

CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 266/TT/2018

Coram :

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

Date of Order: 27.01.2020

In the matter of:

Approval 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 for determination of Transmission tariff from COD to 31.3.2019 for Asset-1: 2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (Powergrid) switching station and 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220 kV lines and Parli Osmanabad 220 kV S/C line), Asset-2: 2 nos. 220 kV line bays at Mapusa (Colvale) (Powergrid Substation (for Mapusa (Colvale) (Powergrid)-Tuem 220 kV D/C line) and Asset-3: 2 nos. 400 kV line bays for 400 kV D/C Indore (POWERGRID)-Ujjain Transmission Line at 765/400 kV Indore (Powergrid) Substation under WRSS-XVI for tariff block 2014-19 period.

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 Ltd. (MPPMCL)
Shakti Bhawan, Rampur
Jabalpur - 482 008
2. Madhya Pradesh Power Transmission Company Ltd. (MPPTCL)
Shakti Bhawan, Rampur
Jabalpur - 482 008
3. Madhyapradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.
3/54, Press Complex, Agra-Bombay Road,
Indore-452 008
4. Maharashtra State Electricity Distribution Co. Ltd.
Hongkong Bank Building, 3rd Floor
M.G. Road, Fort, Mumbai-400 001.



5. Maharashtra State Electricity Transmission Co. Ltd. (MSETCL)
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East) Mumbai-400 051.
6. Gujarat Urja Vikas Nigam Ltd.
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
7. Gujarat Energy Transmission Corporation Limited
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara - 390 007
8. Electricity Department
Govt. of Goa, Vidyut Bhawan, Panaji,
Goa - 403 001
9. Electricity Department
Administration of Daman & Diu
Daman - 396 210
10. Electricity Department
Administration of Dadra Nagar Haveli
U.T., Silvassa - 396 230
11. Chhattisgarh State Electricity Board
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
12. Chhattisgarh State Power Transmission Co. Ltd.
Office of the Executive Director (C&P)
State Load Dispatch Building,
Dangania, Raipur – 492 013
13. Chhattisgarh State Power Distribution Co. Ltd.
P. O. Sunder Nagar, Dangania, RAIPUR
Chhattisgarh-492 013

...Respondents

For Petitioner: Shri Zafrul Hasan, PGCIL
Shri S. S. Raju, PGCIL
Shri Pankaj Sharma, PGCIL
Shri Anurag Naik, MPPMCL

For Respondent: None

ORDER

The present petition has been filed by the Petitioner, Power Grid Corporation of India Ltd. (“PGCIL”) seeking approval of transmission tariff from COD to 31.3.2019



for Asset-1: 2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (Powergrid) switching station and 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220 kV lines and Parli Osmanabad 220 kV S/C line), Asset-2: 2 nos. 220 kV line bays at Mapusa (Colvale) (Powergrid Substation (for Mapusa (Colvale) (Powergrid)-Tuem 220 kV D/C line) and Asset-3: 2 nos. 400 kV line bays for 400 kV D/C Indore (POWERGRID)-Ujjain Transmission Line at 765/400 kV Indore (Powergrid) Substation under WRSS-XVI 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) Admit the capital cost as claimed in the petition and approve the additional capitalization incurred / projected to be incurred.
- (ii) Approve the Transmission Tariff for the tariff block 2014-19 for the assets covered under this petition.
- (iii) Tariff may be allowed on estimated completion cost.
- (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 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 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014.
- (vii) Allow 90% of the Annual Fixed Charges as tariff in accordance with clause 7 (i) of Regulation 7 Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 for purpose of inclusion in the PoC charges.
- (viii) Allow the petitioner to bill Tariff from actual DOCO.



- (ix) 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.

and pass such other relief as 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 the project "Western Region Strengthening Scheme-XVI" was accorded by Board of Directors of the Petitioner in its 300th meeting held on 20.7.2016 for ₹15099 lakh including an IDC of ₹906 lakh based on April, 2016 price level (communicated vide Memorandum No. C/CP/PA 1617-07-0f-IA006 dated 22.7.2016).

4. The scheme was approved in the 38th Standing Committee meeting of Western Region held on 17.7.2015. The scheme was also discussed and agreed for implementation in the 31st WRPC meeting held on 30.3.2016 and 31.3.2016. The Petitioner has been entrusted with the implementation of the said scheme.

5. The scope of work covered under the project "Western Region Strengthening Scheme-XVI" is as follows:-

SUB-STATION

(i) Parli (Powergrid) switching station.

