

**CENTRAL ELECTRICITY REGULATORY COMMISSION**

**NEW DELHI**

**Petition No.137/TT/2018**

**Coram :**

**Shri P.K. Pujari, Chairperson**

**Dr. M. K. Iyer, Member**

**Shri I.S. Jha, Member**

**Date of Order: 28<sup>th</sup> of November, 2019**

**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 anticipated COD to 31.03.2019 for **Asset-I:** 1X160 MVA ICT-I along with associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II along with associated bays at Daltonganj Sub-station and 2X132 kV line bays at Daltonganj Sub-station **Asset-II:** 02 Nos of 132 kV line bays at Daltonganj Sub-station under ERSS XVII Part-A in Eastern Region.

**And in the matter of:**

Power Grid Corporation of India Limited  
"Saudamini", Plot No.2,  
Sector-29, Gurgaon -122 001

**.....Petitioner**

**Versus**

1. Bihar State Power (Holding) Company Ltd.  
Vidyut Bhavan, Bailey Road,  
Patna – 800 001
2. West Bengal State Electricity Distribution Company Limited  
Bidyut Bhawan, Bidhan Nagar Block DJ, Sector-II,  
Salt Lakecity Kolkatta - 700 091
3. Grid Corporation of Orissa Ltd.



Shahid Nagar, Bhubaneswar - 751 007

4. Jharkhand State Electricity Board  
In front of Main Secretariat, Doranda,  
Ranchi - 834002
5. Damodar Valley Corporation  
DVC Tower, Maniktala Civic Centre,  
VIP Road, Kolkatta - 700 054
6. Power Department,  
Government of Sikkim, Gangtok - 737 101
7. Jharkhand Urja Sancharan Nigam Limited (JUSNL)  
Engineering Building, H.E.C., Dhurwa,  
Ranchi-834004 (Jharkhand)

**...Respondents**

**Parties present:**

**For Petitioner:** Shri S. K.Niranjan, PGCIL  
Shri S. K. Venkatesan, PGCIL  
Shri S. S.Raju, PGCIL  
Shri Amit Yadav, PGCIL

**For Respondent:** None

**ORDER**

The present petition has been filed by Power Grid Corporation of India Ltd. ("the Petitioner") for determination of tariff for Asset-I: 1X160 MVA ICT-I alongwith associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II alongwith associated bays at Daltonganj Sub-station and 2X132kV Line bays at Daltonganj Sub-station Asset-II: 02 Nos of 132 kV line bays at Daltonganj Sub-station under "ERSS XVII Part A in Eastern Region" for 2014-19 tariff period under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014



(hereinafter referred to as “the 2014 Tariff Regulations”).

2. The Petitioner has made the following prayers:

- i. Approve the Transmission Tariff for the tariff block 2014-19 for the assets covered under this Petition.*
- ii. Admit the capital cost as claimed in the Petition and approve the Additional Capitalization projected to be incurred.*
- iii. 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.*
- iv. 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.*
- v. Approve the reimbursement of expenditure by the beneficiaries towards petition filing fee, and 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.*
- vi. 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.*
- vii. 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.

- viii. *Allow the Petitioner to bill and recover GST on Transmission charges separately from the respondents, if GST on Transmission of electricity is withdrawn from the exempted (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.*
- ix. *Allow tariff up to 90% of the Annual Fixed Charges in accordance with clause 7 (i) of Regulation 7 of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.*
- x. *Allow the Petitioner to bill Tariff from actual DOCO and also the Petitioner may be allowed to submit revised Certificate and tariff Forms (as per the Relevant Regulation) based on actual DOCO.*

*and pass such other relief as Hon'ble Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.*

### **Background**

3. The Investment Approval (hereinafter referred to as "IA") for implementation of assets under "Eastern Region System Strengthening Scheme-XVII Part A" in Eastern Region was accorded by the Board of Directors of the Petitioner in 330<sup>th</sup> meeting held on 20.7.2016 for ₹3490 lakh including IDC of ₹139 lakh based on April, 2016 price level (communicated vide Memorandum No. C/CP/PA1617-07-OB-IA002 dated 22.7.2016).

4. The scope of the scheme was discussed and agreed upon in 17<sup>th</sup> Standing Committee Meeting (SCM) of Eastern Region (ER) held on 25.5.2015 and 30<sup>th</sup>



meeting of TCC & ERPC held on 20.6.2015.

5. The scope of work covered under the project “Eastern Region Strengthening Scheme- XII (Part-A)” in Eastern Region is as follows:-

**Substation:**

**400/200 kV Daltonganj Substation (Extn.)**

**220 kV**

- a) 2X160 MVA, 220/132/33 kV, 3 Phase ICTs
- b) Transformers Bays : 02 Nos.

**132 kV**

- a) Line Bays : 04 Nos.
- b) Transformer Bays : 02 Nos.

6. Details of the assets covered in the project scope under various petitions is summarized below:-

<b>S.N.</b>	<b>Asset</b>	<b>Petition no</b>
1	Asset-I: 1X160 MVA ICT-I alongwith associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II alongwith associated bays at Daltonganj Sub-station and 2X132kV Line bays at Daltonganj Sub-station	<b>Entire project scope is Covered under instant petition</b>
2	Asset-II: 02 Nos of 132 kV line bays at Daltonganj Sub-station	

7. The Commission vide ROP dated 23.10.2018 directed the Petitioner to implead Jharkhand Urja Sancharan Nigam Limited (JUSNL) as a party to the proceedings and file a revised “memo of parties”, in view of the prayer of the Petitioner for approval of COD of Asset-II under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Commission further stated that the Petitioner’s prayer for grant of AFC for Asset-II shall be considered after the receipt of information from



JUSNL. In reply, the Petitioner vide affidavit dated 31.10.2018 has impleaded Jharkhand Urja Sancharan Nigam Limited (JUSNL) as Respondent No.7 and has submitted the revised memo of parties.

8. The Commission Vide Order dated 11.6.2017 allowed the interim Annual Transmission Charges under the proviso (i) to Regulation 7(7) of the 2014 Tariff Regulations for inclusion in the POC charges in respect of all the assets claimed in the petition except Asset-II.

