

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 192/TT/2017

Coram:

Shri P.K.Pujari, Chairperson

Shri A. K. Singhal, Member

Dr. M. K. Iyer, Member

Date of Hearing: 31.7.2018

Date of Order: 9.10.2018

In the matter of:

Approval under Regulation- 86 of CERC (Conduct of Business) Regulations, 1999 and CERC (Terms and Conditions of Tariff) Regulations, 2014 for determination of Transmission Tariff from DOCO to 31.03.2019 for **Asset I:** 400kV D/C Aurangabad - Boisar TL {from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers} & **Asset II:** Part of 400kV D/C Navsari – Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers under IPPs generation projects in Chhattisgarh (**IPP D**) in Western Region.

And in the matter of

Power Grid Corporation of India Limited,

"Saudamani", Plot No.2,
Sector-29, Gurgaon -122 001

Versus

1. Madhya Pradesh Power Management Company Ltd.
Shakti Bhawan, Rampur
Jabalpur - 482 008
2. Maharashtra State Electricity Distribution Co. Ltd.
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
Govt. of Goa
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa - 403 001

5. Electricity Department
Administration of Daman & 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
Chhatisgaarh-492013

8. Madhyapradesh Audyogik Kendra
Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008.....**Respondents**

For Petitioner: Shri Vivek Kumar Singh, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri S.S. Raju, PGCIL
Shri A. Choudhary, PGCIL
Shri Rakesh Prasad, PGCIL
Shri Zafrul Hasan, PGCIL

For respondent: None

ORDER

The present petition has been filed by the petitioner, Power Grid Corporation of India Ltd. ("PGCIL") seeking approval of transmission tariff for **Asset I: 400kV D/C**



Aurangabad - Boisar TL {from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers} & **Asset II:** Part of 400kV D/C Navsari – Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers under IPPs generation projects in Chhattisgarh (**IPP D**)(hereinafter referred to as “transmission system”) for 2014-19 tariff period under the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as “the 2014 Tariff Regulations”).

2. The prayer made by the petitioner is detailed below:-

- a) Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition.
- b) Admit the capital cost as claimed in the petition and approve the Additional Capitalization incurred/ projected to be incurred.
- c) Tariff may be allowed on the estimated completion cost, Revised Cost Estimate for the project is under approval.
- d) Allow the Petitioner to approach Hon’ble Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19.
- e) Allow the petitioner to recover the shortfall or refund the excess Annual Fixed Charges on account of Return on Equity due to change in applicable Minimum Alternate/ Corporate Income Tax rate as per the Income Tax Act, 1961 (as amended from time to time) of the respective financial year directly without making any application before the Commission as provided under clause: 25



of the Tariff Regulations, 2014.

- f) Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, expenditure on publishing of notices in newspapers in terms of Regulation: 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 and other expenditure (if any) in relation to the filing of petition.
- g) Allow the petitioner to bill and recover Licensee fee and RLDC fees and charges, separately from the respondents in terms of Regulation 52 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- h) Allow the petitioner to bill and adjust impact on Interest on Loan due to change in Interest rate on account of floating rate of interest applicable during 2014-19 period, if any, from the respondents.
- i) Allow the Petitioner to bill and recover Service Tax on Transmission Charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list at any time in future. Further, any taxes and duties including cess etc. imposed by any statutory/ Govt./ municipal authorities shall be allowed to be recovered from the beneficiaries.
- j) Allow reimbursement of any tax Payable by the petitioner on account of implementation of GST, the same may be allowed to be recovered from the beneficiaries.
- k) Allow 90% of the Annual Fixed Charges as tariff in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and



Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.

- l) Allow the petitioner to bill Tariff from actual DOCO and also the petitioner may be allowed to submit revised Management Certificate and Tariff Forms (as per the Relevant Regulation) based on actual DOCO.

3. The petitioner was entrusted with the Transmission System Strengthening for IPP generation in Chattisgarh that was discussed in 29th SCM of Western Region constituents held on 10.9.2009. Further sub-division of entire transmission system into nine sub-schemes (including subject project) was discussed in 30th SCM of WR constituents held on 8.7.2010. The same was subsequently approved in the 14th WRPC meeting held on 19.8.2010 at Mumbai.

4. The Investment Approval (IA) for implementation of "Transmission System Strengthening in Western Part of WR for IPP generation projects in Chhattisgarh (IPP D)" was accorded by the Board of Directors of the petitioner vide the Memorandum Ref: C/CP/Chhattisgarh IPP dated 22.11.2011 at an estimated cost of ₹2127.51 crore including Interest During Construction of ₹135.73 crore based on 2nd Quarter, 2011 price level. Revised Cost Estimate for the subject project was approved by the Board of Directors of the petitioner vide Memorandum Ref: C/CP/RCE/RCE-WR-IPPs dated 11.3.2016 at an estimated cost of ₹2619.56 crore including Interest During Construction of ₹221.69 crore based on Aug 2015 price level.

5. The Revised Cost Estimate-II for the subject project was approved by the



Board of Directors of the petitioner vide Memorandum Ref: C/CP/RCE/RCE-II-WR-IPPs dated 21.02.2018 at an estimated cost of ₹2731.35 crore including Interest During Construction of ₹268.97 crore based on April 2017 price level.

6. The scope of work covered for “Transmission system strengthening in western part of WR for IPPs generation projects in Chhattisgarh (IPP D)” in Western Region is as follows:

Transmission Line –

- (i) Wardha-Aurangabad 765kV D/C
- (ii) Aurangabad- Boisar 400kV D/C (Quad)

Sub Station

- (i) Establishment of 765/400kV, 2x1500 MVA Aurangabad S/s
- (ii) Augmentation of 400/220kV transformation capacity by 1x500MVA transformer at Boisar sub-station
- (iii) Extension of 765/400kV Wardha sub-station

7. The project was scheduled to be commissioned within 32 months from the date of Investment Approval. Therefore, the scheduled date of commissioning of the transmission system was 21.7.2014.

8. The current status of assets, submitted by the petitioner is mentioned as below:-

Name of Asset (revised/ current status)	Current COD status
Asset-I: 400kV D/C Aurangabad - Boisar TL {from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers}.	29.12.2017
Asset-II: Part of 400kV D/C Navsari – Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers (under IPP D Project).	31.12.2016

9. Annual Fixed Cost was granted for the instant transmission asset vide order dated 10.10.2017 under the first proviso to Regulation 7(7) of the 2014 Tariff



Regulations for inclusion in the PoC charges.

10. The details of the transmission charges claimed by the petitioner are as under:-

(₹ in lakh)

Particulars	Asset-I		Asset-II		
	2017-18 (pro-rata)	2018-19	2016-17 (pro-rata)	2017-18	2018-19
Depreciation	1275.60	5101.54	77.46	325.98	336.09
Interest on Loan	1268.06	4782.28	83.94	336.43	319.86
Return on Equity	1422.49	5688.96	86.30	363.21	374.48
Interest on Working Capital	91.83	360.97	5.53	22.88	23.00
O&M Expenses	102.68	411.15	2.42	9.90	10.23
Total	4160.66	16344.90	255.65	1058.40	1063.66

11. The details of the interest on working capital claimed by the Petitioner are as under:-

(₹ in lakh)

Particulars	Asset-I		Asset-II		
	2017-18 (pro-rata)	2018-19	2016-17 (pro-rata)	2017-18	2018-19
Maintenance Spares	33.16	34.26	0.80	0.83	0.85
O&M expenses	59.68	61.67	1.44	1.49	1.53
Receivables	2687.07	2724.15	168.62	176.53	177.52
Total	2779.91	2820.08	170.86	178.85	179.90
Interest	12.80%	12.80%	12.80%	12.80%	12.80%
Rate of Interest	91.83	360.97	5.53	22.89	23.03

12. The petitioner has served the petition on the respondents and notice of this application has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003 (hereinafter referred to as the Act). No comments or suggestions have been received from the general public in response to the notices



published by the petitioner under Section 64 of the Electricity Act. Madhya Pradesh Power Management Co. Ltd (MPPMCL), Respondent No. 1 has filed reply vide affidavit dated 22.9.2017. MPPMCL has raised issue of Cost variation, CPM/PERT chart, Reason for delay, Wage Revision, FERV, Additional Capitalization, etc. The petitioner has filed rejoinder dated 26.7.2018 to the reply of MPPMCL. The objections raised by the respondents and the clarifications given by the petitioner are addressed in the relevant paragraphs of this order.

13. Further, Commission raised queries vide Provisional order dated 10.10.2017. The petitioner replied these queries vide affidavit dated 23.5.2018.