- Installation of 2X500 MVA, 400/220 kV ICTs
- 400 kV ICT bays: 2 Nos.
- 220 kV ICT bays: 2 Nos.
- 220 kV line bays: 6 Nos.

(for LILO of (i) both circuits of Parli-Harngul 220 kV lines and (ii) Parli-Osmanabad 220 kV S/C line)

(ii) Mapusa (Colvale) (Powergrid) substation

- 220 kV line bays: 2 Nos.
- (for Mapusa (Colvale) (Powergrid))



(iii) Satna (Powergrid) Substation

- Installation of 1X500 MVA, 400/220 kV (3rd) ICT
- 400 kV ICT bays: 1 Nos.
- 220 kV ICT bays: 1 Nos.
- 220 kV line bays: 2 Nos.

(iv) 765/400 kV Indore (Powergrid) substation

- 400 kV line bays: 2 Nos.
(for Indore Powergrid)-Ujjain 400 kV D/C Line.

6. The Petitioner has submitted that subsequent to Investment Approval, as discussed in 41st meeting of Standing Committee on Power System Planning in Western Region held on 21.12.2016, MSETCL required only 4 nos. 220 kV line bays at (Powergrid) substation for termination of LILO of one circuit of Parli-Harangul 220 kV D/C line and LILO of one circuit of Parli-Osmanabad 220 kV D/C line in place of earlier agreed 6 nos. of 220 kV line bays. The Petitioner has submitted that the same has been ratified in 34th WRPC/TCC meeting held on 27.7.2017-28.7.2018.

7. The details of assets covered under various petitions are as follows:-

Asset	Remarks
400/220 kV 1X500 MVA ICT-III at Satna along with associated ICT bays and 2 Nos. 220kV line bays at Satna Sub-Station.	Filed in petition no. 259/TT/2017
2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (PGCIL) Switching Station and 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220 kV lines and Parli -Osmanabad 220 kV S/C line) at Parli Sub-Station.	Covered under instant petition.
2 nos. 220 kV line bays at Mapusa (Colvale) (PGCIL) Substation (for Mapusa-(Colvale)(Powergrid)-Tuem 220 kV D/C line)	
2 Nos. 400 kV line bays at Indore Substation (for Indore (PGCIL)-Ujjain 400 kV D/C Line.	

8. The Petitioner had filed the instant petition in respect of three Assets initially claiming anticipated COD. However, vide affidavit dated 7.3.2019, the Petitioner has bifurcated the Asset-1 into Asset-1A and Asset-1B and claimed the COD of Asset-



1A, Asset-1B, Asset-2 and Asset-3 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations in respect of all 4 Assets. The same has been summarized as under:-

Asset claimed at the time of filing of instant petition	COD claimed at the time of filing of instant petition	Assets revised vide affidavit dated 7.3.2019	COD claimed (under Regulation 4(3)(ii))
Asset-1: 2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (PGCIL) Switching Station and 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220 kV lines and Parli Osmanabad 220 kV S/C line) AT Parli Sub-station.	19.7.2018 (Anticipated)	Asset-1A: 2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (Powergrid) Switching Station	12.8.2018
		Asset-1B: 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220kV lines and Parli Osmanabad 220 kV S/C line) at Parli Sub-station.	12.8.2018
		Asset-2: 2 nos. 220 kV line bays at Mapusa (Colvale) (PGCIL) Substation (for Mapusa-(Colvale)(Powergrid)-Tuem 220 kV D/C line)	2.8.2018
		Asset-3: 2 Nos. 400 kV line bays at Indore Substation (for Indore (Powergrid)-Ujjain 400 kV D/C Line.	11.1.2019

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

Particulars	(₹ in lakh)			
	Asset-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Depreciation	201.40	16.51	14.34	13.05
Interest on Loan	191.75	16.68	15.40	13.34
Return on Equity	206.72	19.44	16.65	14.35
Interest on Working Capital	19.85	4.14	4.14	2.35
O&M Expenses	148.50	61.15	63.78	30.12
Total	768.22	117.92	114.31	73.21



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

Particulars	(₹ in lakh)			
	Asset-1A	Asset-1B	Asset-2	Asset-3
	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)	2018-19 (Pro-rata)
Maintenance Spares	35.04	14.43	14.43	20.61
O&M expenses	19.47	8.02	8.02	11.45
Receivables	201.44	30.92	28.74	55.67
Total	255.95	53.37	51.19	87.73
Rate of Interest	12.20%	12.20%	12.20%	12.20%
Interest on working Capital	31.23	4.14	4.14	2.35

11. The Petitioner has served a 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. Reply to the petition has been filed by MPPMCL (Respondent no. 1) and MPPTCL (Respondent no. 2) vide their affidavit dated 28.9.2018 and 11.7.2019 respectively. The Petitioner vide its affidavits dated 01.01.2019 has filed its rejoinder.