9. The details of the annual transmission charges claimed by the Petitioner are as under:-

Particulars	Asset-I		Asset-II
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Depreciation	0.30	123.04	9.89
Interest on Loan	0.29	115.59	9.53
Return on Equity	0.34	137.07	10.98
Interest on Working Capital	0.05	20.41	2.62
O&M Expenses	0.61	233.64	39.90
<b>Total</b>	<b>1.59</b>	<b>629.75</b>	<b>72.92</b>

10. The details of the interest on working capital (IWC) claimed by the Petitioner are as under:-

Particulars	Asset-I		Asset-II
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Maintenance Spares	34.04	35.05	10.31
O&M expenses	18.91	19.47	5.73
Receivables	98.69	104.96	20.93
<b>Total</b>	<b>151.63</b>	<b>159.47</b>	<b>36.97</b>
Rate of Interest	12.80%	12.80%	12.20%
<b>Interest on Working Capital</b>	<b>0.05</b>	<b>20.41</b>	<b>2.62</b>



11. The Petitioner has served the copy of the petition upon the respondents and notice of this tariff application has been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. 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, 2003. No reply to the petition has been filed by any Respondent.

12. The Petition was heard on 23.4.2019 and the Commission reserved the order in the Petition.

13. Having heard the representatives of the Petitioner present at the hearing and perused the material on record, we proceed to dispose of the petition.

14. This order has been issued after considering the main petition dated 9.2.2018 and Petitioner's affidavits dated 16.4.2018, 22.5.2018, 29.6.2018, 24.7.2018, 17.10.2018, 31.10.2018, 9.11.2018 and 9.5.2019.

15. The Petitioner has submitted the following:-

(i) **Downstream network:**

The subject Asset-I and Asset-II consist of 04 no 132 kV line bays for connectivity with corresponding downstream network of Jharkhand Urja Sancharan Nigam Limited (JUSNL).

**Scope of Work of Petitioner**

4 no. 132 kV Line Bays at Daltonganj sub-station

**Scope of Work of JUSNL**

(a) Daltonganj (PG) - Daltonganj (JUSNL) 132 kV D/C

(b) Daltonganj (PG) - Chatrapur / Lesliganj (JUSNL) 132 kV D/C



(ii) In the 17<sup>th</sup> Standing Committee Meeting (SCM) of Eastern Region (ER) dated 25.05.2015 and in the subsequent 33<sup>rd</sup> TCC/ERPC meetings held on 24<sup>th</sup> & 25<sup>th</sup> June 2016, the following was discussed and deliberated:

1. JUSNL had informed that due to land acquisition constraints at Daltonganj (JUSNL), it was not possible to create 220 kV level at Daltonganj and had requested to provide 2x160 MVA 220/132 kV Auto transformer in the Daltonganj 400 kV Sub-station of POWERGRID along with necessary 04 nos of 132 kV line bays.
2. The existing 220 kV D/C Latehar – Daltonganj transmission line (presently charged at 132 kV level) of JUSNL is passing near Daltonganj sub-station of POWERGRID. JUSNL, in the same meeting, had proposed that line from Latehar to Daltonganj will be LILO at Daltonganj (PG) in such a way that the Daltonganj (PG)-Latehar would be operated at 220 kV and Daltonganj (PG)-Daltonganj (JUSNL) would be operated at 132 kV.
3. JUSNL has also informed that they are constructing 220/132 kV Garhwa Sub-station as well as Daltongan j(PG) – Garwah (JUSNL) 220 kV D/C line.
4. Taking care of the reliability aspect of 220/132 kV ICT at Daltonganj Sub-station, the following is implemented:
  - a) 2x160 MVA, 220/132 kV Auto transformer at Daltonganj substation along with 4 number of 132 kV line bays (under the scope of POWERGRID)
  - b) LILO of Daltonganj (JUSNL)-Latehar 220 kV D/C (operated at 132 kV) line of JUSNL at Daltonganj (PG), so that Daltonganj (PG)-Latehar D/C would be operated at 220 kV and Daltonganj (PG)-Daltonganj (JUSNL) would be operated at 132 kV. (Scope of JUSNL)
  - c) Daltonganj (PG) –Garwa Rd. 220 kV D/C line along with 220/132 kV sub-station at Garwa (Scope of JUSNL)





5. Further, JUSNL informed that following transmission would be constructed by JUSNL for drawl of power at 220 kV and 132 kV level from Daltonganj (PG):-

- (a) Daltonganj (PG)-Latehar (JUSNL) 220 kV D/C
- (b) Daltonganj (PG)-Garwa (JUSNL) 220 kV D/C
- (c) Daltonganj (PG)-Daltonganj (JUSNL) 132 kV D/C
- (d) Daltonganj (PG)-Chatrapur / Lesliganj (JUSNL) 132 kV D/C

(iii) Thus, the following downstream network would be constructed by JUSNL to match for drawl of power from 220 kV & 132 kV level from Daltonganj sub-station of PGCIL:

a) Downstream lines under scope of JUSNL associated with 220 kV network of Petitioner (i.e. 04 nos of 220 kV line bays at Daltonganj sub-station) under its ERSS-III scheme:

- Daltonganj (PGCIL) – Latehar 220 kV D/C
- Daltonganj (PGCIL) – Garhwa 220 kV D/C

b) These have been filed under separate Petition no. 105/TT/2018 under the project named ERSS-III in Eastern Region.

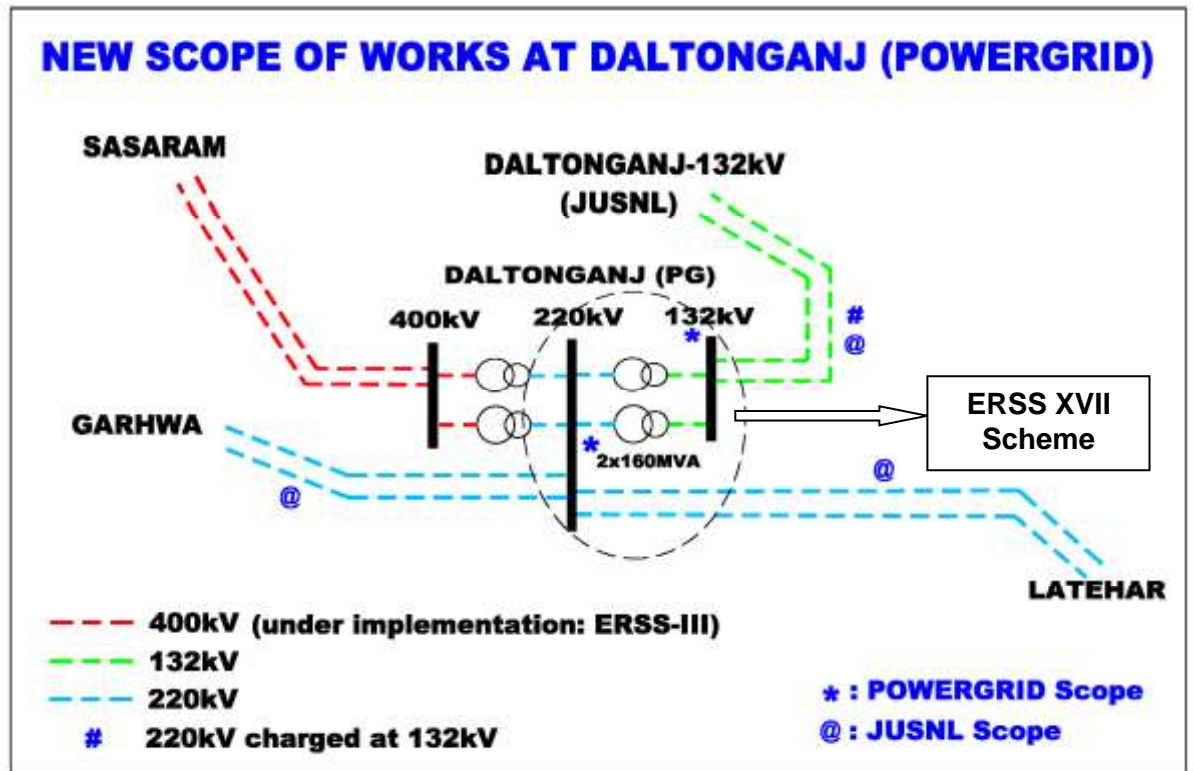
c) Downstream lines under scope of JUSNL associated with 132 kV network of POWERGRID (i.e. 04 no of 132 kV line bays at Daltonganj sub-station) under its ERSS-XVII (Part-A):

