

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. : 5/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 : 28.03.2018**

**In the matter of:**

Approval of transmission tariff for 14 numbers OPGW links (1513.362 km), 27 numbers OPGW links (1892.58 km), 21 numbers OPGW links (2217.94 km) under Central Sector, 10 numbers OPGW links (258.37 km) under State Sector (MPPTCL) and 9 numbers OPGW links (1326.19 km) under Central Sector under "Establishment of fiber optic Communication System under Master Communication Plan in Western Region" from COD to 31.3.2019 for tariff block 2014-19.

**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 Limited  
Shakti Bhawan, Rampur, Jabalpur-482 008
3. Maharashtra State Electricity Distribution Company Limited,  
HongKong Bank Building, 3<sup>rd</sup> Floor, MG Road, Mumbai- 400001
4. Gujarat Urja Vikas Nigam Ltd.,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara-390 007.



5. Electricity Department, Government of Goa,  
Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403 001.
6. Electricity Department,  
Administration of Daman and Diu,  
Daman-396210.
7. Electricity Department,  
Administration of Dadra Nagar Haveli,  
U.T. Silvassa-396 230.
8. Chhattisgarh State Electricity Board,  
P.O. Sunder Nagar, Dangania,  
Raipur Chhattisgarh-492 013
9. Madhya Pradesh 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

**For respondent** : Shri Ravin Dubey, Advocate, CSPTCL

### **ORDER**

Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for OPGW links under “Establishment of Fiber Optic Communication System under Master Communication Plan 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. The details of the elements covered in the petition are as follows:-

Asset	Name of the Asset	Scheduled COD	Actual/Anticipated COD	Time over-run
Asset-I	14 numbers OPGW links (1513.362 km) under Central Sector	9.8.2014	22.9.2015 (actual)	13 months 14 days
Asset-II	27 numbers OPGW links (1892.58 km) under Central Sector		21.10.2016 (actual)	26 months 13 days
Asset-III	21 numbers OPGW links (2217.94 km) under Central Sector		31.3.2018 (anticipated)	37 months 23 days
Asset-IV	10 numbers OPGW links (258.37 km) under State Sector		31.3.2018 (anticipated)	37 months 23 days
Asset-V	9 numbers OPGW links (1326.19 km) under Central Sector		31.3.2018 (anticipated)	38 months 24 days

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

(₹ in lakh)

Assets	Apportioned approved cost as per FR	Expenditure incurred upto anticipated COD	Additional Capital Expenditure			Total estimated cost
			2015-16/ 2016-17	2017-18	2018-19/ 2019-20	
Asset I	4280.29	1884.49	34.17	265.22	467.43	2651.31
Asset II	6066.52	3715.34	358.54	621.90	264.59	4960.37
Asset III	6420.43	3026.99	-	355.91	543.64/117.71	4044.25
Asset IV	788.42	494.71	-	32.74	42.32/19.64	589.41
Asset V	4251	2717.78	-	417.66	655.46	3790.90
<b>Total</b>	<b>21806.66</b>	<b>11839.31</b>	<b>392.71</b>	<b>1693.43</b>	<b>2110.79</b>	<b>16036.24</b>



The estimated completion cost of each asset is within the FR approved apportioned cost. Thus, there is no cost over-run in respect of the instant assets.

4. The matter was heard on 7.3.2018. 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. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run, which will be looked into at the time of



final hearing, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para-8 of this order for Assets I, II, III and V. AFC is not allowed for Asset IV, since it is State Sector asset and will be bilaterally billed to State out of billing and settlement procedure of PoC.

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

A. Annual transmission charges claimed on the basis of anticipated COD are as below:-

(₹ in lakh)				
Asset	2015-16	2016-17	2017-18	2018-19
Asset I	263.26	526.06	586.97	621.73
Asset II	-	451.27	1096.90	1166.32
Asset III (30.6.2017)	-	-	619.71	897.81
Asset IV	-	-	47.62	99.69
Asset V (1.7.2017)	-	-	562.71	841.14

B. Annual transmission charges allowed on pro-rata basis based on the revised anticipated COD are as below:-

(₹ in lakh)				
Asset	2015-16	2016-17	2017-18	2018-19
Asset I	210.61	420.85	469.58	497.38
Asset II	-	361.02	877.52	933.06
Asset III	-	-	1.80	718.25
Asset V	-	-	1.64	672.91

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 by 25.4.2018 with an advance copy to the beneficiaries:-

- (a) Auditor certificate and revised tariff forms along with Form-V based on actual COD of the Assets- III, IV and V;
- (b) CMD certificate as required under Grid Code for the Assets covered in the instant petition clearly stating the date of COD;
- (c) COD letter and RLDC charging certificate for Assets-III, IV and V based on actual COD;
- (d) CEA certificate under Regulation 43 of CEA (Measures Related to Safety and Electricity supply) Regulations, 2010 for the Assets covered in the instant petition;
- (e) SLD of all assets under the scheme, clearly identifying the existing and new lines covered in the instant petition;
- (f) The details of reason for the assets covered in the instant petition( individually for all Assets from I to V) for time over-run and chronology of the time over-run along with documentary evidence in the following format:

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



(g) The reasons for claiming different O&M Expenses for fiber optic communication system in WR in different petitions, like 7.5% of the capital cost, on the basis of actuals and the basis of 3.32% escalation.

(h) Revised Form 4A by mentioning the flow of capital liability reconciled with Form 7 for Assets I and II

(i) Year-wise capitalisation and discharge details of initial spare for Assets-I and II.

11. The respondents are directed to file their reply by 11.5.2018 with an advance copy to the petitioner who shall file its rejoinder, if any by 18.5.2018. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

12. The petition shall be listed for final hearing on 24.5.2018.

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

sd/-  
**(A.S. Bakshi)**  
**Member**

sd/-  
**(A.K. Singhal)**  
**Member**

sd/-  
**(P.K. Pujari)**  
**Chairperson**