12. The Petition was last heard on 16.10.2019 and the Commission reserved the order in the Petition.

Analysis and Decision

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 13.7.2018 and Petitioner's affidavits dated 7.3.2019, 1.1.2019, 5.4.2019, 21.5.2019 and 15.11.2019 and reply dated 28.9.2018 and 11.7.2019 of MPPMCL (Respondent no. 1) and MPPTCL (Respondent no. 2) respectively.



Date of Commercial Operation (COD)

15. The Petitioner has claimed the following COD under proviso (ii) of Regulation 4 (3) of 2014 Tariff Regulations in respect of the assets covered under the instant petition:-

Assets	COD claimed (under Regulation 4(3)(ii))	Date of idle charging	Date of active power flow
Asset-1A: 2 nos. 500 MVA, 400/220 kV ICTs along with associated bays at Parli (Powergrid) Switching Station	12.8.2018	31.7.2018, 10.8.2018	18.1.2019
Asset-1B: 4 nos. 220 kV line bays (for LILO of Parli - Harangul 220 kV lines and Parli Osmanabad 220 kV S/C line) at Parli Sub-Station.	12.8.2018	10.8.2018	9.10.2019
Asset-2: 2 nos. 220 kV line bays at Mapusa (Colvale) (Powergrid) Substation (for Mapusa-(Colvale)(Powergrid)-Tuem 220 kV D/C line)	2.8.2018	31.7.2018	No Active Power flow
Asset-3: 2 Nos. 400 kV line bays at Indore Substation (for Indore (Powergrid)-Ujjain 400 kV D/C Line.	11.1.2019	9.1.2019	No Active Power flow

16. During the hearing on 24.5.2019, the representative of the Petitioner submitted that the associated downstream assets of MSETCL and MPPTCL were not ready and sought approval of the COD of the instant assets under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Commission directed the respondents to file their reply and observed that MSETCL and MPPTCL who are executing the downstream assets did not file their reply and directed them to file their reply in the matter, especially on the Petitioner's request for approval of COD under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

17. No reply has been filed by the MSETCL, Respondent No. 5.



18. MPPTCL has submitted, vide its affidavit dated 11.7.2019, that that the upstream work of 2 nos. of 400 kV line bays at 765 kV Indore (PGCIL) Sub-station to Ujjain 400 kV D/C line were approved in the 38th SCM held on 17.7.2015 with the timeline of 30 months. MPPTCL initially gave its target for completion of the downstream works as December, 2018. MPPTCL has further submitted that at present, the downstream work of 765 kV Indore (PGCIL) Sub-station to Ujjain 400 kV D/C line has a physical progress of around 89% as there are severe ROW problems at 5 nos. location on the line and tentative target for completion of this downstream work has been revised to December, 2019.

19. We have considered the submissions of the Petitioner and Respondent, MPPTCL. The Petitioner has claimed COD of Asset-1A, Asset-1B, Asset-2, Asset-3 as 12.8.2018, 12.8.2018, 2.8.2018 and 11.1.2019 respectively under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations as the Petitioner was unable to put Asset-1A, Asset-1B and Asset-2 into regular service due to non-readiness of associated downstream transmission system under the scope of MSETCL and Asset-3 due to non-readiness of downstream assets under the scope of MPPTCL.

20. Clause (3) of Regulation 4 of the 2014 Tariff Regulations 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 or 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. In support of COD of the assets covered in the instant Petition, the Petitioner vide affidavit dated 7.3.2019 has submitted the following:-

Asset-1A

a) The CEA certificate dated 28.3.2018 under Regulation 43 of CEA (Measures relating to safety and electric supply) Regulations, 2010 and WRLDC certificate (idle charging certificate) dated 9.10.2018 certifying that transmission asset was idle charged from 31.7.2018 to 1.8.2018 and CMD Certificate as required under grid code. In addition, the Petitioner has submitted that active power flow through Asset-1A started w.e.f. 18.1.2019.