Date of commercial operation (DOCO)

14. The date of commercial operation claimed by petitioner based on actual is as follows:

Asset	Scope as approved in Investment Approval	COD status as on date
Asset-I	400KV D/C Aurangabad-Boisar TL(from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers)	29.12.2017 (Actual)
Asset-II	Part of 400KV D/C Navsari-Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers(Under IPP D Project)	31.12.2016 (Actual)

15. The Commission vide RoP dated 10.10.2017 directed petitioner to submit the details relating to generation projects which have been abandoned and have sought relinquishment of LTA, transmission capacity created, LTA granted and net LTA likely to be operationalized/commenced as the transmission assets covered in the instant petition have been created for Chhattisgarh (IPPD) Projects. In response, petitioner vide affidavit dated 23.5.2018 has submitted the details as under:

(a) Details relating to generation projects which have been abandoned



S.no	IPPs (delayed/abandoned/disconnected from grid)	LTA Granted (MW)
1	Visa Power Ltd.	678
2	Athena Chhattisgarh Power Ltd.	683
3	Vandana Vidhyut Ltd.	265
4	Lanco Amarkantak Power Ltd.	858
5	Korba west power co.ltd.	240
	Total	2724 MW

(b) Details relating to generation projects which have sought relinquishment of LTA

S.no	LTA Customer Name	Details of absolute relinquishment sought/petitions filed for relinquishment of LTA
1	RKM Powergen Pvt. Ltd.	496 MW relinquished
2	SKS Power Generation Ltd.	Petition 169/MP/2017 & 253/MP/2017 filed before CERC for relinquishment of 170 MW & 513 MW resp.
3	GMR Chhatisgarh Energy Pvt. Ltd.	Petition filed before CERC in petition no. 11/MP/2017 regarding relinquishment of 386 MW in WR and balances 430 MW to be kept in abeyance.
4	Jindal Power Ltd.	300 MW relinquished
5	KSK Mahanadi Power co. ltd.	440 MW relinquished
6	Chhattisgarh state power trading company ltd.	4699 MW relinquished
	Total	6977 MW

(c) Transmission capacity created, LTA granted: As per the project inception report of the various High Capacity Power Transmission Corridors (HCPTCs), the total LTA which was granted on the HCPTC-V transmission system was 15185 MW and accordingly, the transmission capacity was created for equivalent quantum.

(d) Net LTA likely to be operationalized/commenced as the transmission assets covered in the instant petition have been created for Chhattisgarh (IPP-D) projects: The following LTAs of Chhattisgarh IPPs associated with HCPTC-V have been operationalized with effect from 1.10.2017.



S.no	LTA Customer Name	LTA operationalized
1	RKM Powergen Pvt. Ltd.	619
2	SKS Power Generation Ltd.	683
3	DB Power Ltd.	247
4	GMR Chhatisgarh Energy Pvt. Ltd.	816
5	Jindal Power Ltd.*	667.50
6	Jindal power ltd.	400
7	KSK Mahanadi Power co. ltd.	840
8	TRN Energy Pvt. Ltd.	3
9	Chhattisgarh state power trading company ltd.	604
	Total	4879.50 MW

*The generation projects have subsequently relinquished their LTA quantum.

- (e) In view of the relinquishment of LTAs, the proposed plan for utilization of the transmission capacity which is becoming available may be utilized for other long term customers in terms of their respective priority as per applications received for power transfer under LTA. Further, in a meshed network, the instant assets shall also help in enhancing reliability of power supply and in meeting the increasing demand of transmission network of the western part of WR.

Analysis/Decision of COD

16. The petitioner has submitted the following documents in support of COD:
- (a) Vide affidavit dated 23.5.2018, the petitioner in support of commissioning of COD for Asset-1, has submitted COD letter dated 2.1.2018, RLDC charging certificate dated 1.1.2018 , CEA certificate dated 18.9.2017 under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 and CMD certificate.
- (b) Vide affidavit dated 4.9.2018, the petitioner in support of commissioning of COD for Asset-2, has submitted COD letter dated 9.1.2017, RLDC charging certificate



dated 6.1.2017, CEA certificate dated 27.12.2016 under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 and CMD certificate.

17. We have considered the submissions made by the petitioner and examined the RLDC and CEA certificates in support of trial operation, date of commercial operation of the instant assets. The petitioner has complied with all the requirements for declaration of COD as mandated under the 2014 Tariff Regulations. Accordingly, the COD of the Assets-1 & 2 approved as under:

Asset	Scope as approved in Investment Approval	COD Claimed	COD Approved
Asset-1	400KV D/C Aurangabad-Boisar TL(from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers)	29.12.2017 (Actual)	29.12.2017 (Actual)
Asset-2	Part of 400KV D/C Navsari-Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers(Under IPP D Project)	31.12.2016 (Actual)	31.12.2016 (Actual)

Time overrun

18. As per the Investment Approval, the schedule completion is within 32 months from the date of Investment Approval. The date of Investment Approval is 22.11.2011. Hence, the commissioning schedule was decided to be 21.7.2014 against which the asset has been put to use w.e.f. 29.12.2017 and 31.12.2017 in case of asset-1 and asset-2 respectively with a delay of 41 months 8 days in case of asset-1 and with a delay of 29 months 10 days in case of asset-2 and details are as under:

Asset	Scope as approved in Investment Approval	Time line	SCOD	Actual COD	Delay
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Asset-1	400KV D/C Aurangabad-Boisar TL(from Aurangabad S/S to location 313/0 on D/C Towers & from location 332/0 to Boisar S/S on Multi circuit towers)	32 months	21.7.2014	29.12.2017	41 months 8 days
Asset-2	Part of 400KV D/C Navsari-Boisar TL from location 332/0 to Boisar S/S on Multi circuit towers(Under IPP D Project)	32 months		31.12.2016	29 months 10 days

19. The petitioner has submitted that the reasons for delay in commissioning of the instant assets which are delay due to RoW problems in grape garden areas near Nashik and delay in the forest approval. The details are brought as under:

A. Reasons of delay on account of RoW issue

- (i) The Nashik district is an area with large nos. of grape gardens and although all out efforts were made to minimize the impact on grape gardens, while finalizing the route, it was not possible to avoid these gardens altogether. Out of the total line length of about 340 KM, about 30 KM is now passing through grape gardens in Nashik particularly the Taluka of Dinidori, Niphad & Chandwad.
- (ii) During the casting of foundations in these areas, POWERGRID has been facing stiff resistance from grape farmers. The farmers in these areas represented the matter to local elected representatives of Lok Sabha and Vidhan Sabha and further raised the matter with District Collector, Nashik for his intervention.
- (iii) District Collector, Nashik organized a meeting at his office on 14.10.2013 which was attended by about 200-250 farmers, elected parliamentary and assembly representatives and POWERGRID officials. During the meeting, the farmers maintained their demand for diversion of the line and suggested an alternative route. However, District Collector opined that this would not resolve the matter as it may create further legal problems, litigation from the new landowners and



may jeopardize the entire project and assured the farmers that adequate compensation would be worked out for their affected land. This was, however, not accepted by the farmers and accordingly, sensing law and order problems, District Collector advised POWERGRID to stop the work in these areas for 15 days and the same was publicized in local newspapers. Accordingly, POWERGRID stopped the construction work in these areas.

- (iv) Farmers strongly protested the project execution and denied any compensation offered by the POWERGRID. Farmers constantly made the demand of transmission line route diversion which was publicized in local newspapers.
- (v) Again letters have been submitted to Collector, Nashik on 7.7.2014 informing the resistance raised by farmers. Letter has also been sent to SP, Nashik, PI and Asst. PI for police protection.
- (vi) Due to involvement of local MLAs construction work was disrupted several times.
- (vii) POWERGRID has registered a number of complaints under sec 16(1) for which order of sub-divisional magistrate has been released on 16.1.2015, 22.6.2016, 9.8.2016, 4.2.2016 and 5.12.2016.
- (viii) Detailed chronology of events submitted by petitioner in main petition dated 6.3.2017 and affidavit dated 23.5.2108 for 400KV D/C Aurangabad-Boisar TL associated with IPP-D from date 1.12.2012 to 19.12.2017 is as under:

Sl. No	Date	Particulars
1	1.12.2012	Letter to Collector, Nashik for finalising the compensation.
2	7.10.2013	Letter to Divisional Commissioner, Nashik for resistance raised by farmers
3	13.10.2013	Farmers are strongly protesting the passing of TL



