

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 111/TT/2018

Coram:

**Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member**

Date of Order : 05.11.2018

In the matter of:

Approval of transmission tariff from COD to 31.3.2019 for Asset 1:±300 MVAR STATCOM at 400kV Aurangabad Sub-station, Asset 2: ±200 MVAR STATCOM at 400kV Gwalior Sub-station, Asset 3:±300 MVAR STATCOM at 400kV Satna Sub-station and Asset 4: ±300 MVAR STATCOM at 400kV Solapur Sub-station under "Installation of STATCOMs 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. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur
Jabalpur-482 008.
2. Madhya Pradesh Power Transmission Company Ltd.
Shakti Bhawan, Rampur
Jabalpur - 482 008
3. Madhya Pradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.



- 3/54, Press Complex, Agra-Bombay Road, Indore-452 008
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor
M.G. Road, Fort, Mumbai-400 001.
 5. Maharashtra State Electricity Transmission Co. Ltd.
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East) Mumbai-400 051.
 6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390 007.
 7. Gujarat Energy Transmission Corporation Limited
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007
 8. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.
 9. Electricity Department,
Administration of Daman and Diu,
Daman-396 210.
 10. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230.
 11. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013.
 12. Chhattisgarh State Power Transmission Co. Ltd.
State Load Despatch Building,
Dangania, Raipur – 492 013
 13. Chhattisgarh State Power Distribution Co. Ltd.
P.O. Sunder Nagar, Dangania, Raipur
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Chhattisgarh-492 013
For petitioner :

...Respondents

Shri Zafrul Hasan, PGCIL
Shri Pankaj Sharma, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri V. P. Rastogi, PGCIL

For respondents : None

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff from COD to 31.3.2019 for Asset 1:±300 MVAR STATCOM at 400kV Aurangabad Sub-station, Asset 2: ±200 MVAR STATCOM at 400kV Gwalior Sub-station, Asset 3:±300 MVAR STATCOM at 400kV Satna Sub-station and Asset 4: ±300 MVAR STATCOM at 400kV Solapur Sub-station under “Installation of STATCOMs 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 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. As per the approval of the petitioner’s Board of Directors on 4.3.2015, the instant assets were scheduled to be put into commercial operation on 3.9.2017. The petitioner filed the petition on the basis of anticipated COD. Later, vide affidavit dated 12.10.2018, the petitioner has submitted the actual COD of Assets-1, 3 and 4 and submitted that



Asset-2 is anticipated to be put into commercial operation on 31.10.2018. The details of the elements covered in the petition are as follows:-

Assets	SCOD as per IA	COD	Delay
Asset-1	3.9.2017	1.4.2018	6 months 29 days
Asset-2	3.9.2017	31.10.2018 (revised anticipated)	13 months 28 days
Asset-3	3.9.2017	31.3.2018	6 months 28 days
Asset-4	3.9.2017	15.4.2018	7 months 12 days

3. The details of the capital cost claimed by the petitioner are as follows:-

(₹ in lakh)

Name of element	Apportioned approved cost	Expenditure upto COD	Proposed Expenditure			Estimated completion cost
			2018-19	2019-20	2020-21	
Asset-1	26967	18674.00	2143.48	1279.77	0.00	22097.25
Asset-2	27952	14375.99	4430.65	1366.81	187.50	20360.95
Asset-3	24101	16543.34	3151.08	366.49	0.00	20060.91
Asset-4	28104	17107.46	3082.73	1721.92	0.00	21912.10
Total	107124	66700.79	12807.94	4734.99	187.50	84431.21

There is no cost over-run in case of the instant assets when compared to the FR cost.

4. The matter was heard on 23.10.2018. 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.

5. 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 these regulations.

6. 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.

7. It is observed that Asset-2 has not yet been put into commercial operation. Hence we are not inclined to grant tariff at this stage. Assets-1, 3 and 4 have been put into commercial operation and the petitioner has submitted the CEA energisation certificate, RLDC certificate and the CMD certificate w.r.t. Assets-1, 3 and 4. The petitioner has also submitted the revised tariff forms of the assets. After carrying out preliminary prudence check of the AFC claimed by the petitioner for Assets-1, 3 and 4, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in paragraph 8 of this order.



8. 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 follows:-

(₹ in lakh)		
Asset	2017-18 (pro-rata)	2018-19
Asset-1	-	3422.81
Asset-3	7.72	3130.93
Asset-4	-	3094.93

B. Annual transmission charges allowed are given below:-

(₹ in lakh)		
Asset	2017-18 (pro-rata)	2018-19
Asset-1	-	2738.25
Asset-3	6.18	2504.74
Asset-4	-	2475.94

9. The tariff allowed in this order shall be applicable from the 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.

10. The Commission directed the petitioner to submit the following information on affidavit with an advance copy to the beneficiaries by 26.11.2018:-

(i) CPM and PERT chart along with details of events in chronological order.



- (ii) The communication made with various utilities of WR for follow up of data regarding system studies of the instant assets and clarify asset-wise delay alongwith supporting evidence.
- (iii) The RLDC certificate along with COD letter under Regulation 5(2) of the 2014 Tariff Regulations and CEA and CMD certificate for Asset-2.
- (iv) Revised tariff forms as per actual COD along with Auditor certificate for Asset-2.
- (v) Time Over-run may be explained as follows:-

Asset	Activity (To be filed by petitioner)	Period of activity				Reasons of delay
		Planned		Achieved		
		From	To	From	To	

11. The respondents are directed to file their reply by 5.12.2018 with an advance copy to the petitioner who shall file its rejoinder, if any by 15.12.2018. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

12. The next date of hearing will be intimated in due course of time.

sd/-
(Dr. M.K. Iyer)
Member

sd/-
(P. K. Pujari)
Chairperson

