its treatment for the period 2014-19.

sd/-

(A.S. Bakshi)
Member

sd/-

(A.K. Singhal)
Member

sd/-

(Gireesh B. Pradhan)
Chairperson