- Daltonganj (PGCIL) – Daltonganj (JUSNL) 132 kV D/C
- Daltonganj (PGCIL) – Chatarpur/Lesliganj 132 kV D/C

d) These have been filed under instant petition.



(iv) The schematic of the above mentioned system is depicted below:-



(v) Brief discussion about scheme & Power Flow:

a) The instant strengthening scheme (ERSS-XVII Part-A) was planned to facilitate dispersal/ distribution of power to Jharkhand at 132 kV level through 400/220/132 kV Daltonganj Sub-station in conjunction with ERSS-III which covers 400/220 kV system of Daltonganj Sub-station. The scheme aims at providing power supply to potential load centers in Jharkhand State at 132 kV levels. With this arrangement, these load centers would be connected to the main 400 kV network of Regional Transmission System which would ensure strong and reliable source of power supply at these locations.

b) The power is planned to be wheeled through the existing 765/400 kV Sasaram



Sub-station (PG) to 400/220/132 kV Daltonganj sub-station using the 400 kV D/C Sasaram – Daltonganj transmission line (under ERSS III project).

- c) The existing 220 kV D/C Latehar – Daltonganj transmission line (presently charged at 132 kV level) of JUSNL is passing nearby Daltonganj substation of the Petitioner. JUSNL had proposed that line from Latehar to Daltonganj will be LILO at Daltonganj (PG) in such a way that Daltonganj (PG) – Latehar line would be operated at 220 kV and Daltonganj (PG) - Daltonganj (JUSNL) line would be operated at 132 kV.
- d) As per the scope of the ERSS-XVII (Part-A) Project, the 2 no. 220 kV 160 MVA ICTs shall be used to further step down the power at 132 kV level from where the power shall be diverted to Jharkhand State (JUSNL) using its 132 kV D/C Daltonganj (PG) – Daltonganj (JUSNL) transmission line and 132 kV D/C Daltonganj (PG) – Chatrapur/ Lesliganj (JUSNL) line by JUSNL. These 04 nos 132 kV line bays at Daltonganj (PG) sub-station shall be utilized for this purpose from day one.
- e) In the 33rd ERPC & 18th SCM, JUSNL has maintained that all the downstream linking lines corresponding to 2x160 MVA, 220/132 kV Daltonganj sub-station shall be matching with the commissioning of PGCIL's Sub-stations and JUSNL will be able to draw power immediately after commissioning.

16. The Commission vide order dated 11.6.2018 had directed the Petitioner to submit the status of (a) Daltonganj (PGCIL) - Daltonganj (JUSNL) 132 kV D/C line and (b) Daltonganj (PGCIL)-Chatrapur/Lesliganj 132 kV D/C line. In response,



the Petitioner vide affidavit dated 29.6.2018 submitted the following:-

(a) Daltonganj (PGCIL) - Daltonganj (JUSNL) 132 kV D/C line:

This line would be charged as per original configuration by July 2018 as updated by JUSNL in 145<sup>th</sup> OCC meeting of ER held on 05.06.2018. At present, Daltonganj (PG) has been connected to Daltonganj (JUSNL) at 132 kV through existing 220 kV Latehar (JUSNL) – Daltonganj (JUSNL) line as stop gap arrangement till completion of the line. This stop gap arrangement had been taken up by JUSNL for power evacuation through 02 nos 132 kV bays at Daltonganj (PG) substation from 31.3.2018 onwards till completion of Daltonganj (PG) – Daltonganj (JUSNL) as per original configuration. Petitioner has further informed that the establishment of power flow to downstream network of JUSNL through Daltonganj (PG) substation was elaborated vide affidavit dated 22.05.2018.

(b) Daltonganj (PGCIL) - Chatarpur/Lesliganj (JUSNL) 132 kV D/C line:

This line is being executed by JUSNL and its tendering process is underway. The tentative schedule is October 2019 as updated by JUSNL in 145<sup>th</sup> OCC meeting of ER held on 05.06.2018.

### **Analysis and Decision**

#### **Date of Commercial Operation (COD)**

17. The Petitioner had filed the instant petition claiming anticipated COD for the asset covered in the instant petition. However, vide affidavits dated 22.5.2018 & 17.10.2018, the Petitioner has claimed the actual COD for the Asset-I and proposed



COD in respect of Asset-II under proviso(ii) of Regulation 4(3) of 2014 Tariff Regulations, as per the following details:-

S. N.	Name of Asset	COD as claimed in petition	Final COD status (claimed)
1	<b>Asset-I:</b> 1X160 MVA ICT-I alongwith associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II alongwith associated bays at Daltonganj Sub-station and 2X132kV Line bays at Daltonganj Sub-station	20.2.2018 (Anticipated)	31.3.2018 (Actual)
2	<b>Asset-II:</b> 02 Nos of 132 kV line bays at Daltonganj Sub-station	20.2.2018 (Anticipated)	2.9.2018 (Claimed under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations)

18. In support of the actual COD of the instant assets, the Petitioner has submitted CEA energisation certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 and RLDC charging certificate as per following details:-

Name of Asset	RLDC Charging Certificate Date	CEA Energisation Certificate Date
<b>Asset-I:</b> 1X160 MVA ICT-I alongwith associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II alongwith associated bays at Daltonganj Sub-station and 2X132kV Line bays at Daltonganj Sub-station	13.4.2018	23.1.2018 & 27.3.2018
<b>Asset-II:</b> 02 Nos of 132 kV line bays at Daltonganj Sub-station	3.10.2018*	22.3.2018

(\*)RLDC charging certificate on "No Load"

19. The Petitioner has submitted that COD of Asset-II is proposed as 2.9.2018 under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations. The Petitioner has submitted that the associated downstream system under the scope of the JUSNL



i.e. Daltonganj (PGCIL) - Chatarpur/Lesliganj (JUSNL) 132 kV D/C line is not ready.