4	15.10.2013	Newspaper cutting- Transmission line project stopped.
5	19.10.2013	Newspaper cutting- Don't test farmers patience
6	7.10.2013	Letter to Divisional Commissioner, Nashik regarding resistance raised by farmers
7	30.10.2013	Letter from Govt. of Maharashtra To General Manager POWERGRID-NAGPUR regarding resistance raised by the farmers
8	19.11.2013	Question in Govt. of Maharashtra regarding grape Garden diversion in Aurangabad Boisar 400Kv Tr. Line work
9	22.11.2013	Question in Govt. of Maharashtra regarding grape Garden diversion in Aurangabad Boisar 400Kv Tr. Line work
10	7.4.2014	Order issued by Sub Divisional Magistrate Igatpuri Trymbakeshwar under Indian telegraph Act 1885 Sec-16 giving permission to work in reference to Bhanudas Pingle
11	7.7.2014	Letter to Collector Nasik from Tahsildar Dindori regarding damaging Grape garden in Dindori Taluka due to 400kV Aurangabad Boisar Transmission line
12	8.7.2014	Letter from Collector office Nasik to Sub Divisional magistrate – Dindori regarding clearing Hurdled for POWERGRID of 400kv D/C Aurangabad Boisar Transmission line.
13	9.9.2014	Letter to Collector, Nashik by Tahsildar, Dindori regarding resistance raised by farmers
14	18.11.2014	Newspaper cutting- Resurvey of Transmission line route protest continued ; work stalled
15	27.10.2014	Letter from Sub Divisional Magistrate Dindori To Sub Divisional police officer Kalwan regarding Providing Police protection to POWERGRID
16	4.12.2014	Order issued by Sub Divisional Magistrate Igatpuri Trymbakeshwar under Indian telegraph Act 1885 Sec-16 giving permission to work in reference to Sanjay Manohar Wagh.
17	4.12.2014	Order issued by Sub Divisional Magistrate Igatpuri Trymbakeshwar under Indian telegraph Act 1885 Sec-16 giving permission to work in reference to Sanjay Tulsiram Devere.
18	5.12.2014	Order issued by Sub Divisional Magistrate Igatpuri Trymbakeshwar under Indian telegraph Act 1885 Sec-16 giving permission to work in reference to Sh. Ashok Adsare .
19	6.12.2014	Newspaper cutting- POWERGRID misleading the administration
20	7.12.2014	Newspaper cutting- Farmer waiting for collector meeting.
21	15.12.2014	Notice issued by Sub Divisional Magistrate Dindori under Indian Telegraph Act 1885 sec-16(1) to Sampat Ranaji Gunjal
22	10.1.2015	Newspaper Deshdoot: No Change in POWERGRID Alignment.
23	16.1.2015	Order by Sub-divisional Magistrate, Igatpuri in reference of M/s Indira Horticulture giving permission to work.
24	17.1.2015	Letter from SP Nasik regarding police protection on chargeable basis.
25	31.1.2015	Order issued by Sub Divisional Magistrate Igatpuri



		Trymbakeshwar under Indian telegraph Act 1885 Sec-16 giving permission to work.
26	10.3.2015	letter to Renewable and Conventional Energy Minister, Govt. of Maharashtra regarding the diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
27	17.3.2015	Letter to SP, Nashik for providing the Police protection
28	13.3.2015	Unstarred Question in Govt. of Maharashtra regarding- Diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
29	4.4.2015	Unstarred Question in Govt. of Maharashtra regarding- Diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
30	18.5.2015	letter to Rural Development and Women & Child welfare Minister Govt. of Maharashtra regarding the diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
31	22.4.2015	Letter to District Collector by Hon'ble Energy Minister of State regarding minimising the loss of grape garden zone due to 400kV Aurnagabad Boisar Tr. Line.
32	23.4.2015	Newspaper cutting regarding stopping of POWERGRID work
33	29.9.2015	Meeting has been called at Collector Office Nasik regarding providing Police protection for 400kV Aurangabad Boisar Tr. Line
34	2.7.2015	Notice issued by Sub Divisional Magistrate Dindori Ramkant Keshav Awhad for creating hurdle in executing the work of 400kV D/C(Quad) Aurangabad Boisar Tr. Line.
35	15.5.2015	Letter of Collector Office Nasik regarding - Diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
36	14.5.2015	Unstarred Question in Govt. of Maharashtra regarding- Diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss.
37	6.10.2015	Newspaper Deshddot : Resolve the POWERGRID issue
38	7.10.2015	Newspapaper : Ostracizing POWERGRID officials
39	10.8.2015	letter form Govt. of Maharashtra to POWERGRID Nagpur regarding Diversion of PGCIL 400kV Transmission line from irrigated land to Dry land and forest land to reduce the grape farming loss
40	17.10.2015	Minutes of Meeting held at Office of Sub Divisional Magistrate on various hindrance/ restriction in construction of 400kV Aurangabad- Boisar TL.
41	13.10.2015	Letter to Collector, Nasik requesting for police protection in construction of 400kV Aurangabad- Boisar TL.
42	14.10.2015	Letter to SP, Nasik requesting for police protection in construction of 400kV Aurangabad- Boisar TL
43	10.11.2015	Newspaper cutting (Dainik Bhaskar) regarding work held up.
44	10.11.2015	Newspaper cutting (Lokmat) regarding work held up.



45	15.1.2016	Letter to SP, Nasik from Sub -divisional Magistrate for demanding of police protection.
46	10.2.2016	Copies of order given by Sub-divisional Magistrate against registered complaint for creating hurdles at tower foundation location 125/3 in reference of Shri Sharad Sanap.
47	10.2.2016	Copies of order given by Sub-divisional Magistrate against registered complaint for creating hurdles at tower foundation location 124/1 in reference of Shri Bhaskar.
46	10.5.2016	Notice issued by Sub Divisional Magistrate Dindori to Sh PRABHAKAR BANSIRAM SALVE , Bhaurao Govind Shinde & Sumanbai Daulat Patil for creating hurdle in executing the work of 400kV D/C(Quad) Aurangabad Boisar Tr. Line.
47	31.5.2016	Minutes of Meetings regarding compensation to be paid to the damaging Grape Garden due to 400kV D/C(Quad) Aurangabad Boisar Transmission line construction.
48	15.6.2016	Letter to Tahsildar, Dindori ragrding halting of POWERGRID's work.
49	22.6.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Bhaurao Shinde
50	22.6.2016	Order by Sub-divisional Magistrate, Dindori in reference of Smt Sumanbai Patil
51	22.6.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Prabhakar Salve
52	22.6.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Subhas Nagare
53	2.7.2016	Newspaper cutting (Deshdoot) regarding compensation to farmers on export rate
54	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Raghunath Patil
55	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Barku Shinde
56	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Anil Aapsunde
57	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Narayan Gholap
58	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Vishwanath Nathe
59	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Smt Rajni Sonawane
60	9.8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Khanderao Bombale
61	9. 8.2016	Order by Sub-divisional Magistrate, Dindori in reference of Shri Dnyaneshwar Bombale
62	26.8.2016	Newspaper cutting (Lokmat Nashik) for demand of compensation
63	4.12.2016	Order by Sub-divisional Magistrate, Igatpuri in reference of Shri Sanjay Devere
64	5.12.2016	Order by Sub-divisional Magistrate, Igatpuri in reference of Shri



		Ashok Adsare
65	7.2.2017	Application filed under sec-16 to SDM, Nashik against Shri Shivaji Ramchandra Davange
66	27.2.2017	Request letter to SDM, Nashik for early judgement in sec-16 cases.
67	3.3.2017	Request letter to PSI, Tryambakeshwar, Nashik for police protection
68	27.4.2017	Letter from Tahsildar Niphad for demand of more compensation in r/o Smt Sangeeta Pandurang Agavane
69	30.6.2017	Letter to SDM, Nashik for resolving ROW issues at village Rajapur, Tal: Dindori, Dist: Nashik
70	13.7.2017	Letter to SDM, Nashik for resolving ROW issues at village Valkhed, Tal: Dindori, Dist: Nashik
71	13.7.2017	Letter of chief Engineer Kalyan Zone, Kalyan to Superintendent Engineer MSEDCL, Palgarh for approval of various outages
72	31.7.2017	Letter to Chief Engineer MSEDCL Kalyan for shutdown of 22kV line at Jawahar-Vikramgarh
73	3.8.2017	Letter to Chief Engineer MSEDCL Kalyan for shutdown of 22kV Balkapara-Aakhare line shutdown canceled by SE, Palgarh
74	10.8.2017	Letter of chief Engineer Kalyan Zone, Kalyan to Superintendent Engineer MSEDCL, Palgarh for approval of outage
75	11.9.2017	Letter to Asstt. Collector Jawahar for their support to resolve ROW issues at Loc 172B/7
76	26.9.2017	Letter to the CEO(P) Bombay Gawrakshak Mandali for co-operation as payment of compensation has been done, POWERGRID planned to fix jumpers at location AP-04 and AP-05
77	19.11.2017	Letter to District agriculture Supdt, Palghar , DCF Dahanu, Taluka Agriculture Officer, Dahanu , Taluka Agriculture Officer, Mokhada to expedite compensation cases
78	19.12.2017	Letter to Asstt. Collector Jawahar, SDN Dahanu & Wada to expedite the compensation cases

B. Reasons of delay on account of Forest approval:

- (i) The petitioner has submitted that the Investment Approval for IPP-D project was accorded by Board of Directors in Month of Nov'11. Immediately after Investment Approval, the petitioner carried out the preliminary survey and thereafter the detailed surveys, which were pre-requisite for preparation and submission of forest proposal to carry out survey in the forest area, which was itself quite challenging. The survey of the line was, however, completed in August 2012 by



the petitioner with tremendous efforts by adopting most cautious and careful approach. Based on the initial survey report, letter has been sent to DCF, Dahanu regarding identification of forest area in the month of Aug 2012. Further, the total forest involvement under the instant asset is 141.67 Ha under four Forest Division in the State of Maharashtra.

