

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 53/TT/2018

Coram:

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

Date of Order : 03.05.2018

In the matter of:

Approval of transmission tariff from COD to 31.3.2019 for **Asset-I:** 06 Nos. of link under central sector (562.873) **Asset-II:** 07 Nos. of OPGW links (664.53 km) and **Asset-III:** 07 Nos. links under Central Sector (1076.57 km) under the project Fibre Optic Communication System in ER under Expansion of wide-band communication network in Eastern 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. National Thermal Power Corporation Ltd.
NTPC Bhawan
Core-7, Scope Complex
7, Institutional Area, Lodhi Road
New Delhi – 110003.
2. National Hydro Power Corporation (NHPC) Ltd.
NHPC Office Complex
Lodhi Road, New Delhi



3. Damodar Valley Corporation,
Mejia Thermal Power Station,
DVC, P.O.
MTPS, Dist Bankura – 722183
4. West Bengal State Electricity Distribution Co.Ltd.
Bidyut Bhawan, 8th floor (A Block)
Block DJ, Salt Lake City
Calcutta - 700 091
5. Bihar State Electricity Board
Vidyut Bhawan, Bailey Road
Patna-800 001
6. Grid Corporation of Orissa Ltd.
Vidyut Bhawan, Janpath,
Bhubaneshwar-751 007
7. Power Department
Govt. of Sikkim, Gangtok-727 102
8. Jharkhand State Electricity Board
Engineering Building
HEC Township
Dhurwa, Ranchi – 834004
9. Damodar Valley Corporation
DVC Tower, VIP Road,
Calcutta - 700 054
10. Powerlinks Transmission Ltd.,
Vidyut Nagar,
P.O. Satellite Township,
Siliguri – 734 015

.....Respondents

For petitioner : Shri Vivek Kumar Singh, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri V. P. Rastogi, PGCIL
Shri Amit Yadav, PGCIL
Shri Rakesh Prasad, PGCIL



For respondents : None

ORDER

The petitioner, 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-I**: 06 Nos of link under central sector (562.873) **Asset-II**: 07 Nos of OPGW links (664.53 Km) and **Asset-III**: 07 Nos links under Central Sector (1076.57 km) under central sector under the project Fibre Optic communication system in ER under Expansion of wide-band communication network in Eastern 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. The instant assets were scheduled to be put into commercial operation on 27.9.2014, as per the Investment Approval dated 27.3.2012. However, Assets-I, and II were put into commercial operation on 31.3.2016 and 1.3.2017 respectively. Asset-III has not been put into commercial operation. Thus, there is a time over-run of 18 months and 29 months in case of Assets-I and II and an anticipated time over-run of more than 43 months in case of Asset-III.



3. The petitioner has claimed the tariff based on estimated expenditure incurred up to COD and additional capitalization incurred from COD to 31.3.2019 in respect of the instant assets. The capital cost claimed by the petitioner is as follows:-

Assets	Approved apportioned cost	Expenditure incurred upto COD	Additional Capital Expenditure			Total estimated cost
			2016-17	2017-18	2018-19	
Asset-I	1471.00	861.71	471.24	265.08	-	1598.03
Asset-II	1947.71	1562.27	-	329.16	300.00	2191.43
Asset-III	2808.48	2677.44	-	131.99	200.50	3009.93

Thus, there is time over-run in case of all the three instant assets.

4. During the hearing on 24.4.2018, 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. 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. After carrying out preliminary prudence check of the AFC claimed by the petitioner, and taking into consideration the time and cost over-run, which will be looked into at the time 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 per the details given below.

8. The details of the tariff claimed by the petitioner and tariff awarded are as under:-

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

Asset	(₹ in lakh)			
	2015-16 (pro-rata)	2016-17	2017-18	2018-19
I	0.66	292.47	358.43	376.84
II	-	33.35 (pro-rata)	434.25	491.01
III	-	-	182.90 (pro-rata)	729.03

B. Annual transmission charges allowed are given below:-



(₹ in lakh)				
Asset	2015-16 (pro-rata)	2016-17	2017-18	2018-19
I	0.49	215.38	263.95	277.51
II	-	23.71 (pro-rata)	308.76	349.12
III	-	-	136.53 (pro-rata)	544.19

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 petitioner is directed to submit the following information on affidavit with an advance copy to the beneficiaries by 21.5.2018:-

- (i) Actual COD of Asset-III and revised tariff forms as per actual COD of the assets.
- (ii) RLDC Certificate for Pandiabilli-Mendhasal link and RLDC charging Certificate of Asset-III.
- (iii) CMD Certificate as required under Grid Code.
- (iv) Details of km wise OPGW laid for each transmission line under Asset-I and Asset-II.
- (v) Details of lines where optical fiber are laid under Asset-I and Asset-III.



- (vi) Details of time over-run and chronology of activities alongwith documentary evidence as per format given below:-

Asset	Activity	Period of activity				Reason(s) for delay
		Planned		Achieved		
		From	To	From	To	

- (vii) How are these assets being used? Whether communication signal has been established.
- (viii) The petitioner has calculated O&M expenses @ 7.5% of capital cost. The Commission vide order dated 27.1.2017 in Petition No. 53/TT/2017 allowed O&M expenses on actual basis for 2014-15 and 2015-16 and for the subsequent years escalated @ 3.32% per year. Explain reasons for claiming @ 7.5% capital cost instead of actual.
- (ix) Colored SLD clearly indicating optical fiber links.
- (x) The status of scope of work as per Investment Approval including NMS as identified in Investment Approval.

11. The respondents are directed to file their reply by 4.6.2018 with an advance copy to the petitioner who shall file its rejoinder, if any by 14.6.2018. The parties shall comply with the above directions within the due date mentioned and no extension of time shall be granted.



12. The petition shall be listed on 19.7.2018 for final hearing.

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

sd/-
(A. S. Bakshi)
Member

sd/-
(A. K. Singhal)
Member

sd/-
(P. K. Pujari)
Chairperson