20. Regulation 4(3) of the Tariff Regulations, 2014, provides as under:-

*"(3) date of commercial operation in relation to a transmission system shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation for transmitting electricity and communication signal from sending end to receiving end:*

*Provided that:*

*i) Where the transmission line or substation is dedicated for evacuation of power from a particular generating station, the generating company and transmission licensee shall endeavor to commission the generating station and the transmission system simultaneously as far as practicable and shall ensure the same through appropriate Implementation Agreement in accordance with Regulation 12(2) of these Regulations.*

*ii) In case a transmission system or an element thereof is prevented from regular service for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof."*

21. Regulation 6.3A (4)(iv) of Indian Electricity Grid Code Regulations, 2016 is as follows:-

*"6.3A Commercial operation of Central generating stations and inter-State Generating Stations 4. Date of commercial operation in relation to an inter-State Transmission System or an element thereof shall mean the date declared by the transmission licensee from 0000 hour of which an element of the transmission system is in regular service after successful trial operation*



for transmitting electricity and communication signal from the sending end to the receiving end:

*(iv) In case a transmission system or an element thereof is prevented from regular service on or before the Scheduled COD for reasons not attributable to the transmission licensee or its supplier or its contractors but is on account of the delay in commissioning of the concerned generating station or in commissioning of the upstream or downstream transmission system of other transmission licensee, the transmission licensee shall approach the Commission through an appropriate application for approval of the date of commercial operation of such transmission system or an element thereof.”*

22. Taking into consideration of CEA Energisation Certificate, RLDC Charging Certificate and CMD Certificate as required under Grid Code, the COD of the assets covered in the instant petition is approved as follows:-

<b>S.N.</b>	<b>Asset Name</b>	<b>COD Approved</b>
1	<b>Asset-I:</b> 1X160 MVA ICT-I alongwith associated bays at Daltonganj Sub-station, 1X160 MVA ICT-II alongwith associated bays at Daltonganj Sub-station and 2X132kV Line bays at Daltonganj Sub-station	31.3.2018 <b>(Actual)</b>
2	<b>Asset-II:</b> 02 Nos of 132 kV line bays at Daltonganj Sub-station	2.9.2018 (Approved under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations)

23. In respect of Asset-II, the transmission charges shall be borne by JUSNL from COD of Asset-II i.e. 2.9.2018 till COD of the downstream transmission system under the scope of JUSNL.



## **Capital Cost**

24. Clause (1) and (2) of Regulation 9 of the 2014 Tariff Regulations provide as follows:-

*“(1) The Capital cost as determined by the Commission after prudence check in accordance with this regulation shall form the basis of determination of tariff for existing and new projects”*

*(2) The Capital Cost of a new project shall include the following:*

- (a) The expenditure incurred or projected to be incurred up to the date of commercial operation of the project;*
- (b) Interest during construction and financing charges, on the loans (i) being equal to 70% of the funds deployed, in the event of the actual equity in excess of 30% of the funds deployed, by treating the excess equity as normative loan, or (ii) being equal to the actual amount of loan in the event of the actual equity less than 30% of the funds deployed;*
- (c) Increase in cost in contract packages as approved by the Commission;*
- (d) Interest during construction and incidental expenditure during construction as computed in accordance with Regulation 11 of these regulations;*
- (e) Capitalised Initial spares subject to the ceiling rates specified in Regulation 13 of these regulations;*
- (f) Expenditure on account of additional capitalization and de-capitalisation determined in accordance with Regulation 14 of these regulations;*
- (g) Adjustment of revenue due to sale of infirm power in excess of fuel cost prior to the COD as specified under Regulation 18 of these regulations; and*
- (h) Adjustment of any revenue earned by the transmission licensee by using the assets before COD.”*

25. The Petitioner has submitted Audited Cost Certificates dated 31.5.2018 and 1.11.2018 for Asset-I and Asset-II, respectively. The capital cost incurred as on COD and additional capitalization projected to be incurred, as follows:-

Asset	Apportioned Approved Cost (FR)	Cost up to COD	Projected Expenditure for FY				Estimated Completion Cost
			2017-18	2018-19	2019-20	2020-21	
I	3076.23	2187.57	0.00	346.72	208.02	138.68	2880.99
II	413.77	301.81	-	44.23	33.16	33.16	412.36
Total	3490.00	2489.38	-	390.95	241.18	171.84	3293.35

(₹ in lakh)

### **Cost Over-run**

26. The Petitioner has submitted that against the apportioned approved cost (FR)





of ₹3490.00 lakh, the estimated completion cost is ₹3293.35 lakh, so overall as well as asset wise the estimated capital cost is within the apportioned approved cost. Therefore, there is no cost over-run in the instant assets.

27. We have considered the submissions of the Petitioner. The estimated completion cost of the instant asset is within the apportioned approved cost as per FR. Accordingly, the capital cost claimed by the Petitioner as on COD and additional capitalization upto 31.3.2019 has been considered for tariff calculation, subject to scrutiny of IDC/ IEDC and Initial spares, hereinafter. However, the estimated additional capital expenditure claimed by the petitioner during 2019-20 and beyond is not allowed as of now as the same is beyond the 2014-19 tariff period.