- (ii) The petitioner submitted Forest Proposal to FDCM, Nashik on 10.8.2012, FDCM, Dahanu on 6.8.2012, Dahanu on 18.8.2012, Jawahar on 6.8.2012, Nashik (E) on 10.8.2012, Nashik (W) on 10.8.2012.
- (iii) Stage-I Approval issued by RMoEF, Nagpur on 7.8.2015 and finally working permission issued by CCF, Thane on 8.10.2015.
- (iv) Petitioner also submitted that the process of issuance of Stage-I approval has taken more than 1095 days against timeline of 240 days prescribed by MoEF in spite of best efforts and constant follow up by POWERGRID.
- (v) The petitioner in main petition dated 6.3.2017 and vide affidavit dated 23.5.2018 has submitted the detailed Chronological events of 400KV D/C Aurangabad – Boisar Forest Proposal of area 141.67 Ha and same is as under:

S.No.	Activity	Remarks
1	FDCM, Nashik	
2	Proposal submitted on 10.8.12	Issuance of NOC took 384 days
3	NOC issued on 29.8.13	
4	FDCM, Dahanu	
5	Proposal submitted on 6.8.12	Issuance of NOC took 539 days
6	NoC issued on 30.1.14	
7	Dahanu	
8	Proposal submitted on 18.8.12	
9	ACF inspection completed on 28.5.12	



10	DCF inspection completed on 24.6.13	
11	DCF, Dahanu forwarded the proposal to DCF, Jawahar on 16.7.13	DCF, Jawahar appointed as combining officer
12	Jawahar	
13	Proposal submitted on 6.8.12	
14	Minimum demand of forest land certificate issued by DC on 29.10.13	
15	The CA scheme was approved in Mar'14	
16	Nashik (E):	
17	Proposal submitted on 10.8.12.	
18	DCF forwarded the proposal to DCF, Nashik (W) on 2.11.13.	
19	Nashik (W):	
20	Proposal submitted 10.8.12.	
21	Proposal forwarded to CCF, Nasik on 25.2.14.	
22	CCF, Nasik asked some queries from DCF, Nasik on 13.3.14 which are compiled and forwarded to CCF, Nasik on 2.4.14.	
23	Proposal forwarded to DCF Jawahar (C/O) on 13.5.14.	
24	Proposals of all divisions combined and forwarded to CCF, Thane on 21.6.14.	This activity has taken more than 630 days against the prescribed timeline of 130 days as per MoEF Notification.
25	CCF, Thane asked for online uploading of complete forest proposal. Uploading of proposal completed in July'14.	Necessitated due to MoEF Circular dated 24.07.14 regarding online submission and insistence of State Govt for compliance of the same.
26	Proposal recommended and forwarded to APCCF & NO on 24.7.14.	
27	Proposal forwarded to PCCF, Nagpur on 14.8.14.	
28	PCCF asked for inspection report from NO on 16.8.14.	
29	NO asked CCF, Thane for submission of inspection report on 20.08.14.	
30	Inspection of CCF, Thane completed on 2.9.14.	
31	CCF raised some queries on CA land on 9.9.14.	
32	Alternate CA land for 58 ha identified by forest department which was subsequently inspected by ACF on 14.11.14 & inspection report submitted to DCF on 26.11.14	
33	DCF, Nashik forwarded CA Scheme to DCF,	



	Jawahar on 8.12.14.	
34	DCF, Jawahar issued letter for submission of fresh inspection report along with tree list for revised area from DCF, Dahanu on 12.12.14.	
35	DCF, Dahanu forwarded required information to DCF, Jawahar (Combining officer) on 31.12.14.	
36	All clarifications forwarded to NO on 17.1.15.	
37	NO forwarded proposal to Mantralaya, Mumbai on 23.1.15.	
38	Proposal after recommendation of Hon'ble Minister was forwarded to RMoEF, Nagpur on 10.4.15.	This activity has taken more than 960 days against the prescribed timeline of 240 days as per MoEF Notification
39	Since, the forest area is more than 100 ha, Site Inspection by RMoEF, Nagpur completed on 15.5.15. Inspection report submitted on 18.5.15.	Though no time frame has been provided in MoEF notification, it may be seen that process for issuance of working permission has taken around 6 months.
40	During the RMoEF inspection, it was observed that a piece of CA land 53 ha under Nasik (E) Division was having encroachment.	
41	An alternative 53 ha CA land has been proposed by DCF Nasik and same is recommended by NO on 25.5.15 to Secy (F).	
42	Revised CA scheme forwarded to RMoEF on 4.6.15.	
43	Proposal discussed in REC on 22.6.15.	
44	REC recommended the proposal subject to submission of revised FRA certificate and tree enumeration list.	
45	Observation of RMoEF compiled on 3.7.15.	
46	Stage-I approval issued by RMoEF, Nagpur on 7.8.15.	
47	Compliance report submitted to DCF, Jawahar on 11.9.15.	
48	Compliance report forwarded to CCF, Thane on 30.9.15.	
49	Working permission issued by CCF, Thane on 8.10.15.	

20. Petitioner has submitted that it may be seen from the foregoing that the reasons for delay were mainly due to delayed ROW issues and delay in forest approval which is beyond the control of petitioner. Therefore it has requested that the unintentional/ uncontrolled delay in commissioning of the assets may please be condoned by the Commission.



21. Respondent no.1, MPPMCL vide affidavit dated 22.9.2017 has submitted that:

- (i) The petitioner has also failed to submit the statutory documents of CPM Analysis and PERT Chart in support of their claim for condonation of time overrun to establish why the work of the area has been affected and has not been completed on time. It shows that petitioner is not taking seriously this issue and also petitioner has not been able to indicate a timeline for completion of project and it cannot be left to the sweet will of the petitioner to complete the project and to claim charges due to delay.
- (ii) With regard to delay due to ROW issue, it is submitted that the petitioner has submitted that ROW issue got resolved by the end of 2016 but details of supporting documents by the petitioner indicate that letter to Collector, Nashik for finalizing the compensation was made on 1.12.2012 which clearly shows that the effort made by the petitioner is itself delayed by one year from the investment approval. The petitioner though being well aware of RoW issues at an early date responded and reacted late and hence, this delay shall be attributable to petitioner.
- (iii) With regard to delay due to forest clearance, it is submitted that petitioner has shown that the various correspondences of the Ministry of Environment and Forest with other government department to get the forest clearances. But, not even a single correspondence has been supported with the petition which shows the efforts made by PGCIL was on time and prompt, it is the



responsibility of petitioner to get the forest approval on time but the petitioner has not submitted what efforts have been made by petitioner in between. It shows that petitioner has actually not persuaded the matter for forest clearance. So the claim of petitioner should be disallowed.

22. In response, petitioner filed its rejoinder dated 26.7.2018 and submitted that the delay in commissioning of subject assets is due to RoW issues and delay in forest clearance and that the detailed justifications have already been submitted.

Analysis/Decision

23. We have considered the submissions made by the petitioner and respondents. As per the Investment Approval, the schedule completion is within 32 months from the date of Investment Approval. The date of Investment Approval is 22.11.2011. Hence, the commissioning schedule comes to 21.7.2014. Against this the COD of the assets have been declared as 29.12.2017 and 31.12.2017 in case of Asset-1 and Asset-2 respectively with a delay of 41 months 8 days in case of Asset-1 and with a delay of 29 months 10 days in case of Asset-2. The petitioner has submitted that the reasons for delay in commissioning of the instant assets are due to delay of RoW problems in grape garden areas near Nasik and delay in the forest approval. From the submissions submitted by the petitioner vide affidavit dated 6.3.2017 and 23.5.2018, it is observed as under:

Activity	Period	Delay	Delay Condoned
Date of Investment Approval(I.A.)	22.11.2011	-	-
Time line	32 months from I.A.	-	-
SCOD	21.7.2014	-	-
Forest clearance	6.8.2012 to	38 months 3 days	30 months 29 days



	8.10.2015		(excluding 8 months or 240 days timeline as per MoEF guidelines dated 14.3.2014 and 10.10.2014)
Row problem	1.12.2012 to 29.12.2017	60 months 29 days	26 months 21 days (time period from 1.12.2012 to 8.10.2015 has been subsumed in Forest clearance)
Total		99 months 2 days	57 months 20 days

24. From, above it is clear that overall delay due to RoW and Forest clearance took more than 57 months i.e. 57 months 20 days. Therefore, the delay of 41 months 8 days in case of Asset-1 and 29 months 10 days in case of Asset-2 is within the overall delay of 57 months 20 days and therefore, is not attributable to the petitioner and accordingly, the same is condoned.