Asset-1B

b) The CEA Certificate dated 28.3.2018 under Regulation 43 of CEA (Measures relating to safety and electric supply) Regulations, 2010 and WRLDC certificate (idle charging certificate) dated 27.8.2018 certifying that transmission asset was idle charged from 10.8.2018 to 11.8.2018 and CMD Certificate as required under grid code.

Asset-2

c) The CEA Certificate dated 31.7.2018 under Regulation 43 of CEA (Measures relating to safety and electric supply) Regulations, 2010 and WRLDC certificate (idle charging certificate) dated 19.9.2018 certifying that transmission asset was idle charged from 31.7.2018 to 31.7.2018 and CMD Certificate as required under grid code.



Asset-3

d) The Petitioner has submitted CEA Certificate dated 17.12.2018 under Regulation 43 of CEA (Measures relating to safety and electric supply) Regulations, 2010 and WRLDC certificate (idle charging certificate) dated 18.1.2019 certifying that transmission asset was idle charged from 9.1.2019 to 10.1.2019 and CMD certificate certifying that assets were ready and capable of operation to their full capacity with effect from 8.1.2019 conforming to the relevant Grid Standard.

22. MPPTCL has submitted that the transmission assets associated with the Asset-1A, 1B and 2 under its scope are anticipated to be put into commercial operation in December, 2019. MSETCL has not submitted any reply. Taking into consideration the submissions of the Petitioner and MPPTCL, the RLDC Idle-charging certificate, CEA Energisation Certificate and CMD Certificate, the COD for Assets-1A, Asset-1B, Asset-2 and Asset-3 is approved as 12.8.2018, 12.8.2018, 2.8.2018 and 11.1.2019 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations.

Capital Cost

23. 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.”

24. The Petitioner has submitted the apportioned approved cost as per Investment Approval. The Petitioner has claimed the capital cost along with the estimated additional capital expenditure on the basis of Management Certificates in respect of assets covered under the instant petition. The Petitioner has submitted that the Commission has granted tariff based on Management certificate for approval of COD cases in Petition no. 56/TT/2017 for Dulhasti-Kishenpur TL and in Petition no. 233/TT/2018 for LILO of existing Neyveli TS-II – Pondicherry 400KV S/C at NNTPS generation switchyard under “Transmission system for evacuation of power from 2X500MW Neyveli Lignite Corporation Ltd. TS-1(Replacement) (NNTPS)” in Southern Region and requested to grant the tariff based on Management certificate for subject assets as well. The Petitioner has further submitted that as the true-up process is going on, Auditor certificate shall be submitted in the true-up petition for the instant assets based on COD approved by the Commission. The details of apportioned approved cost, capital cost as on COD and estimated additional capital expenditure incurred or projected to be incurred during 2018-19, 2019-20 and 2020-2021 along with estimated completion cost as claimed by the Petitioner for the instant assets are as under:-



(₹ in lakh)

Asset	Apportioned Approved Cost (FR)	Cost up to COD	Projected Expenditure			Estimated Completion Cost
			2018-19	2019-20	2020-21	
Asset-1A	7426.73	5291.86	405.99	717.44	175.23	6590.52
Asset-1B	989.31	474.92	82.67	203.29	37.11	797.99
Asset-2	887.07	335.94	178.76	141.21	30.92	686.83
Asset-3	1650.14	1064.10	88.84	186.28	0.00	1339.22

Cost Over-run

25. The Respondent, MPPMCL has submitted that the Petitioner has admitted that there are inconsistencies and variation in cost and quantity of various items while framing the estimate and in two sub heads viz. establishment and IDC, the expenditure taken in the estimate is on much higher side to the tune of Rs.129.04 lakh thereby increasing the estimated capital cost in FR. MPPMCL has further submitted that though, the Petitioner has mentioned that there is no change in quantity and variation is mainly due to LOA price/PV/Taxes and Duties, yet the data itself shows that capital cost has been increased despite the fact that the quantity has been reduced by nearly 35% and on the other side, the Petitioner has requested to allow tariff as demanded on the basis that the completion cost is well within the estimated cost as per FR.

26. In response, the Petitioner has submitted the following:-

(ii) Estimates are prepared by the Petitioner as per well-defined procedures for cost estimate and the same is broad indicative cost worked out generally on the basis of average unit rates of recently awarded contracts.