#### **Time over-run**

28. As per the Investment Approval (IA), the transmission scheme was scheduled to be commissioned within 16 months from the date of investment approval i.e. 20.7.2016. Accordingly, the Commissioning Schedule comes to 20.11.2017. The Petitioner has submitted the details of COD claimed and delay occurred in commissioning of the instant assets as per following:-

<b>Asset</b>	<b>Scheduled COD</b>	<b>Actual COD (claimed)</b>	<b>Delay</b>
Asset-I	20.11.2017	31.3.2018	131 days
Asset-II		2.9.2018	286 days

29. The Commission vide order dated 11.6.2017 had directed the Petitioner to submit details of time over run in prescribed format with valid documentary evidence. In response, the Petitioner vide affidavit dated 29.6.2018 has submitted



the details of time over run in respect of instant assets and the same is as follows:-

Activity	Period of activity				Reasons for delay
	Schedule		Actual		
	From	To	From	To	
LOA	20.7.16	26.7.16	20.7.16	26.7.16	No delay
Preliminary survey and other investigations	NA	NA	NA	NA	NA
Forest clearance proposal submitted and approved	NA	NA	NA	NA	NA
ROW issues	NA	NA	NA	NA	NA
Transmission lines Material	NA	NA	NA	NA	NA
Sub-station	26.7.16	25.5.17	10.2.17	9.3.18	Reasons for delay are concurrent and consequence of justification submitted vide petition no. 105/TT/2018. So as to match with associated 400/220 kV Daltonganj Substation under ERSS-III and to establish power flow from day one with associated downstream network of JUSNL.

30. The Petitioner has submitted that the commissioning of Asset-I at 220/132 kV Daltonganj (PG) Substation has been executed to match with the commissioning of 400/220 kV Daltonganj (PG) substation under ERSS-III and the associated downstream network of JUSNL for establishment of power flow from day one. The Asset-I acts as a link for establishing power flow from 400/220 kV Daltonganj (PG) substation to downstream network of JUSNL. The power from 400 kV D/C Sasaram



- Daltonganj transmission line is pooled at 400/220 kV Daltonganj substation under ERSS-III and the same is then fed to the downstream network of JUSNL via 220/132 kV Daltonganj (PG) substation under the instant project which steps down the incoming voltage at 132 kV level and also provides the access points to 132 kV downstream transmission lines of JUSNL for power evacuation.

31. The Petitioner has further submitted that in accordance with the directions of the Commission in the context of matching of Petitioner's network with the associated downstream network, the Petitioner has made deliberate efforts for matching its 400/220/132 kV network (at Daltonganj {PG} substation) with the downstream network of JUSNL. The Petitioner was able to accomplish the same in March 2018 vide commissioning of 400 kV D/C Sasaram - Daltonganj line along with 400/220 kV & 220/132 KV ICTs at Daltonganj substation w.e.f. 31.3.2018. Further, through commissioning of 132 kV downstream bays at Daltonganj (part of subject Asset-I) on 31.3.2018 the power is also being evacuated to JUSNL's downstream network. However, there was delay in commissioning of this 400 kV Sasaram – Daltonganj line due to ROW issues and delayed land acquisition at Daltonganj (PG) substation which has affected the timely completion of the said network including the scope of works of Asset-I.

32. The Petitioner has further stated that the reasons for delay in commissioning of associated 400/220 kV Daltonganj (PG) substation along with 400 kV D/C Sasaram – Daltonganj line under ERSS-III were submitted to the Commission vide relevant Petition No. 105/TT/2018, which have been resubmitted vide affidavit dated 9.5.2019 in the instant petition.



33. We have considered the submissions of the Petitioner. The instant assets were scheduled to be put into commercial operation within 16 months from the date of investment approval dated 20.7.2016. Accordingly, the scheduled COD works out to 20.11.2017. However, the instant assets were put into commercial operation on 31.3.2018 and 2.9.2018. Therefore, there is a delay of 131 days and 286 days respectively, in commercial operation of the instant assets. With respect to Asset-I, the petitioner has submitted that the time delay occurred on account of matching of 400/220/132 kV network (at Daltonganj substation of PGCIL) with the downstream network of JUSNL.

34. It is observed that both the 400/220 kV Daltonganj Sub-station and 220/132 kV Sub-stations are under the scope of Petitioner. The Petitioner's main contention is that the associated 400/220 kV Daltonganj(PG) Sub-station alongwith 400 kV D/C Sasaram-Daltonganj line under ERSS-III is delayed due to ROW issues and delayed due to Land acquisition at Daltonganj(PGCIL) Sub-station, delay due to retendering, Law and order problems at Daltonganj Sub-station and 220 kV existing line crossing of JUSNL over the 220/132 kV portion of the land, which has affected the timely completion of the said network including the scope of works of Asset-I.

35. It is noted that the initial planning was to construct the 400/220kV substation at Daltonganj under ERSS-III by the Petitioner and adjacent 220/132kV substation and subsequent 132kV system to draw power was under the scope of JUSNL. However, JUSNL was unable to acquire land for their 220/132 kV substation at Daltonganj, due to which it was decided that the Petitioner would construct the 220/132 kV portion also inside its ongoing 400/220 kV substation under ERSS VII Part A.



Therefore, the Daltonganj substation has been constructed as an integrated substation having voltage levels of 400/220/132 kV but covered under two separate projects, namely ERSS-III and ERSS-VII Part A. Accordingly, it can be stated that the instant project completion should not be viewed in isolation and that the construction of Daltonganj 400/200kV substation under ERSS-III (tariff claimed vide petition no 105/TT/2018) has full bearing on the construction of 220/132 kV portion of Daltonganj substation implemented under ERSS-VII Part A and tariff claimed under instant petition.

36. The Petitioner has submitted following assets in petition no 105/TT/2018 related to its 400/220 kV Daltonganj substation:-

<b>S.N.</b>	<b>Asset Name</b>	<b>COD Approved</b>	<b>Scheduled COD</b>	<b>Delay</b>
1	<b>Asset-I(A)(i):</b> Combined asset of: 400 KV D/C Sasaram - Daltonganj Transmission Line at Daltonganj Sub-station; 400 /220 KV, 315 MVA ICT-I alongwith bays at Daltonganj Sub-station; and 400 KV 80 MVAR Bus Reactor at Daltonganj S/S	31.3.2018	2.11.2012	1975 days
2	<b>Asset-I(B):</b> 400/220 kV, 315 MVA ICT-II alongwith bays at Daltonganj Sub-station	5.11.2018		2194 days
3	<b>Asset-II:</b> 04 Nos 220 KV Line Bays at Daltonganj S/S	16.9.2018		2144 days

37. The Commission vide order dated 21.11.2019 in petition no 105/TT/2018 has held as under:-

*“50. In view of the above, the delay due to Land acquisition of 1490 days, ROW issues of 69 days and obstruction of JUSNL line of 765 days totaling to 2324 days was beyond the control of the Petitioner. However, the Petitioner compressed the execution time and commissioned the Asset-I(A)(i), Asset-I(B) and Asset-II with an overall delay of 1975 days, 2194 days and 2144 days, respectively. Therefore, the total time delay of 1975 days, 2194 days and 2144 days in commissioning of Asset-I(A)(i), Asset-I(B) and Asset-II is condoned.*



38. In view of above, it is observed that the Commission has already taken into cognizance the time overrun of about 1975 days in commissioning of assets associated with 400/220 kV alongwith bays at Daltonganj Sub-station. Accordingly, the time overrun of 131 days in commissioning of Asset-I is beyond the control of the petitioner and the same has been condoned.

