

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 191/TT/2017

Coram:

**Shri A.K. Singhal, Member
Shri A.S. Bakshi, Member
Dr. M. K. Iyer, Member**

Date of Order: 10.10.2017

In the matter of:

Determination of transmission tariff from COD to 31.3.2019 for **Asset-1:** Mauda II-Betul 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS, **Asset-2:** Betul-Khandwa 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS and Khandwa Sub-station, **Asset-3:** Khandwa-Indore 400 kV D/C T/L alongwith associated bays and **Asset-4:** Establishment of 400/220 kV, 2x315 MVA GIS at Betul under "Transmission System associated with Mauda Stage-II (2x660 MW) Generation Project" 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,
"Saudamini", Plot No.2,
Sector-29, Gurgaon-122 001

.....Petitioner

Vs

1. NTPC Limited,
NTPC Bhawan, Core-7, Scope Complex,
7, Institutional Area, Lodhi Road,
New Delhi-110 003
2. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur-482 008



3. Maharashtra State Electricity Distribution Company Limited,
4th floor, Prakashgad,
Bandra (East),
Mumbai-400 052
4. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390 007
5. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001
6. Electricity Department,
Administration of Daman and Diu,
Daman-396 210
7. Electricity Department,
Administration of Dadra Nagar Haveli U.T.,
Silvassa-396 230
8. Chhattisgarh State Electricity Board,
Post Office-Sunder Nagar, Dangania, Raipur,
Chhattisgarh-492 013
9. Madhya Pradesh Audyogik Kendra,
Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008

.....Respondents

For petitioner : Shri S.S. Raju, PGCIL
Shri B. Dash, PGCIL
Shri Abhay Choudhary, PGCIL
Shri Rakesh Prasad, PGCIL.
Shri Mohd. Mohsin, PGCIL

For respondents : None



ORDER

The present petition has been filed by Power Grid Corporation of India Limited ('the petitioner'), for approval of transmission tariff from COD to 31.3.2019 for **Asset-1:** Mauda II-Betul 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS, **Asset-2:** Betul-Khandwa 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS and Khandwa Sub-station, **Asset-3:** Khandwa-Indore 400 kV D/C T/L alongwith associated bays and **Asset-4:** Establishment of 400/220 kV, 2x315 MVA GIS at Betul under "Transmission System associated with Mauda Stage-II (2x660 MW) Generation Project" in Western Region for tariff block 2014-19 period 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 grant of 90% of the Annual Fixed Charges (AFC) claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

2. The instant assets were scheduled to be commissioned within 32 months i.e. on 18.5.2016 as per the Investment Approval accorded by the Board of directors in its meeting held on 19.9.2013. The petitioner has filed the petition on the basis of anticipated COD of Asset-1, 2 and 4 and actual COD of Asset-3. The petitioner vide affidavit dated 19.9.2017 has submitted the actual CODs of Asset-1, 2 and 4 as 24.8.2017. The details of the elements covered in the instant petition, their CODs and the delay in commissioning thereof are as follows:-



S. No.	Particulars	COD			Delay
		Scheduled	Anticipated/ actual as per the petition	Actual	
1.	Asset-1: Mauda II-Betul 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS.	18.5.2016	1.4.2017 (Anticipated)	24.8.2017	15 months 6 days.
2.	Asset-2: Betul-Khandwa 400 kV D/C (Quad) T/L alongwith associated bays at Betul GIS and Khandwa Sub-station		1.4.2017 (Anticipated)	24.8.2017	15 months 6 days.
3.	Asset-3: Khandwa-Indore 400 kV D/C T/L alongwith associated bays		1.1.2017 (Actual)	1.1.2017 (Actual)	6 months 12 days.
4.	Asset-4: Establishment of 400/220 kV, 2*315 MVA GIS at Betul		1.4.2017 (Anticipated)	24.8.2017	15 months 6 days.

3. The petitioner has claimed the tariff based on actual/estimated expenditure incurred up to COD and additional capitalization incurred from COD to 31.3.2019 as filed in the petition for the instant assets. The details of the capital cost claimed by the petitioner are as under:-

Particulars	Approved apportioned cost as per FR	Expenditure up to COD	Estimated additional capital expenditure				Total Estimated completion Cost
			2016-17	2017-18	2018-19	2019-20	
Asset-1	57815.21	45411.91	1845.79	6100.41	1142.98	138.97	54640.06
Asset-2	51486.33	40701.07	1159.30	4771.55	1432.96	479.28	48544.16
Asset-3	30026.71	28445.44	1628.02	1406.18	528.57	114.06	32122.27
Asset-4	18201.29	12215.77	1586.06	1796.91	520.00	157.74	16276.48

4. The estimated completion cost of Asset-1, 2 and 4 is within the approved apportioned cost. Therefore, there is no cost over-run. However, in case of Asset-3 the estimated completion cost is ₹32122.27 lakh as against the approved apportioned cost of ₹30026.71 lakh. Thus, there is cost over-run in case of Asset-3.



5. The matter was heard on 26.9.2017, 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 assets.

6. We have considered the submissions of the petitioner. 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) provides that such an application shall be filed as per Annexure-I of the 2014 Tariff Regulations.

7. The petitioner has made the application 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 the case of instant assets and in case of Asset-3, also cost over-run, which will be considered at the time of grant of final tariff, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para-9 of this order.

9. The petitioner has submitted the anticipated COD of Asset-1, 2 and 4 as 1.4.2017 but has also claimed additional capital expenditure for 2016-17, which has not been considered. The petitioner has further claimed add-cap for 2019-20 and as the claim falls under the tariff period 2019-24, it has not been considered. The details of the tariff claimed by the petitioner and tariff awarded by the Commission are as under:-

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

(₹ in lakh)

Particulars	2016-17 (pro-rata)	2017-18	2018-19
Asset-1	-	8978.82	9383.08
Asset-2	-	8187.48	8537.40
Asset-3	1392.01	5798.97	5876.13
Asset-4	-	2908.79	3056.14

B. Annual transmission charges allowed are as below:-

(₹ in lakh)

Asset	2016-17 (pro-rata)	2017-18	2018-19
Asset-1	-	7183.06	7506.46
Asset-2	-	6549.98	6829.92
Asset-3	1040.96	4336.93	4394.23
Asset-4	-	2327.03	2444.91



10. The tariff allowed in this order shall be applicable from actual CODs of instant 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.

11. The petitioner is directed to submit the following information on affidavit by 30.10.2017, with an advance copy to the respondents:-

- a. Revised tariff forms as per actual COD along with Auditors' certificate in case of Asset-1, 2 and 4;
- b. Justifications of FR cost to that of RCE and explain the variation of capital cost per KM with net to indicative cost and benchmark cost. To also provide the basis for working out estimates along with backup working/calculation, quantum etc alongwith the backup paper, agenda paper based on which board has accorded approval;
- c. In absence of generating station and downstream system, submit justification or utilization of assets or intended use of proposed transmission system;
- d. Details of reason for the assets covered in the instant petition for time over-run and chronology of the time over-run along with documentary evidence in the following format:-

Assets	Activity	Period of activity				Reason(s) for delay along with reference to supporting documents
		Planned		Achieved		
		From	To	From	To	



e. The details of the various petitions filed under the transmission system/ covered under entire scope of the scheme.

12. NTPC and MPPTCL are directed to submit the status of downstream system of generating station respectively clarifying the matching of transmission system with generating system and downstream system.

13. The respondents to file their reply by 18.11.2017 with an advance copy to the petitioner who shall file its rejoinder, if any by 30.11.2017. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

14. The date of final hearing of the instant petition shall be notified separately.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

