

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 271/TT/2018**

**Coram:**

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

**Date of Order : 25.04.2019**

**In the matter of:**

Approval of transmission tariff from COD to 31.3.2019 of five assets under "Eastern Region Strengthening Scheme XIV 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. Bihar State Electricity Board,  
Vidyut Bhawan, Bailey Road,  
Patna - 800 001.
2. West Bengal State Electricity Distribution Company  
Limited,  
Bidyut Bhawan, Bidhan Nagar,  
Block DJ, Sector-II, Salt Lake City,  
Calcutta - 700 091.
3. Grid Corporation of Orissa Ltd.,  
Shahid Nagar,  
Bhubaneswar - 751007

4. Damodar Valley Corporation,  
DVC Tower, Maniktala,  
Civic Centre, VIP Road,  
Calcutta– 700054.
5. Power Department  
Government of Sikkim,  
Gangtok– 737101.
6. Jharkhand State Electricity Board,  
In front of Mini Secretariat,  
Doranda,  
Ranchi – 834002.

..... Respondents

For Petitioner:

Shri S.K. Venkatesan, PGCIL  
Shri S.S.Raju,PGCIL  
Shri, S.K. Nitranjan, PGCIL  
Shri V.P. Rastogi, PGCIL  
Shri Amit Yadav, PGCIL

For Respondents:

Shri R.B Sharma, Advocate, BSP(H)CL  
Shri Mohit Mudgal, Advocate, BSP(H)CL

### ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff from COD to 31.3.2019 for **Asset-I:** 01 No. 125 MVAR Bus Reactor at Banka Sub-station alongwith associated bays, **Asset II:** 01 No. 125 MVAR Bus Reactor at Chaibasa Sub-station alongwith associated bays, **Asset III:** 01 No. 125 MVAR Bus Reactor at Lakhisarai Sub-station along with associated bays, **Asset IV:** 01 No. 125 MVAR Bus Reactor at Durgapur Sub-station alongwith associated bays, **Asset V:** 01 No. 125 MVAR Bus Reactor at Baripada Sub-station along with



associated GIS bays, **Asset VI**: 01 No. 125 MVAR Bus Reactor at Bolangir Sub-station alongwith associated bays, **Asset VII**: 01 No. 125 MVAR Bus Reactor at Keonjhar Sub-station along with associated bays under “Eastern Region Strengthening Scheme XIV”(hereinafter referred to as “assets”) 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) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

2. As per the Investment Approval dated 5.5.2016, the scheduled COD of instant assets was 4.11.2018 and they were put into commercial operation on 29.9.2018, 28.7.2018, 5.11.2018, 2.8.2018, 30.6.2018, 30.9.2018 and 1.11.2018 for Assets-I,II, IV, V VI and VII respectively. Hence, there is a no time over in case of the instant assets, except for Asset-III.

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	Cost as per FR (apportioned)	Cost on COD	Est. Add Cap COD to 31.3.2019	Est. Add Cap 1.4.2019 to 31.3.2020	Est. Add Cap 1.4.2020 to 31.3.2021	Total Estimated Cost
Asset-I	1478.72	976.50	191.01	128.66	128.66	1424.84
Asset-II	1510.77	1113.95	107.91	125.95	107.16	1455.02
Asset-III	2376.67	1424.03	272.72	454.54	181.82	2333.11
Asset-IV	1829.44	1137.19	165.99	535.51	-	1838.69
Asset-V	3103.31	2963.54	630.95	250.00	-	3574.49
Asset-VI	1848.45	1265.67	389.94	150.00	-	1805.61
Asset-VII	1878.45	712.51	985.21	100.00	-	1797.72
<b>TOTAL</b>	<b>14025.81</b>	<b>9323.39</b>	<b>2743.78</b>	<b>1744.66</b>	<b>417.64</b>	<b>14229.48</b>

There is no cost over-run in case of the instant assets except for Asset-V.

4. The matter was heard on 9.4.2019. The representative of the petitioner requested for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. He submitted that all the information in respect of the assets has been furnished as required under the 2014 Tariff Regulations. He further submitted that the RCE is under preparation and on approval of the Board of Directors shall be placed on record. Learned counsel for BSP(H)CL raised the issue of Transmission Service Agreement, cost over-run and initial spares. The representative of the petitioner submitted that Asset-V was discussed and agreed on 2.5.2014 at NRPC, New Delhi. He, however, submitted that he will file the complete minutes of 27<sup>th</sup> ERPC and TCC



meeting. The submissions of the respondent shall be considered in detail at the time of determination of final tariff of the subject assets.

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 for assets and taking into consideration the cost over-run with respect to Asset-V, which will be considered in detail at the time of issue of final order, the Commission has



decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in paragraph 8 of this order.

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

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

(₹ in lakh)

Particulars	2018-19 (pro-rata)
Asset-I	127.41
Asset-II	181.74
Asset-III	135.49
Asset-IV	185.03
Asset-V	428.47
Asset-VI	161.47
Asset-VII	115.72

B. Annual transmission charges allowed are given below:-

(₹ in lakh)

Particulars	2018-19 (pro-rata)
Asset-I	108.30
Asset-II	154.48
Asset-III	108.39
Asset-IV	157.28
Asset-V	339.97
Asset-VI	137.25
Asset-VII	98.36

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 details of time over-run and chronology of activities alongwith documentary evidence as per format given below on affidavit with an advance copy to the beneficiaries by 6.5.2018:-

Sl. No.	Activity	Schedule		Actual		Remarks if any
		From	to	From	to	
1	LOA					
2	Supplies of structure, equipment, etc.					
3	Testing & COD					

11. The respondents are directed to file their reply by 15.5.2019 with an advance copy to the petitioner who shall file its rejoinder, if any, by 25.5.2019. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

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

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

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

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