39. With respect to Asset-II, the Petitioner vide affidavit dated 17.10.2018 has submitted that at the time of filing of petition, Asset-II was anticipated to be commissioned by 20.2.2018, matching with the associated downstream transmission system of JUSNL. Subsequently, the revised COD status of the subject Asset-II was submitted vide affidavit dated 24.7.2018 wherein the proviso(ii) of Regulation 4(3) of the 2014 Tariff Regulations was invoked in view of non-completion of associated downstream line of JUSNL i.e. Daltonganj (PGCIL)-Chatarpur/ Lesliganj (JUSNL) 132 kV D/C line which was likely to be commissioned by October 2019. In the absence of commissioning of the associated downstream line by JUSNL, the Petitioner, invoking proviso (ii) of Regulation 4(3) of 2014 tariff Regulations, has requested to approve COD as 2.9.2018. The Petitioner has submitted that the Petitioner was ready for its commissioning on 22.3.2018 but due to delay of associated transmission line under the scope of JUSNL, it could not declare COD. The Petitioner has submitted that the Petitioner has coordinated with JUSNL for downstream transmission system under the scope of JUSNL through various meetings such as 18<sup>th</sup> SCM, 33<sup>rd</sup> to 37<sup>th</sup> ERPC and 147<sup>th</sup> to 149<sup>th</sup> OCC of ER.

40. We have gone through the submissions of the Petitioner. The Petitioner has



claimed the COD of the Asset-II as 2.9.2018 by invoking proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. Since we have already condoned delay of 131 days based upon our order in petition no 105/TT/2018 in case of Asset-I as stated at para 36 of this order, the delay of 131 days is also condoned for this asset and the remaining delay of 155 days out of 286 days is not condoned.

### **Interest During Construction (IDC)**

41. The Petitioner has claimed Interest During Construction (IDC) for the instant assets and has submitted the Auditor Certificate in support of the same. The Petitioner has submitted computation of IDC alongwith the year-wise details of the IDC discharged which is summarized as under:-

Asset	IDC as per Auditor Certificate	IDC discharged upto COD	IDC discharged year-wise		IDC discharged/ to be discharged after 2018-19
			2017-18	2018-19	
Asset-I	74.16	12.09	-	62.07	-
Asset-II	15.44	15.44	-	-	-

(₹ in lakh)

42. The allowable IDC as on COD has been worked out considering the information submitted by the Petitioner. IDC, up to the allowable date, has been worked out based on the loans deployed for the assets as per Form-9C of the original petition and statement showing IDC calculations on cash basis submitted by the Petitioner. Therefore, for the purpose of determination of allowable IDC, the interest rate as mentioned in Form 9C against these loans has been considered.

43. Further, the loan portfolio as mentioned in IDC statements and as mentioned in Form 9C are not matching. Hence, for the purpose of determination of allowable



IDC, the loan amount as mentioned in Form 9C has been considered. The Petitioner is directed to submit the detailed IDC statement by rectifying the above mentioned deviation, at the time of true up of 2014-19.

44. Based on the available information, IDC is being worked out for the purpose of tariff determination, subject to revision at the time of true up, as below:-

(₹ in lakh)						
Asset	IDC claimed as per Auditor certificate	IDC Disallowed due to Excess claim & Time overrun not allowed, if any.	IDC Allowed on accrual basis	IDC Allowed on cash basis as on COD	Un-discharged IDC liability as on COD	IDC liability allowable as Add. Cap. from COD to 31.03.2019
	1	2	3=(1-2)	4	5=(3-4)	6
Asset-I	74.16	1.00	73.16	12.09	61.07	61.07
Asset-II	15.44	5.87	9.57	9.57	0.00	0.00

#### Incidental Expenditure During Construction (IEDC)

45. The Petitioner has claimed IEDC of ₹52.59 lakh and ₹12.49 lakh for Asset-I and Asset-II respectively. The Petitioner has claimed IEDC as on COD, which is within the percentage of 10.75% on hard cost as indicated in the abstract cost estimate. Hence, in line with the ceiling limits, the IEDC claimed by the Petitioner for Asset-I and Asset-II are allowed. Further, the Petitioner has not submitted discharge status of IEDC. Hence, it is assumed, in the instant petition, that the IEDC was discharged as on COD. Also, the Petitioner is directed to submit statement of discharge of liability in respect of IEDC at the time of true up.

46. Accordingly, the amount of IEDC claimed, disallowed on account of Excess





claim / Time overrun not condoned, if any, and allowed accordingly, in the instant petition, are as below:-

(₹ in lakh)			
Assets	IEDC claimed as per Auditor certificates	IEDC Disallowed due to Excess claim & Time overrun not allowed, if any	IEDC Allowed on cash basis as on COD
	1	2	3=(1-2)
Asset-I	52.59	0.00	52.59
Asset-II	12.49	2.50	9.90

### Initial Spares

47. This has been dealt in line with Regulation 13 of the 2014 Tariff Regulations. The Petitioner has claimed initial spares for the instant assets and submitted Auditor Certificate in support of the same. The Initial Spares claimed by Petitioner in respect of Assets-I and Asset-II corresponding to sub-station (brown field) are within the ceiling of 5% as prescribed by the commission, hence, no adjustment of initial spares is required as on COD. Petitioner has not submitted the details of year-wise discharge of initial spare. Hence, it is being assumed that the liabilities pertaining to Initial Spare allowed were discharged as on COD. The Petitioner is directed to submit the details of discharge of liability pertaining to Initial Spare, if any, at the time of truing up.

