

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 272/TT/2018**

**Coram:**

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

**Date of Order : 11.6.2019**

Petition for determination of transmission tariff for **Asset I** -STATCOM System (+/-) 300 MVAR complete in all respect including Coupling transformer, Mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc at Ranchi Sub-station and **Asset II** - STATCOM System (+/-) 200MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor and 2x125 MVAR Capacitor), cooling system and STATCOM protection / controller etc at Kishanganj Substation under "Eastern Region Strengthening Scheme –XI (ERSS-XI) "

**And in the matter of:**

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

.....**Petitioner**

**Verses**

1. Grid Corporation of India Limited,  
Shahid Nagar, Bhubaneswar - 751 007.
2. Bihar State Power (Holding) Company Ltd  
(Formerly Bihar State Electricity Board -BSEB)  
Vidyut Bhavan, Bailey Road, Patna – 800001.
3. West Bengal State Electricity Distribution Company Limited  
Bidyut Bhawan, Bidhan Nagar



Block DJ, Sector-II, Salt Lakecity  
Calcutta - 700091.

4. Jharkhand State Electricity Board  
In Front Of Main Secretariat  
Doranda, Ranchi – 834002.
5. Damodar Valley Corporation  
DVC Tower, Maniktala  
Civic Centre, VIP Road, Calcutta - 700 054.
6. Power Department  
Government of Sikkim,  
Gangtok – 737101.

**For Petitioner** : Shri S.S. Raju, PGCIL  
Shri Amit Yadav, PGCIL  
Shri S.K. Venkatesan, 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-STATCOM** System (+/-) 300 MVAR complete in all respect including Coupling transformer, Mechanically switched compensation (2x125 MVAR reactor), cooling system & STATCOM protection / controller etc at Ranchi Substation and **Asset II - STATCOM** System (+/-) 200MVAR complete in all respect including Coupling transformer, mechanically switched compensation (2x125 MVAR reactor and 2x125 MVAR Capacitor), cooling system and STATCOM protection/controller etc. at Kishanganj Sub-station (hereinafter referred to as “**assets**”) under “Eastern Region Strengthening Scheme–XI (ERSS-XI)” under Central Electricity Regulatory



Commission (Terms and Conditions of Tariff) Regulations, 2014 (for short, “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 16.9.2011, the instant assets were scheduled to be put into commercial operation on 5.11.2018. The petitioner, vide affidavit dated 17.5.2019, has submitted that instant assets were put under commercial operation on 16.7.2018 and 16.3.2019 respectively. Hence, there is a time over-run of about 4 months in case of Asset-II.

3. The petitioner has claimed tariff based on actual/estimated expenditure incurred up to COD and additional capitalization to be incurred from COD to 31.3.2021. The details of the capital cost claimed by the petitioner are as follows:

(₹ in lakh)

Asset	Apportioned Approved Cost (As per FR)	Expenditure Upto COD	Proposed Expenditure			Estimated completion cost
			COD to 31.3.19	2019-20	2020-21 & 2021-22	
Asset-I	20971.11	9830.04	3349.67	4187.09	837.42	18204.22
Asset-II	17008.46	12060.67	2148.03	756.97	756.98	15722.64

4. During the hearing on 24.5.2019, 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 further submitted that the estimated completion cost of the



subject assets are within the approved apportioned FR cost and accordingly there is no cost over-run. He submitted that CEA Energisation certificate, RLDC certificate and CMD certificate with respect to Asset-I and II have been furnished. He submitted, vide affidavit dated 7.3.2019, that as per the investment approval, the project has been funded through PSDF grant up to 90% of the estimated project cost to the extent of ₹630.28 crore and the balance through internal resources. At present, the total grant received is ₹316.38 crore against the project and out of which ₹105.96 crore is adjusted against Asset-I and the balance is adjusted against remaining assets of the project. Based on available grant the tariff is prepared for Asset-I. Further, vide affidavit dated 17.5.2019, the petitioner has submitted that out of total grant received as on date an amount of ₹108.55 crore for Asset-II is utilized as on DOCO. He submitted that all other information as required under the 2014 Tariff Regulations has been furnished.

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 (hereinafter referred to as "the 2010 Sharing Regulations"). 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 "the



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 application 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 with respect to Asset-II, 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 allowed by the Commission are as under:-

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

(₹ in lakh)	
<b>Asset</b>	<b>2018-19</b>
<b>Asset-I</b>	344.33
<b>Asset-II</b>	20.56

Annual transmission charges allowed are given below:-

(₹ in lakh)	
<b>Asset</b>	<b>2018-19</b>
<b>Asset-I</b>	292.68
<b>Asset-II</b>	16.45



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 Regulation.

10. The petitioner is directed to submit the following information on affidavit with an advance copy to the respondents by 21.6.2019:-

- a) Exact status of asset wise grant received, terms and conditions of EBR;
- b) Statement of discharge of IEDC and Initial Spares, if any, during the period for all the assets;
- c) Details of IEDC during the period of delay in COD of Asset-II (i.e from scheduled COD to actual COD ) along with the liquidated damages recovered or recoverable, if any;
- d) Details of reasons for time over-run in a chronological order along with documentary evidence in the following format:-

Sri. No .	Task Name	Schedule		Actual		Remarks of if any
		From	To	From	To	
1	LOA					
2	Supplies					
3.	Testing and COD					



11. The respondents are directed to file their reply by 28.6.2019 with an advance copy to the petitioner who shall file its rejoinder, if any by 8.7.2019. 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**

