

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 66/TT/2015**

**Coram:**

**Shri A. K. Singhal, Member  
Shri A.S. Bakshi, Member**

**Date of Hearing: 03.03.2015**

**Date of Order : 14.04.2015**

**In the matter of**

Approval of transmission tariff for 765 kV Line Bay & 3X80 MVAR line reactor at 765 kV Vadodara GIS for Vadodara–Dhule T/L (IPTC) under “Line bays and Reactor Provisions at PowerGrid Sub-stations associated with System Strengthening for Western Region” in Western 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.

**.....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, 3<sup>rd</sup> 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.
9. Sterlite Technologies Ltd.  
C2, Mira Corporate Suits, 2<sup>nd</sup> Floor  
Okhla Crossing, Mathura Road, Ishwar Nagar,  
New Delhi-110 066.

.....**Respondents**

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

**For respondents** : Shri Pulkit Sharma, Sterlite Technologies Ltd.

### **ORDER**

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for approval of transmission tariff for the 765 kV Line Bay & 3X80 MVAR line reactor at 765 kV Vadodara GIS for Vadodara–Dhule T/L (IPTC) under “Line bays and Reactor Provisions at PowerGrid Sub-stations associated with System Strengthening for Western Region” 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 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 as follows:-

<b>Asset</b>	<b>Scheduled DOCO as per Investment Approval</b>	<b>Anticipated DOCO as on the date of petition</b>	<b>Revised anticipated DOCO</b>
765 kV Line Bay & 3X80 MVAR line reactor at 765 kV Vadodara GIS for Vadodara-Dhule T/L (IPTC)	21.3.2014	1.4.2015	1.6.2015

3. During the hearing on 3.3.2015, the representative of the petitioner submitted that the associated Dhule-Vadodara 765 kV S/C Transmission Line is being constructed by Sterlite Technologies Ltd. As per the Investment Approval (I.A.) dated 22.3.2012, the instant asset was scheduled to be commissioned within 24 months from the date of I.A., which works out to 21.3.2014. The instant asset was anticipated to be commissioned on 1.6.2015 matching with the transmission line being developed by Sterlite Grid Limited under the TBCB route. The representative of the petitioner requested for grant Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for the instant asset.

4. Bhopal Dhule Transmission Company Limited, a subsidiary of Sterlite Grid Limited, has submitted, vide affidavit dated 31.3.2015 that Dhule-Vadodara 765 kV S/C Transmission Line and Dhule Sub-station were commissioned on 2.2.2015 and 28.2.2014 respectively based on the Electrical Inspector's approval for energisation.

5. We have considered the submissions of the petitioner. As per the affidavit of Sterlite Grid Limited, the transmission line and the sub-station under its scope have

already been executed and energized. Accordingly, we direct the petitioner to expedite the commissioning of the line bays and reactors at Vadodara GIS covered under its scope of work.

6. 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.

7. 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.

8. 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 (9) of this order for the year 2015-16.

9. 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:-

Asset	(₹ in lakh)			
	2015-16	2016-17	2017-18	2018-19
765 kV Line Bay & 3*80 MVAR line reactor at 765 kV Vadodara GIS for Vadodara-DhuleT/L	834.40	920.57	924.72	902.84

B. Annual transmission charges allowed are as follows:-

Asset	(₹ in lakh)
	2015-16 (Pro-rata)
765 kV Line Bay & 3*80 MVAR line reactor at 765 kV Vadodara GIS for Vadodara-DhuleT/L	556.27

10. 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.

11. 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.

12. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 29.5.2015:-

- (i) Actual DOCO certificate and trial run operation certificate from WRLDC;
- (ii) Documentary evidence for anticipated delay in commissioning of asset;
- (iii) The reason and justification for cost variation in certain heads as per Form 5 in Asset-I (page 52) of petition. For the following items may be submitted along with documentary evidence:-

Items	Asset wise % Cost variation
Switchgear (CT, PT, Circuit Breaker, Isolator, etc.,)	22
Structure for Switchyard	180
Auxiliary System	113
Control, Relay and Protection Panel	29

- (iv) The basis on which FR estimates were prepared since there is large variation in completion cost w.r.t FR cost, in certain items;
- (v) Clarify whether indemnification/implementation agreement entered with M/s. Sterlite limited in line with Regulation 3(34) of 2014 Tariff Regulations and any liquidated damages recovered accordingly;
- (vi) Documents in support of interest rates and repayment schedules (as per Form-9C) proposed loan deployed for the asset. Details, If there is any default in interest payment on loan;
- (vii) Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for the Asset. Amount of capital liabilities in gross block should also be indicated;
- (viii) The computation of interest during construction along with editable soft copy in Excel format with links for the Asset for the following periods:-
  - (a) From the date of infusion of debt fund up to Scheduled DOCO as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
  - (b) From scheduled DOCO to actual DOCO of the asset;

- (ix) The 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;
- (x) Status of the commissioning of the communication system associated with the said transmission assets covered in the instant assets.

**sd/-**  
**(A.S. Bakshi)**  
**Member**

**sd/-**  
**(A. K. Singhal)**  
**Member**