48. The initial spares allowed for the purpose of tariff calculation after considering the Plant and Machinery cost excluding IDC, IEDC and Land expenses up to cut off date, subject to true-up are as under:-



(₹ in lakh)

Asset	Plant and Machinery Cost excluding IDC, IEDC and Land expenditure up to cut-off date (31.3.2019)	Initial spares claimed	Ceiling limit as per Regulation (brown field substation)	Initial spares worked out	Initial spares allowed as on COD	Initial spares disallowed on account of un-discharged/ excess
Asset-I	2402.61	96.10	5%	121.40	96.10	0.00
Asset-II	384.43	14.00	5%	19.50	14.00	0.00

### Capital cost as on COD

49. Accordingly, the capital cost allowed as on COD under Regulation 9(2) of the 2014 Tariff Regulations is summarized as under:-

(₹ in lakh)

Asset	Capital Cost claimed as on COD as per Auditor Certificate	IDC Disallowed due to Excess claim & Time Overrun not allowed, if any.	Undischarged IDC liability worked out as on COD	Disallowed IEDC (Excess claim/ time overrun)	Disallowed/ undischarged Initial spares	Capital Cost as on COD considered for tariff calculation
	1	2	3	4	5	6=(1-2-3-4-5)
Asset-I	2187.57	1.00	61.07	0.00	0.00	2125.50
Asset-II	301.81	5.87	0.00	2.50	0.00	293.44

### Additional Capital Expenditure (ACE)

50. As per Clause (13) of Regulation 3 of the 2014 Tariff Regulations, the cut-off date for instant assets is 31.3.2021. The Petitioner has submitted Auditor Certificates in support of the additional capitalisation. In addition, the Petitioner has also claimed the discharge of IDC liability as ACE. The Petitioner vide form 7 has claimed both these cost as ACE under Regulation 14(1)(i) and 14(1)(ii), which has been summarized upto 31.3.2019 as under:-



(₹ in lakh)

Asset	Additional Capital expenditure claimed				Total
	2017-18	2018-19	2019-20	2020-21	
Asset-I	0.00	346.72	208.02	138.68	693.42
Asset-II	-	44.23	33.16	33.16	110.55

51. Since, FY 2019-20 & 2020-21 falls beyond the tariff period 2014-19 and is not covered under the 2014 Tariff Regulation, the projected ACE claimed by the Petitioner for FY 2019-20 & 2020-21 has been ignored for the purpose of tariff and shall be dealt during the next tariff period as per extant tariff Regulations.

52. The Petitioner has claimed additional capital expenditure towards Balance and Retention payments. The admissible un-discharged IDC liability as on COD has been allowed as ACE during the year of its discharge. The allowed Additional Capital expenditure are summarized below which is subject to true up:-

(₹ in lakh)

Particulars	Regulation	Asset-I		Asset-II
		2017-18	2018-19	2018-19
ACE to the extent of Balance & Retention Payment & ACE to the extent of unexecuted work	14 (1)(i) & 14 (1)(ii)	-	346.72	44.23
IDC Discharged	14 (1)(i)	-	61.07	0.00
<b>Total Add-Cap allowed for tariff</b>		-	<b>407.79</b>	<b>44.23</b>

#### Capital cost for the tariff period 2014-19

53. Accordingly, the capital cost considered for the tariff period 2014-19, subject to true up, is as follows:-

(₹ in lakh)

Asset	Capital Cost allowed as on COD	Add Cap allowed from COD to 31.03.2019	Total Estimated Completion Cost up to 31.3.2019



<b>Asset</b>	<b>Capital Cost allowed as on COD</b>	<b>Add Cap allowed from COD to 31.03.2019</b>	<b>Total Estimated Completion Cost up to 31.3.2019</b>
Asset-I	2125.50	407.79	2533.29
Asset-II	293.44	44.23	337.67

### Debt-Equity Ratio

54. Debt-Equity Ratio is considered as per Regulation 19 of the 2014 tariff Regulations. The financial package up to COD as submitted in Form 6 has been considered to determine the debt-equity Ratio. The capital cost allowed as on the date of commercial operation arrived at as above and additional capitalization allowed have been considered in the debt-equity ratio of 70:30. The debt-equity as on dates of commercial operation and 31.3.2019 considered on normative basis are as under:-

(₹ in lakh)

<b>Asset-I</b>	<b>As on COD</b>		<b>As on 31.03.2019</b>	
Debt	1487.85	70.00%	1773.30	70.00%
Equity	637.65	30.00%	759.99	30.00%
<b>Total</b>	<b>2125.50</b>	<b>100.00%</b>	<b>2533.29</b>	<b>100.00%</b>

<b>Asset-II</b>	<b>As on COD</b>		<b>As on 31.03.2019</b>	
Debt	205.41	70.00%	236.67	70.00%
Equity	88.03	30.00%	101.30	30.00%
<b>Total</b>	<b>293.44</b>	<b>100.00%</b>	<b>337.67</b>	<b>100.00%</b>

### Return on Equity (ROE)

55. The Petitioner has submitted that ROE has been calculated at the rate of 19.61% after grossing up the ROE with MAT rate of 20.961% as per the above Regulations. The Petitioner has further submitted that the grossed up ROE is subject to truing up based on the effective tax rate of respective financial year applicable to the Petitioner Company.



56. We have considered the submissions made by the Petitioner and 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. 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.

57. Accordingly, the ROE allowed is as follows:-

Particulars	(₹ in lakh)		
	Asset-I		Asset-II
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Opening Equity	637.65	637.65	88.03
Addition due to Additional Capitalization	0.00	122.34	13.27
Closing Equity	637.65	759.99	101.30
Average Equity	637.65	698.82	94.66
Return on Equity (Base Rate )	15.50%	15.50%	15.50%
MAT rate for the Financial year 2013-14	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre-tax)	19.610%	19.610%	19.610%
<b>Return on Equity (Pre-tax)</b>	<b>0.34</b>	<b>137.04</b>	<b>10.73</b>

### Interest on Loan (IOL)

58. The IOL has been calculated as per the provisions of Regulation 26 of the 2014 Tariff Regulations as detailed below:-

- a) The Gross Normative loan has been considered as per the Loan amount determined based on the debt equity ratio applied on the allowed capital cost.
- b) The depreciation of every year has been considered as Normative repayment of loan of concerned year;



c) The weighted average rate of interest on actual loan portfolio has been worked out by considering the Gross amount of loan, repayment & rate of interest as mentioned in the petition, which has been applied on the normative average loan during the year to arrive at the interest on loan.

59. The Petitioner has submitted that the IOL has been claimed on the basis of rate prevailing as on COD and the change in interest due to floating rate of interest applicable, if any, needs to be claimed/ adjusted over the tariff block 2014-19. We have calculated IOL on the basis of rate prevailing as on the date of commercial operation. Any change in rate of interest subsequent to the date of commercial operation will be considered at the time of truing-up. The IOL is allowed considering all the loans submitted in Form-9C. The Petitioner is directed to reconcile the total Gross Loan for the calculation of weighted average Rate of Interest and for the calculation of IDC, which would be reviewed at the time of truing-up.

