

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 71/TT/2015

Coram:

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

Date of Hearing: 03.03.2015

Date of Order : 15.04.2015

In the matter of

Approval of transmission tariff for (6) Nos. assets under Vindhyachal-IV & Rihand-III (1000MW) Generation Projects in Western & 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.

.....Petitioner

Vs

1. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur
Jabalpur-482 008.
2. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th floor
Andheri (East), Mumbai-400 052.
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. Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Vidyut Bhawan, Vidyut Marg
Jaipur- 302 005.
10. Ajmer Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur.
11. Jaipur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur.
12. Jodhpur Vidyut Vitran Nigam Ltd.
400 kV GSS Building (Ground Floor), Ajmer Road
Heerapura, Jaipur.
13. Himachal Pradesh State Electricity Board
Vidyut Bhawan, Kumar House Complex Building II
Shimla-171 004.
14. Punjab State Electricity Board
The Mall, Patiala-147 001.
15. Haryana Power Purchase Centre
Shakti Bhawan, Sector-6
Panchkula (Haryana)-134 109.
16. Power Development Department
Govt. of Jammu and Kashmir
Mini Secretariat, Jammu.

17. UP Power Corporation Ltd.
(Formerly Uttar Pradesh State Electricity Board)
Shakti Bhawan, 14, Ashok Marg
Lucknow-226 001.

18. Delhi Transco Ltd.
Shakti Sadan, Kotla Road
New Delhi-110 002.

19. BSES Yamuna Power Ltd.
BSES Bhawan, Nehru Place
New Delhi.

20. BSES Rajdhani Power Ltd.
BSES Bhawan, Nehru Place
New Delhi.

21. North Delhi Power Ltd.
Power Trading and Load Dispatch Group
Cennet Building
Adjacent to 66/11 kV Pitampura-3
Grid Building, Near PP Jewellers
Pitampura, New Delhi-110 034.

22. Chandigarh Administration
Sector-9, Chandigarh.

23. Uttarakhand Power Corporation Ltd.
Urja Bhawan, Kanwali Road
Dehradun.

24. North Central Railway
Allahabad.

25. New Delhi Municipal Council
Palika Kendra, Sansad Marg
New Delhi-110 002.

.....**Respondents**

For petitioner : Shri M.M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Prashant Sharma, 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 the assets covered under Vindhyachal-IV & Rihand-III (1000MW) Generation Projects in Western & Northern 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 assets covered in the petition and their dates of commercial operations are as follows:-

S.No	Asset	Name of the Asset	Anticipated/ Actual DOCO as on the date of petition	Anticipated/ Actual DOCO as on the date
1	Asset-I	One Ckt of RihandIII-Vindhyachal PS 765 kV D/C Line	6.7.2014 (actual)	6.7.2014 (actual)
2	Asset-II	3x80 MVAR Line Reactor with Line Bay commissioned as Bus Reactor at Satna S/s for 765 Kv S/C Vindhyachal PS - SatnaCkt # 1	13.11.2014 (actual)	13.11.2014 (actual)
3	Asset-III	3x80 MVAR Line Reactor with Line Bay commissioned as Bus Reactor at Satna S/S for 765 kV S/C Vindhyachal PS - SatnaCkt # 2	14.1.2015 (actual)	14.1.2015 (actual)

4	Asset-IV	765 kV S/C Gwalior-Jaipur (RVPN) Ckt#1 T/L and Bay Extension at 765/400 kV Phagi (RVPN-Jaipur) S/S {765 kV Gwalior Bay along with Line Reactor charged as Bus Reactor under Interim Contingency on 1.3.2014 to be used as Line Reactor at Gwalior along with Bays}	15.3.2015 (anticipated)	1.6.2015 (anticipated)
5	Asset-V	Combined Assets of (i) 765 kV Vindhyachal PS (New) including 4 x 500 MVA ICT-1, 3 x 500 MVA ICT 2, 6 x 80 MVAR Bus Reactor, 1 x 63 MVAR Bus Reactor, 2 nos Line bays at Vindhyachal PS for 765 kV S/C Vindhyachal-Satnackt 1 and ckt 2, 2 Nos. line bays at Vindhyachal PS for 400 kV D/C Sasan - Vindhyachal line (TL portion commissioned earlier under contingency), (ii) 765 kV S/C Vindhyachal-Satnackt-1 (Line bays at Satna S/S already commissioned as Bus reactor bays), (iii) 765 kV S/C Vindhyachal-Satna ckt-2 (Line bays at Satna S/S already commissioned as Bus reactor bays), (iv) 3x80 MVAR Bus Reactor at Satna S/S, (v) 765 kV S/C Sasan-Vindhyachal T/L along with associated bays, (vi) 2 Nos. line bays at Vindhyachal PS for 765 kV D/C Rihand-Vindhyachal T/L to be charged at 400 kV level (TL portion commissioned earlier under contingency), (vii) 2 Nos. 400 kV line bays at Vindhyachal PS for 400 kV D/C (QUAD) Vindhyachal NTPC-Vindhyachal PS (TL portion commissioned earlier under contingency)	1.4.2015 (anticipated)	1.4.2015 (anticipated)
6	Asset-VI	2nd Ckt of Rihand III-Vindhyachal PS 765 kV D/C Line	1.4.2015 (anticipated)	1.4.2015 (anticipated)