Capital Cost

25. Based on RCE-2 (as per affidavit dated 23.5.2018) and auditor's certificate dated 12.3.2018 in case of Asset-1 and auditor certificate dated 3.2.2017 in case of Asset-2, the capital cost claimed by the petitioner is as under:

(₹ in lakh)

Asset	Apportio ned cost as per FR	Apportio ned cost as per RCE-1	Apportion ed cost as per RCE-2	Upto COD	Est. Exp. 2016- 17	Est. Exp. 2017-18	Est. Exp. 2018- 19	Est. Exp. 2019- 20	Estimated Completion Cost
1	71736.47	79269.04	98645.72	94090.05	0.00	2977.08	814.31	125.75	98007.19
2		5283.71	6600.12	5712.14	445.25	162.09	91.90	0.00	6411.38
Total	71736.47	84552.75	105245.84	99802.19	445.25	3139.17	906.21	125.75	104418.57

26. The Respondent no.1, MPPMCL vide affidavit dated 22.9.2017 has submitted as under:

- a) With regard to completion cost, it is submitted that RCE has been accorded on 11.3.2016, which means all those factors (increase in cost due to increase in



angle towers, enhanced compensation due to RoW, price variation and award rate received in competitive bidding) have already been accounted for, yet again claiming for all these 4 factors which were prevailing at the time of RCE is not fair and such claim claim by the petitioner is liable to be rejected and further, no IDC and IEDC shall be allowed for extended period of work.

- b) With regard to price variation, it is submitted that the reason and duration shown by the petitioner is upto March 2015 which is before the date of RCE. In the light of this fact it is requested to disallow the claim of petitioner in the interest of justice and further, RCE-2 as stated by the petitioner and is proposed to be placed before Commission may be denied.
- c) With regard to increase in cost due to crop and Forest compensation, MPPMCL has submitted that the petitioner is claiming that the actual crop compensation has increased as per the assessment done by revenue authority and as per forest compensation including afforestation and other charges as compared to estimated FR Cost. But, the petitioner has failed to supply the details regarding comparison and increase in cost by revenue authority.
- d) With regard to variation due to foreign exchange rate variation (FERV), it is submitted that petitioner has provided the rate of variation in foreign exchange but has failed to prove with documents which show the rate on the date and also rate on the date of approval.



e) With regard to increase in cost due to variation in quantities of approved items, MPPCL has submitted that the claim by the petitioner that variation in quantities, especially increase in number of angle towers in 400kV D/C Aurangabad-Boisar line resulted during detailed survey and the same was not estimated based on preliminary survey. This plea is totally unacceptable as due care is always taken while doing preliminary survey and in most of the cases, either there is no change in survey or very minor changes occur. This alone shows that survey was either done in a very casual way or it was taken for granted that any time this plea can be given. It is submitted that the variation in quantities has occurred due to careless survey by the petitioner and hence, changes on this account shall be made fully attributable to petitioner and shall not be passed on to beneficiaries.

27. In response, petitioner filed its rejoinder dated 26.7.2018 and RoP reply dated 23.5.2018 and submitted that reasons for cost variation are as under:

28. Comparison of RCE-1 cost ₹261956 lakh is carried out against the approved cost of ₹212751 lakh and comparison details are as under:

Sr. No.	Variation on account of:	Variation	
		(₹ in crore)	(%)
(i)	Price Variation		
(a)	DPR to LOA (on competitive bidding while award)	222.77	10.47 %
(b)	LoA provisions (towards PV based on indices)	140.57	6.61 %
	Sub-Total (PV)	363.33	17.08 %
(ii)	Variation in quantities of approved Items	51.76	2.43 %



(iii)	Crop and Forest Compensation	56.22	2.64 %
(iv)	FERV		
(a)	LoAs awarded in foreign currencies	10.84	0.51 %
(b)	On foreign loan revaluation	44.92	2.11 %
	Sub-Total (FERV)	55.76	2.62 %
(v)	Other Reasons (IEDC and IDC)		
(a)	IEDC (incl. Contingencies)	(-) 120.99	(-) 5.69 %
(b)	IDC	85.97	4.04 %
	Sub- Total (IEDC & IDC)	(-) 35.03	(-) 1.65 %
	GRAND TOTAL	492.05	23.13 %

29. It may be seen from the above table that there is a variation of ₹492.05 crore (23.13%) from the approved cost of ₹2127.51 crore. The major variation in cost is attributable to the following:

- a. Price variation : 17.08 %;
- b. Variation in quantities of approved items : 2.43 %;
- c. Increase in Crop, Tree and Forest compensation : 2.64 %;
- d. Foreign Exchange Rate Variation (FERV) : 2.62 %;
- e. Decrease in IDC & IEDC : (-) 1.65%

30. Price Variation (PV) (net increase of ₹ 363.33 crore: 17.08%): There has been an increase in the cost of the project by ₹ 363.33 crore on this account, which works out to 17.08 % of the approved cost as per details given hereunder:

- a) It may be seen from the above table that out of a total price variation, a variation of ₹222.77 crore has been incurred from the time of approval of project till award of various contracts (DPR to LOA) based on prices received as per competitive bidding and a variation of ₹140.57 crore has been incurred/ likely to be incurred on the basis of PV based on indices as per provision of respective contracts.



- b) In regard to PV from DPR to LOA, it is submitted that the contracts for various packages under this project were awarded to the lowest evaluated and responsive bidder, on the basis of Competitive Bidding by POWERGRID, after publication of NITs in leading Newspapers. Thus, the award prices represent the lowest prices available at the time of bidding of various packages. Further, it may be submitted that a price variation of ₹140.57 crore has been incurred/ likely to be incurred under contract on the basis of provision of respective contracts.
- c) The reasons for the same are attributable to inflationary trends prevalent during execution of project from October, 2011 (first OBD under the project – sub-station at Aurangabad & Wardha) to March, 2015 (period of major supplies), as may be seen from the trend of variation in indices of various major raw materials as indicated below:

NAME OF INDICES	During DPR (2Q, 2011 PL)	Sep'11 (one month prior to first OBD)	March 2013	March 2014	March 2015	% Increase
Tower Steel	49037	49465	53539	53586	49918	0.92%
HG Zinc	118100	121100	132900	159200	155600	28.49%
EC Grade Al	148500	141000	146700	143883	151833	7.68%
CRGO	152362	167889	156590	194009	226050	34.64%
Copper	424351	429880	441489	422611	393972	-8.35%
WPI	153.1	156.2	170.1	178.9	176.1	12.74%
WPI for Ferrous metals	143.7	146.3	154.7	156.3	151.4	3.49%
WPI for Fuel & Power	161.6	168.3	191.6	212.6	187.3	11.29%
CPI	189	197	224	238	254	28.93%



Thus the price variation under the project is attributable to the inflationary trend (except Copper) prevailing during execution of project and also market forces prevailing at the time of bidding process of various packages.

31. Variation in Quantities of Approved Items (net increase of ₹51.76 crore: 2.43%): It may be mentioned that the line length, type of various towers and foundations in the DPR were estimated on the basis of walk-over/preliminary survey. However, on the basis of detailed survey during execution of project, there has been an increase in the cost under this head due to increase in angle towers resulting in increase in quantity of tower steel, concrete volume, reinforcement etc., as per actual site conditions. On account of above, there has been an increase in the cost of the project by ₹51.76 crore, which works out to 2.43 % of the approved cost.

32. Crop, tree and forest compensation (net increase of ₹56.22 crore: 2.64%): Based on approved cost, there was a provision of ₹71.48 crore under this head. However, based on actual expenditure incurred and balance anticipated expenditure an amount of ₹127.70 crore is likely to be incurred under the head, resulting in an increase of ₹56.22 crore in cost of project. The detail of increase in cost under the head is explained hereunder:

(₹ in Crore)

Description	As per DPR	As per RCE	Remarks



i) Compensation towards crop, tree & PTCC	9.21	79.38	The increase is mainly due to involvement of grape garden in Nasik District enroute 400 kV Aurangabad – Boisar line. An amount of ₹45 crore was paid as Compensation amount towards loss of grape trees as per estimation by Government Authorities. Also severe RoW problems were being encountered in the line at various locations. Farmers are demanding huge compensation. The provision under the head is based on actual/anticipated expenditure.
ii) Forest Compensation	62.27	48.32	There is a decrease under this head due to decrease in forest area involvement during actual execution of project vis-à-vis envisaged during DPR. Provision under the head is based on actual/anticipated expenditure under the project.
TOTAL	71.48	127.70	

33. Foreign Exchange rate variation (FERV) (Net increase of ₹ 55.76 crore: 2.62 %): The project involves foreign currency funding from ECBs in the form of foreign currency bonds and loan from International Finance Corporation (IFC, World Bank Group) and also payment in foreign currency under various contracts awarded in the project. Increase in liability on account of FERV due to above is ₹ 55.76 crore (2.62 %). The detail of exchange rates considered is as follows:

Foreign currency (in INR)		
	As per DPR(Q2/ 2011 PL)	Remarks
1 USD	45.11	Varied from 44.90 to 66.93
1 Euro	65.18	Varied from 63.87 to 86.31

34. Variation in IDC/IEDC (net decrease of ₹35.03 crore: (-)1.65 %): Total IDC and IEDC under the project have decreased by ₹35.03 crore in comparison to approved cost, which works out to (-) 1.65 % as per the following break-up:

a) As per the investment approval, the IEDC including contingencies for the



project as per approved cost was estimated at ₹ 141.82 crore on normative basis whereas in the RCE, on the basis of actual/ anticipated expenditure incurred, this works out to ₹54.54 crore. Further, interest amount received against initial advances to contractors is ₹33.71 crore. After setting off the interest amount, IEDC under the project works out to ₹20.82 crore resulting in a decrease of ₹ 120.99 crore.