60. The details of IOL calculated are as follows:-

Particulars	(₹ in lakh)		
	Asset-I		Asset-II
	2017-18 (pro-rata)	2018-19	2018-19 (Pro-rata)
Gross Normative Loan	1487.85	1487.85	205.41
Cumulative Repayment upto previous Year	0.00	0.31	0.00
Net Loan-Opening	1487.85	1487.54	205.41
Addition due to Additional Capitalization	0.00	285.45	30.96
Repayment during the year	0.31	123.02	9.67
Net Loan-Closing	1487.54	1649.97	226.70
Average Loan	1487.70	1568.76	216.06
Weighted Average Rate of Interest on Loan	7.3612%	7.3667%	7.4359%
<b>Interest on Loan</b>	<b>0.30</b>	<b>115.57</b>	<b>9.29</b>

### Depreciation

61. Depreciation has been dealt with in line of Regulation 27 of 2014 Tariff Regulations. The instant assets were put under commercial operation during 2017-18 & 2018-19. Accordingly, it will complete 12 years beyond the tariff period 2014-



19 and depreciation has been calculated annually based on Straight Line Method at the rates specified in Appendix-II to the 2014 Tariff Regulations. Details of the depreciation allowed are as under:-

Particulars	(₹ in lakh)		
	Asset-I		Asset-II
	2017-18 (pro-rata)	2018-19	2018-19 (Pro-rata)
Opening Gross Block	2125.50	2125.50	293.44
Additional Capital expenditure	0.00	407.79	44.23
Closing Gross Block	2125.50	2533.29	337.67
Average Gross Block	2125.50	2329.39	315.56
Rate of Depreciation	5.2803%	5.2811%	5.3007%
Depreciable Value	1912.95	2096.45	284.00
Remaining Depreciable Value	1912.95	2096.15	284.00
Depreciation	0.31	123.02	9.67

#### Operation and Maintenance Expenses (O&M Expenses)

62. The Petitioner has claimed the O&M expenses for assets covered in the instant petition as per following details:-

(₹ in lakh)			
Asset	Particulars	2017-18	2018-19
Asset-I	O&M Expenses	0.61	233.64
Asset-II		-	39.90

63. The Petitioner has submitted that norms for O&M Expenses for the tariff period 2014-19 have been arrived on the basis of normalized actual O&M Expenses during the period 2008-13. The Petitioner has further submitted that the wage revision of the employees of the Petitioner is due during the 2014-19 tariff period and actual impact of wage hike, which will be effective at a future date, has not been factored in fixation of the normative O&M rate specified for the tariff period 2014-19. The Petitioner has submitted that it would approach the Commission for suitable revision in norms for O&M Expenses for claiming the impact of wage hike during 2014-19, if



any.

64. Norms for O&M expenditure for Transmission System have been specified under section 29 (4) of Tariff Regulation are as follows:-

Element	2017-18	2018-19
Sub-Station: 220 kV bay (₹ in lakh per bay)	46.55	48.10
Sub-Station: 132 kV bay (₹ in lakh per bay)	33.25	34.36

65. We have considered the submissions made by the Petitioner. The O&M Expenses have been worked out as per the norms of O&M Expenses specified in the 2014 Tariff Regulations. Accordingly, the allowed O&M Expenses for the year 2017-18 & 2018-19 is given below:-

(₹ in lakh)			
Asset	Details	2017-18 (Pro-rata)	2018-19
Asset-I	2 Nos. 220 kV bays	0.25	96.20
	4 Nos. 132 KV bays	0.38	137.44
	Total	0.63	233.64

Asset	Details	2017-18	2018-19 (Pro-rata)
Asset-II	2 Nos. 132 kV Bays	-	39.90

#### **Interest on Working Capital (IWC)**

66. As per the 2014 Tariff Regulations the components of the working capital and the interest thereon are discussed hereinafter:-

##### **a) Maintenance spares:**

Maintenance spares @ 15% Operation and maintenance expenses specified in Regulation 28.





**b) O & M expenses:**

Operation and maintenance expenses have been considered for one month of the O&M expenses.

**c) Receivables:**

The receivables have been worked out on the basis of 2 months' of annual fixed cost as worked out above.

**d) Rate of interest on working capital:**

As per Clause 28 (3) of the 2014 Tariff Regulations, SBI Base Rate as on 01.04.2017 (9.10%) and as on 01.04.2018 (8.70%) plus 350 Bps i.e. 12.60% and 12.20% for Asset-I and Asset-II respectively have been considered as the rate of interest on working capital.

67. Accordingly, the interest on working capital is summarized as under:-

(₹ in lakh)

Particulars	Asset-I		Asset-II
	2017-18 (Pro-rata)	2018-19	2018-19 (Pro-rata)
Maintenance Spares	34.49	35.05	10.35
O&M expenses	19.16	19.47	5.75
Receivables	99.34	104.89	20.81
Total working capital	152.99	159.41	36.92
Rate of Interest	12.60%	12.60%	12.20%
<b>Interest on working capital</b>	<b>0.05</b>	<b>20.09</b>	<b>2.60</b>

**Annual Transmission charges**

68. Accordingly, the annual transmission charges being allowed for the instant assets are as under:-

(₹ in lakh)

Particulars	Asset-I		Asset-II
	2017-18 (pro-rata)	2018-19	2018-19 (pro-rata)
Depreciation	0.31	123.02	9.67
Interest on Loan	0.30	115.57	9.29



Return on Equity	0.34	137.04	10.73
Interest on Working Capital	0.05	20.09	2.60
O&M Expenses	0.63	233.64	39.90
<b>Total</b>	<b>1.63</b>	<b>629.35</b>	<b>72.19</b>

### **Filing fee and the publication expenses**

69. 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**

70. The Petitioner has prayed 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 license fee and RLDC fees and charges in accordance with Clause (2)(b) and (2)(a) of Regulation 52 in the 2014 Tariff Regulations.

### **Goods and Services Tax**

71. The Petitioner has prayed for reimbursement of tax, if any, on account of implementation of GST. GST is not levied on transmission service at present and we are of the view that Petitioner's prayer is premature.

### **Sharing of Transmission Charges**

72. The transmission Charges for Asset-I covered in the instant petition shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations. 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.

73. As regards Asset-II, the COD has been approved under proviso (ii) of Regulation 4(3) of 2014 Tariff Regulations. The asset has not been put to regular use as the associated downstream transmission system, under the scope of JUSNL, is not ready. Accordingly, the transmission charges of Asset-II, from the COD i.e. 2.9.2018 till the commissioning of related downstream network will be borne by JUSNL. Thereafter, the transmission charges approved in the instant petition in respect of Asset-II shall be recovered on monthly basis in accordance with Regulation 43 of the 2014 Tariff Regulations. 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.

74. This order disposes of Petition No.137/TT/2018.

Sd/-  
**(I. S. Jha)**  
Member

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

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