3. During the hearing on 3.3.2015, the representative of the petitioner submitted that as per the Investment Approval (IA) dated 17.3.2010, the instant assets were scheduled to be commissioned within 32 months from the date of IA i.e. by 16.11.2012 and there is time over-run in case of all the assets. He also submitted that there is no cost over-run. He requested 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 assets.

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 preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run case of the instant 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, except for Asset-V which will be considered after receipt of segregated cost of various elements covered in it, 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 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:-

(₹in lakh)

Assets	2014-15	2015-16	2016-17	2017-18	2018-19
Asset-I	2012.63	2793.20	2771.46	2729.56	2660.59
Asset-II	158.01	473.94	524.02	530.32	521.10
Asset-III	144.66	610.19	667.79	672.18	658.61
Asset-IV	449.51	9921.38	9959.06	9828.39	9588.69
Asset-V	0.00	27466.66	28383.87	28079.71	27404.58
Asset-VI	0.00	592.03	578.27	564.62	551.00

B. Annual transmission charges allowed are as follows:-

(₹in lakh)

Assets	2014-15 (Pro-rata)	2015-16
Asset-I	1610.10	2234.56
Asset-II	126.41	379.15
Asset-III	115.73	488.15
Asset-IV	338.54	7472.15
Asset-VI	0.00	453.80

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 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.

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

- (i) Actual DOCO, Trial operation certification of RLDC after achieving commercial operation to respect of Asset-IV, V and VI;
- (ii) Status of Sasan-Vindhyachal transmission line being built by M/s Reliance;
- (iii) Status of 765kV D/C Satna-Vindhyachal transmission line;
- (iv) Single Line Diagram for all the assets mentioned in the instant petition;
- (v) Segregated cost of the elements covered in Asset-V;
- (vi) Form-5A in respect of Asset-I, V and VI, Form-5 in respect of Asset-V and Form-7 in respect of Asset-VI;
- (vii) Reason(s) for cost over-run in case of Asset-IV and VI;
- (viii) The basis on which FR were prepared with respect of Asset-I, II, III and V, since there is large variation in completion cost w.r.t FR cost, in certain items;
- (ix) Documentary evidence for delay in commissioning of Asset-II and III;

- (x) Usage of line portion of Vindhyachal-Vindhyachal (PS) of about 29.28 km and its decap value as this portion was used as an interim arrangement due to land acquisition/RoW issues for Vindhyanchal pooling station (Petition No. 86/TT/2012);
- (xi) To furnish Auditor/Management certificates and all Tariff Forms with respect to Assets-IV, V and VI including supporting Documents i.e. interest rate proof and exchange rate wherever applicable;
- (xii) The Investment Approval certified by Company Secretary;
- (xiii) The computation of interest during construction along with editable soft copy in Excel format with links for the assets for the following periods:-
 - (a) From the date of infusion of debt fund up to Scheduled Date of Commercial Operation (i.e. 16.11.2012) as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (b) From 17.11.2012 to actual DOCO or revised DOCO, as the case may be;
- (xiv) In respect of all the assets, the details of incidental expenditure incurred during the period of delay (i.e. from scheduled DOCO to actual DOCO/anticipated DOCO) along with the liquidated damages recovered or recoverable;
- (xv) Form-4A "Statement of Capital Cost" as per Books of Accounts (Accrual Basis) for all the assets. Amount of Capital Liabilities in Gross Block should also be indicated;
- (xvi) Default in interest payment on loan, if any;
- (xvii) Form-9, Form-9B, Form-12, Form-12A, Form -14 and Form-15 in respect of all the assets;
- (xviii) Form-13 (Details of Initial spares) in case of Asset-I and Asset-II Capital Cost is not reconciling with Auditor/Management Certificate;
- (xix) Supporting Documents i.e. Interest Rate and Exchange rate for foreign loans-IFC –A, IFC –B and FC Bond as per the actual DOCO(s) in case of Asset-I, II and Asset-IV and

(xx) In case of Asset-I and Asset-VI, Auditor Certificate / Management Certificate with the segregation of hard cost and IDC/ IEDC.

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member