- b) Interest during Construction (IDC) for the project as per approved DPR cost was estimated at ₹135.73 crore whereas based on the actual and anticipated funds flow, the IDC for the project in the RCE works out to ₹221.69 crore. Thus there is an increase of ₹85.97 crore in IDC.
- c) The main reasons for increase in IDC is increase in estimated cost of the project (excluding IDC) from ₹1991.78 crore to ₹2397.86 crore. Subsequently, RCE-II of the subject project was approved vide Memorandum dated 21.02.2018. The Revised Cost Estimate – II at April, 2017 price level works out to ₹2731.35 crore as per details below:-

(₹ in crore)				
	DPR Cost (2Q'11 PL) (A)	RCE-I Cost (Aug'15 PL) (B)	RCE-II Cost (Apr'17 PL) (C)	Variation (C) - (B)
Cost (excl. IEDC/IDC/FERV)	1849.97	2332.12	2394.02	61.89
IEDC incl. contingencies	141.82	20.82	15.46	(-) 5.36
IDC	135.73	221.69	268.97	47.28
CWIP ERV on foreign loan revaluation	0.00	44.92	52.90	7.98



Total	2127.51	2619.56	2731.35	111.79 (4.27 %)
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- d) The Revised Cost Estimate–II of the project has been prepared on the basis of expenditure already incurred and also taking into account balance payments of already awarded contracts.
- e) The comparison of RCE-II cost of ₹2731.35 crore is carried out against the approved RCE-I cost of ₹2619.56 crore. The details of the comparison are summarized here under:-

Sr. No.	Variation on account of:	Variation	
		(₹ in crore)	(%)
(i)	Price Variation (from RCE-I as per LoA)	2.72	0.10 %
(ii)	Variation in quantity of approved items	32.73	1.25 %
(iii)	Crop/Tree/Forest and Land Compensation	26.82	1.02 %
(iv)	FERV		
a	ERV due to contracts awarded in foreign currency	(-) 0.37	(-) 0.01 %
b	CWIP ERV due to foreign loan revaluation	7.98	0.30 %
	Sub- Total (FERV)	7.61	0.29 %
(v)	Other Reasons (IEDC and IDC)		
a	IEDC (incl. Contingencies)	(-) 5.36	(-) 0.20 %
b	IDC	47.28	1.80 %
	Sub- Total (IEDC & IDC)	41.92	1.60 %
	GRAND TOTAL	111.79	4.27 %

- f) It may be seen from the above table that there is a variation of ₹ 111.79 crore (4.27 %) from the approved RCE-I cost of ₹ 2619.56 crore. The major variation in cost is attributable to the following:

a. Price variation	0.10 %;
b. Variation in quantity of approved items	1.25 %;
c. Crop/Tree/Forest etc. Compensation	1.02 %;
d. FERV	0.29 %;
e. Increase in IDC & IEDC	1.60 %.



g) Price Variation (PV) (Net increase of ₹ 2.72 crore: 0.10 %)

There has been an increase in the cost of the project by ₹ 2.72 crore on this account, which works out to 0.10 % of the approved RCE-I cost based on indices as per provision of respective contracts from RCE-I.

h) Variation in quantity of approved items (Net increase of ₹32.73 Crore: 1.25 %)

In RCE-I, the numbers and type of various towers and foundations were considered on the basis of a detailed survey and actual site requirement during execution of the project. However, during execution, there has been change in the tower steel quantity in 400 kV D/C Aurangabad - Boisar line due to inclusion of 41 nos. multi-circuit towers pertaining to common multi-circuit portion of 400 kV D/C Navsari - Boisar and 400 kV D/C Aurangabad-Boisar lines, resulting an increase in the project cost by ₹32.73 Crore which is 1.25 % of the approved RCE-I cost. The major variation is summarized hereunder –

- Tower Steel (Supply and erection) : ₹ 25.25 Crore and
- Concreting & Reinforcement : ₹ 6.45 Crore.

i) Crop/Tree/Forest and Land Compensation (Net increase of ₹26.82 Crore:

1.02 %): There was a provision of ₹127.70 crore under this head in the RCE-I. However, based on actual expenditure incurred and balance anticipated expenditure an amount of ₹154.52 Crore is likely to be incurred under the head, resulting in an increase of ₹ 26.82 Crore in the cost of the project. The detail of increase in cost under the head is explained hereunder:



(In ₹ crore)

Description	As per RCE-I	As per RCE-II	Remarks
i) Compensation towards Crop, Tree and Railway etc.	79.38	105.67	Based on actual/ anticipated payment. There has been increase in compensation due to a) demand of higher compensation by farmers, b) Payment towards damage to grape trees enroute the Aurangabad – Boisar line as per yield for life time of grape trees in line with recommendations of the Committee constituted by State Administration.
ii) Compensation towards Forest	48.32	47.99	Based on actual/ anticipated payment.
iii) Compensation towards land cost of tower footing as per Maharashtra Govt. resolution dtd. 1 st Nov. 2010	0.00	0.85	Tentative estimate as per provision of Govt. Resolution.
TOTAL	127.70	154.52	

j) Foreign Exchange Rate Variation (Net increase of ₹7.61 Crore: 0.29 %): The project involves payments in foreign currency towards the contracts awarded in foreign currency under the project. Subsequent to RCE-I, based on payments made under these contracts, there is likely to be a decrease of ₹0.37 crore on account of FERV. Furthermore, the project also involves funding from external commercial borrowings in foreign currency. There is an increase of ₹7.98 Crore in liability on account of CWIP ERV due to foreign loan revaluation. Net increase in liability on account of FERV due to above is ₹7.61 Crore, 0.29 % of approved RCE-I cost.

k) Variation in IDC/IEDC (Net increase of ₹ 41.92 crore: 1.60 %): Total IDC and IEDC under the project has increased by ₹ 41.92 crore in comparison to approved RCE-I cost, which works out to 1.60 % as per the following break-

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- l) Decrease in IEDC: As per RCE-I, IEDC including contingencies for the project was estimated at ₹ 20.82 crore as per actual incurred expenditure incurred and balance to be incurred. However, the same now works out to ₹15.46 Crore in RCE-II resulting in a decrease of ₹5.36 crore.
- m) Increase in IDC: Interest during Construction (IDC) for the project as per RCE-I was estimated at ₹221.69 crore whereas based on the actual and anticipated funds flow, the IDC for the project in the RCE-II works out to ₹268.97 crore. Thus there is an increase of ₹47.28 crore in IDC.
- n) As explained above, both RCE-I and RCE-II of the subject project has been approved by Board of Directors of POWERGRID after prudence check. Therefore, Hon'ble Commission is requested to consider RCE-II and allow the entire cost and tariff as claimed under subject petition.
- o) Further, PERT & CPM analysis is being submitted with affidavit dated 26.7.2018. Commission is requested to consider the same.

Analysis/Decision

35. We have considered the submissions made by petitioner and respondents. Against the RCE-2 approved apportioned cost of ₹105245.84 lakh for the instant assets (Asset 1 and 2), the cost as on COD is ₹99802.19 lakh and total completion cost including additional capital expenditure of the instant assets is ₹104418.57 lakh. Hence, there is no cost overrun. However, there is a variation in certain head for which petitioner has submitted the detailed justification as discussed above which is mainly due to price variation, Variation in quantities of approved items, Crop and



Forest compensation, Foreign exchange rate variation which were beyond the control of the petitioner and the total cost is lower than the approved cost. Therefore, in view of the above, the cost over-run is allowed.

Treatment of IDC

36. The petitioner has claimed IDC of ₹17552.69 lakh for Asset-1 and ₹314.59 lakh for Asset-2 and has submitted the Auditor's Certificates dated 3.2.2017 and 12.3.2018 in support of the same. We have asked the clarification for difference in IDC amount of ₹17552.69 lakh shown in Auditor's Certificate and the IDC amount of ₹6843.79 lakh shown in IDC statement for Asset-I. Petitioner has submitted another additional IDC statement for IDC amounting to ₹10708.90 lakh, as per which the calculation is submitted for ₹8718.93 lakh only. Based on the information submitted by the petitioner (i.e. loan amount, rate of interest, date of drawl in IDC statement) the allowable IDC has been worked out as summarized below:-

(₹ in lakh)

	IDC Claimed as per the Auditor's Certificate (Accrual basis)	Accrued IDC as on COD as worked out	IDC disallowed as on COD due to computation difference	Undischarged portion of Entitled IDC as on COD*	IDC Allowed on cash basis as on COD	Discharge of IDC	
Asset	A	B	C	D	F=A-C-D	2016-17	2017-18
1	17552.69	15683.50	1869.19	2017.14	13666.35	676.26	1340.88
2	314.59	314.59	0.00	129.22	185.37	0.00	129.22

*The Un-discharge portion of IDC has been considered as ACE during the year of discharge.

Treatment of initial spares

37. The initial spares claimed by the petitioner vide auditor certificate dated 12.3.2018 for asset-1 (affidavit dated 23.5.2018) and auditor certificate dated



3.3.2017 for asset-2(vide affidavit dated 6.3.2017) is as under:

(₹ in lakh)

Asset	Particulars	TL	Sub-station
1	Total Cost	74521.19	855.04
	Initial spares included	354.00(0.47%)	0.00(000%)
2	Total cost	6003.53	0.00
	Initial spares included	60.04(1.00%)	0.00(0.00%)

38. Petitioner vide affidavit dated 6.3.2017 has submitted the year-wise initial spares discharged during various period for asset-2 and same is as under:

(₹ in lakh)

Asset	Discharge of initial spares	TL
Asset-2	As per auditor certificate dated 3.2.2017	60.04
	Upto COD and included in aud. Certificate upto COD	0.00
	Balance to be discharged (add-cap: 2017-18)	60.04

39. Petitioner vide affidavit dated 23.5.2018 has submitted the year-wise initial spares discharged during various period for asset-1 and same is as under:

(₹ in lakh)

Asset	Discharge of initial spares	TL
Asset-1	As per auditor certificate dated 12.3.2018	354
	Upto COD	318.60
	Year 2019-20	35.40

Analysis/Decision

40. We have considered the submission submitted by the petitioner. The initial spares are allowed as provided under Regulation 13 of the 2014 Tariff Regulations.

The details of initial spares claimed and allowed are as follows:

(₹ in lakh)

Asset	Particulars	Total Cost(P&M cost excluding IDC,IEDC,Lan	Initial spares claimed upto	Ceiling limit (%) as per Regulation 13 of the	Initial spares work out	Total Excess initial Spares	Initial Spares Allowed



		d cost and cost of civil works upto cutoff date	cutoff date	2014 Tariff Regulation			
Asset-1 (cutoff date:31.3.2019)	T/L	78297.77	318.60*	1.00%	787.66	0.00	318.60
Asset-2 (cutoff date: 31.3.2018)	T/L	6003.53	60.04	1.00%	60.04	0.00	60.04

*Initial spares discharged amounting to ₹ 35.40 lakh during FY 2019-20 has not been considered as it falls beyond the cut-off date 31.3.2019 and same will be considered at the time of prevailing Tariff Regulations.

Capital Cost as on COD

41. The details of the capital cost considered as on COD after making the necessary adjustments in capital expenditure in respect of IDC and IEDC is as follows:-

(₹ in lakh)

Asset	Capital cost as on COD claimed by the petitioner	IDC Disallowed	Un- discharged IDC as on COD.	Capital cost as on COD considered for tariff calculation
ASSET-I	94090.05	1869.19	2017.14	90203.71
ASSET-II	5712.14	0.00	129.22	5582.92

Projected additional capital expenditure

42. The petitioner has submitted that the additional capitalization incurred for Asset-1 & 2 is mainly account of Balance/Retention payments covered under Regulation 14(1) of the CERC tariff Regulations, 2014 and petitioner has also submitted that the details of break-up are submitted in Form-7 in main petition.

43. Respondent no.1, MPPMCL dated 22.9.2017 has submitted that petitioner has claimed the add-cap for asset-1& 2 without proper details and justification and same may be allowed in true-up when it comes actual. In response, petitioner filed



its rejoinder dated 26.7.2018 and submitted that add-cap has been claimed under Regulation 14(1)(i) of CERC, Tariff Regulations, 2014 on account of Balance and Retention payments and detailed break-up of add-cap amount as a part of total cost has already been specified in Form-5 and further it may be noted that these amounts are pertaining to retention amounts of sub-station civil works like control room building works, foundation works, roads, drains etc., and erection works which are to be paid only after commissioning of the asset as per the contractual agreement.

44. Petitioner vide affidavit dated 4.9.2018 has submitted the statement of additional capitalization after COD and same is as under:

(₹ in lakh)

S.no	Year	Work/Equipment proposed to be added after COD upto cutoff date/beyond cutoff date	Amount Capitalised/proposed to be capitalised	Justification	Regulation under which covered
1	2017-18	Building	1.98	Balance & Retention payment and unexecuted work	14(1)(i) and 14(1)(ii)
2	2017-18	Transmission line	3617.88		
3	2017-18	Sub-station	32.81		
4	2017-18	PLCC	0.67		
	Total		3653.34		
1	2017-18	Accrual IDC	676.26	balance and retention	14(1)(i)
2	2017-18	balance and retention payment	101.95	balance and retention	14(1)(i)
3	2017-18	Add cap to the extent of unexecuted work	2875.13	unexecuted work	14(1)(ii)
	Total		3653.34		
1	2018-19	Land	0.00	Balance & Retention payment including Accrual IDC	14(1)(i) and 14(1)(ii)
2	2018-19	Building	4.52		
3	2018-19	Transmission line	2335.76		
4	2018-19	Sub-station	17.15		
5	2018-19	PLCC	1.53		



	Total		2358.96		
1	2018-19	Accrual IDC	1544.66	balance and retention	14(1)(i)
2	2018-19	balance and retention payment	0.00	balance and retention	14(1)(i)
3	2018-19	Add cap to the extent of unexecuted work	814.30	unexecuted work	14(1)(ii)
	Total		2358.96		

Analysis/Decision

45. We have considered the submission submitted by the petitioner and respondents. The commercial operation date (COD) for asset-1 & 2 has been considered as 29.12.2017 & 31.12.2016 respectively. Accordingly, the cut-off date for asset-1 & 2 comes to 31.3.2020 and 31.3.2019 respectively. Petitioner has claimed additional capital expenditure of ₹ 2977.08 lakh for FY 2017-18, ₹ 814.30 lakh for FY 2018-19, ₹ 125.75 lakh for FY 2019-20 in case of asset-1 and for asset-2, petitioner has claimed ₹ 445.25 lakh for FY 2016-17, ₹ 162.09 lakh for FY 2017-18, ₹ 91.90 lakh for FY 2018-19 on account of balance & retention payment and unexecuted work covered under Regulation 14(1)(i) & 14(1)(ii) of the CERC ,Tariff Regulations, 2014. The additional capital expenditure has been allowed upto cutoff date i.e. upto 31.3.2019 in case of asset-1 and upto 31.3.2018 in case of asset-2. Further, as the tariff regulations under which the tariff for the instant petition is being determined is applicable for 2014-19 tariff periods, the additional capital expenditure claimed by the petitioner for 2019-20 has not been allowed. The same shall be dealt with as per the applicable regulations. The add-cap allowed is as follows:

(₹ in lakh)



Asset	COD	Cutoff date	Additional Capital expenditure allowed for 2016-17	Additional Capital expenditure allowed for 2017-18	Additional Capital expenditure allowed for 2018-19	Total capital expenditure allowed
1	29.12.2017	31.3.2020	0.00	2977.08	814.30	3791.38
2	31.12.2016	31.3.2019	445.25	162.09	91.90	699.24
Total			445.25	3139.17	906.21	4490.62

Capital cost as on 31.3.2019

46. Detail of the capital cost considered as on 31.3.2019 after considering IDC on cash basis is as follows:-

(₹ in lakh)

Asset	Cost on COD	Additional capital expenditure with IDC discharged during 2017-18			Total estimated cost as on 31.3.2019
		2016-17	2017-18	2018-19	
Asset-I	90203.71	0.00	3653.34	2155.18	96012.24
Asset-II	5582.92	445.25	291.31	91.90	6411.38

Debt- equity ratio

47. Debt-equity ratio is allowed for the instant assets in terms of Regulation 19 of the 2014 Tariff Regulations.

48. Details of debt-equity in respect of the assets as on the date of commercial operation and as on 31.3.2019 are as follows:-

(₹ in lakh)

Particulars	%	Asset-1		Asset-2	
		As on COD	As on 31.3.2019	As on COD	As on 31.3.2019
Debt	70.00	63142.60	67208.57	3908.04	4487.97
Equity	30.00	27061.11	28803.67	1674.88	1923.41
Total	100.00	90203.71	96012.24	5582.92	6411.38

Additional capital expenditure has been considered in the debt-equity ratio of 70:30.



Return on equity

49. Return on equity is allowed for the instant assets in terms of Regulation 24 and 25 of the 2014 Tariff Regulations.

50. The petitioner has further submitted that adjustment due to any additional tax demand including interest duly adjusted for any refund of the tax including interest received from IT authorities shall be recoverable/ adjustable after completion of income tax assessment of the financial year.

51. We have computed ROE at the rate of 19.610% for tariff period 2014-19 after grossing up the ROE with MAT rate as per the above Regulation. Regulation 24 read with Regulation 25 of the 2014 Tariff Regulations provides for grossing up of return on equity with the effective tax rate for the purpose of return on equity. It further provides that in case the generating company or transmission licensee is paying Minimum Alternative Tax (MAT), the MAT rate including surcharge and cess will be considered for the grossing up of return on equity. The petitioner has submitted that MAT rate is applicable to the petitioner's company. Accordingly, the MAT rate applicable during 2013-14 has been considered for the purpose of return on equity, which shall be trued up with actual tax rate in accordance with Regulation 25 (3) of the 2014 Tariff Regulations. Accordingly, the ROE allowed is given below:-

(₹ in lakh)

Particulars	Asset-I		Asset-II		
	2017-18	2018-19	2016-17	2017-18	2018-19
Opening Equity	27061.11	28157.12	1674.88	1808.45	1895.84
Addition due to Additional Capitalization	1096.00	646.56	133.58	87.39	27.57
Closing Equity	28157.12	28803.67	1808.45	1895.84	1923.41
Average Equity	27609.11	28480.39	1741.66	1852.15	1909.63



Return on Equity (Base Rate)	15.500%	15.500%	15.500%	15.500%	15.500%
Tax rate (MAT for 2013-14)	20.961%	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre Tax)	19.610%	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre Tax)	1379.50	5585.01	85.15	363.21	374.48

Interest on loan

52. Interest on Loan is allowed for the instant assets in terms of Regulation 26 of the 2014 Tariff Regulations.

53. In keeping with the provisions of Regulation 26 of the 2014 Tariff Regulations, the petitioner entitlement to interest on loan has been calculated on the following basis:-

- (i) Gross amount of loan, repayment of installments and rate of interest and weighted average rate of interest on actual average loan have been considered as per Form 9C given in the affidavit dated 21.7.2017;
- (ii) The normative repayment for the tariff period 2014-19 shall deemed to be equal to the depreciation allowed for that period;
- (iii) Weighted average rate of interest on actual average loan worked out as per (i) above is applied on the notional average loan during the year to arrive at the interest on loan.

54. Based on the above, interest on loan has been calculated as follows:-

(₹ in lakh)					
Particulars	Asset-I		Asset-II		
	2017-18	2018-19	2016-17	2017-18	2018-19



Gross Normative Loan	63142.60	65699.94	3908.04	4219.72	4423.64
Cumulative Repayment up to Prev. year	0.00	1237.01	0.00	76.42	402.40
Net Loan-Opening	63142.60	64462.92	3908.04	4143.30	4021.23
Addition due to Additional Capitalization	2557.34	1508.63	311.68	203.92	64.33
Repayment during the year	1237.01	5008.15	76.42	325.98	336.09
Net Loan-Closing	64462.92	60963.40	4143.30	4021.23	3749.47
Average Loan	63802.76	62713.16	4025.67	4082.27	3885.35
WARI on Loan	7.5654%	7.4881%	8.2523%	8.2434%	8.2347%
Interest	1229.87	4696.00	82.83	336.52	319.95

Depreciation

55. Depreciation is allowed for the instant assets in terms of Regulation 27 of the 2014 Tariff Regulations.

56. Depreciation has been calculated annually based on Straight Line Method at the rates specified in Appendix-III to the 2014 Tariff Regulations.

57. Based on the above, the depreciation has been considered are as follows:-

Particulars	Asset-I		Asset-II		
	2017-18	2018-19	2016-17	2017-18	2018-19
Opening Gross Block	90203.71	93857.05	5582.92	6028.17	6319.48
Projected Addition	3653.34	2155.18	445.25	291.31	91.90
Closing Gross Block	93857.05	96012.24	6028.17	6319.48	6411.38
Average Gross Block	92030.38	94934.64	5805.55	6173.83	6365.43
Rate of Depreciation	5.28%	5.28%	5.28%	5.28%	5.28%
Depreciable Value	82827.34	85441.18	5224.99	5556.44	5728.89

(₹ in lakh)



Remaining Depreciable Value	82827.34	84204.17	5224.99	5480.02	5326.49
Depreciation	1237.01	5008.15	76.42	325.98	336.09

Operation & Maintenance Expenses (O&M Expenses)

58. The O&M Expenses claimed by the petitioner are as under:

(₹ in lakh)				
Asset	Particulars	2016-17	2017-18	2018-19
Asset-1*	O&M Expenses	0.00	102.68	411.15
Asset-2	(Form-2)	2.42	9.90	10.23

*As per affidavit dated 23.5.2018 based on actual COD dated 29.12.2017.

59. Respondent no.1, MPPCL vide affidavit dated 22.9.2017 has submitted that petitioner has to bear the financial implications by its own and respondents are not liable to bear the burden. In response, petitioner filed its rejoinder dated 26.7.2018 and submitted that the wage revision of the employees of the petitioner company is due during 2014-19 and actual impact of wage hike which will be effective from a future date has also not been factored in fixation of the normative O&M rates prescribed for the tariff block 2014-19. The scheme of wage revision applicable to CPSUs being binding on the petitioner, the petitioner reserves the right to approach the Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike during 2014-19 onwards. Accordingly, prayer has been made by petitioner for approaching Commission for suitable revision in the norms for O&M expenditure for claiming the impact of wage hike, if any, during period 2014-19. Hence the same may please be considered.

Analysis/Decision

60. We have considered the submission submitted by petitioner and MPPMCL. The O&M Expenses have been worked out as per the norms specified in the 2014



Tariff Regulations. As regards the impact of wage revision, any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations. Accordingly, the O&M Expenses allowed are as under:

(₹ in lakh)

Asset	Particulars	2016-17	2017-18	2018-19
Asset-1	O&M	-	102.68	411.15
Asset-2	Expenses	2.42	9.90	10.23

Interest on working capital

61. Interest on working capital is allowed for the instant assets in terms of Regulation 28 of the 2014 Tariff Regulations.

62. The petitioner is entitled to claim interest on working capital as per the 2014 Tariff Regulations. The components of the working capital and the petitioner's entitlement to interest thereon are discussed hereunder:-

(i) Receivables

Receivables as a component of working capital will be equivalent to two months fixed cost. The petitioner has claimed the receivables on the basis of 2 months' annual transmission charges. In the tariff being allowed, receivables have been worked out on the basis of 2 months' transmission charges.

(ii) Maintenance spares

Regulation 28 of the 2014 Tariff Regulations provides for maintenance spares @ 15% per annum of the O&M expenses. The value of maintenance spares has accordingly been worked out.



(iii) O & M expenses

Operation and maintenance expenses have been considered for one month as a component of working capital. The petitioner has claimed O&M expenses for 1 month of the respective year as claimed in the petition. This has been considered in the working capital.

(iv) Rate of interest on working capital

The rate of interest on working capital considered is 12.80% (SBI Base Rate of 9.30% as on 1.4.2016 plus 350 basis points).

63. The interest on working capital as determined is shown in the table given below:-

Particulars	Asset-I		Asset-II		
	2017-18	2018-19	2016-17	2017-18	2018-19
Maintenance Spares	60.45	61.67	1.46	1.49	1.53
O & M expenses	33.58	34.26	0.81	0.83	0.85
Receivables	2641.52	2675.85	168.64	176.41	177.29
Total	2735.56	2771.78	170.91	178.72	179.68
Interest	89.22	354.79	5.45	22.88	23.00

Transmission charges

64. The transmission charges being allowed for the assets are as follows:-

Particulars	Asset-I		Asset-II		
	2017-18	2018-19	2016-17	2017-18	2018-19
Depreciation	1237.01	5008.15	76.42	325.98	336.09
Interest on Loan	1229.87	4696.00	82.83	336.52	319.95
Return on Equity	1379.50	5585.01	85.15	363.21	374.48
Interest on Working Capital	89.22	354.79	5.45	22.88	23.00
O & M Expenses	102.68	411.15	2.42	9.90	10.23
Total	4038.27	16055.09	252.27	1058.48	1063.75



Filing fee and the publication expenses

65. The petitioner has sought reimbursement of fee paid by it for filing the petition and publication expenses, in terms of Regulation 52 of the 2014 Tariff Regulations. The petitioner shall be entitled for reimbursement of the filing fees and publication expenses in connection with the present petition, directly from the beneficiaries on pro-rata basis in accordance with clause (1) of Regulation 52 of the 2014 Tariff Regulations.

License fee and RLDC Fees and Charges

66. The petitioner has requested to allow the petitioner to bill and recover License fee and RLDC fees and charges, separately from the respondents. We are of the view that the petitioner shall be entitled for reimbursement of licence fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a), respectively, of Regulation 52 of the 2014 Tariff Regulations.

Service Tax

67. The petitioner has sought to recover Service Tax on transmission charges separately from the respondents, if at any time service tax on transmission is withdrawn from negative list in future. We have considered the submission of the petitioner. Service tax is not levied on transmission. Further, service tax is subsumed by GST and hence petitioner's prayer is infructuous.

Goods and Services Tax

68. The petitioner has prayed for reimbursement of tax, if any, on account of proposed implementation of GST. GST is not levied on transmission service at



present and we are of the view that petitioner's prayer is premature.

Deferred tax liability

69. The petitioner has sought recovery of deferred tax liability before 1.4.2009 from the beneficiaries or long term consumers/ DICs as and when the same gets materialized. However, since, the COD of the asset is in 2014, the claim of the petitioner is not admissible.

Sharing of Transmission Charges

70. The billing, collection and disbursement of the transmission charges approved 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.

71. This order disposes of Petition No. 192/TT/2017.

Sd/-

(Dr. M. K. Iyer)
Member

Sd/-

(A.K. Singhal)
Member

Sd/-

(P.K.Pujari)
Chairperson