(iii) For procurement, open competitive bidding route is followed by providing equal opportunity to all eligible firms, lowest possible market prices for required product/services is obtained and contracts are awarded on the basis of lowest evaluated eligible bidder. The best

competitive bid prices against tenders may happen to be lower or higher than the cost estimate depending upon prevailing market conditions.

(iv) Regarding variation in cost of individual item in Sub-Station packages, it is submitted that the packages under subject scope of works comprise of a large no. of items and the same are awarded through open competitive bidding. In the said bidding process, bids are received from multiple parties quoting different rates for various BOQ items under the said package. Further, lowest bidder can be arrived at/evaluated on overall basis only. Hence, item-wise unit prices in contracts and its variation over unit rate considered in FR estimates are beyond the control of the Petitioner.

(v) During FR estimation, IDC was calculated considering interest rate @10.5% for Domestic loans whereas IEDC has been considered @10.75 % of equipment cost. Based on the actual/anticipated infusion of funds, accrued IDC and IEDC have been taken at the time of claim.

(vi) The total estimated cost of the subject asset is within the apportioned approved cost of the asset as per FR. Therefore, the Commission is requested to allow the full cost and tariff as claimed under instant Petition.

27. We have considered the submissions of the Petitioner and Respondent and noted that against the total apportioned approved cost as per FR in respect of assets covered under the instant petition as mentioned in the table of Para. 26 above, the estimated completed cost including additional capitalization is within the



apportioned approved cost as per FR. Therefore, there is no cost over-run.

Time over-run

28. As per the Investment Approval (IA) dated 20.7.2016, the instant assets were scheduled to be commissioned within 24 months from the date of investment approval. Accordingly, the commissioning schedule comes to 20.7.2018 against which Asset-1A, Asset-1B, Asset-2 and Asset-3 have been put into Commercial operation on 12.8.2018, 12.8.2018, 2.8.2018 and 11.1.2019 with time over-run of 24 days, 24 days, 14 days and 176 days respectively.

29. The Commission vide ROP dated 16.10.2019 directed the petitioner to submit the details for efforts/coordination made with MSETCL and MPPTCL along with documentary evidence in support thereof, if any. In response, the Petitioner vide affidavit dated 15.11.2019 has submitted that as per the Memorandum of investment approval dated 22.7.2016, the schedule of completion is within 24 months from the date of approval of Board of Directors dated 20.7.2016 for which, the commissioning schedule works out to be 20.7.2018. The Petitioner has further submitted that Asset-1, 2 and 3 have been implemented for associated Transmission lines of MSETCL, GED and MPPTCL which were anticipated to be commissioned by July, 2018 and therefore, the subject assets were also planned to be commissioned by 19.7.2018 matching with the associated transmission line as mentioned in the subject petition. In addition, the Petitioner has furnished the details of coordination with MSETCL, GED and MPPTCL.

30. The Petitioner has submitted that it was constrained to complete the construction activity and subject assets have been idle charged since the associated transmission lines have been delayed and it is not feasible to delay the petitioner's



project further, as these time extensions would mean financial implications for the petitioner which would have a bearing on the project cost and repayment of loans.

31. The Commission directed the Petitioner to submit Implementation Agreement made with MSETCL and MPPTCL, if any. In response, the Petitioner vide affidavit dated 15.11.2019 has submitted that the scheme was approved in the 38th Standing Committee meeting of Western Region held on 17.7.2015 and was later discussed and agreed for implementation in the 31st WRPC meeting held at Raipur on 30.3.2016 and 31.3.2016 which was also attended by GED, MSETCL and MPPTCL.

32. The Petitioner was also directed to submit the details of time over-run and chronology of activities along with documentary evidence as per the prescribed format. In response, the Petitioner vide affidavit dated 15.11.2019 has submitted the said details.

33. We have considered the submissions of Petitioner. As per the investment approval dated 20.7.2016, the assets covered in the instant petition was scheduled to be commissioned within 24 months i.e. by 20.7.2018 against which Asset-1A, Asset-1B, Asset-2 and Asset-3 has been commissioned on 12.8.2018 ,12.8.2018 , 2.8.2018, 11.1.2019 with a time over-run of 24 days, 24 days, 14 days and 176 days, respectively.

34. With respect to time over-run of Asset-1A and Aset-1B, the Petitioner has submitted that all construction activities were completed in the month of March, 2018 and accordingly, the Petitioner obtained CEA clearance on 28.3.2018. The Petitioner had not received consent from constituents for early charging in the month of March, 2018. The Petitioner has submitted that due to heavy rains in the month of July, 2018 in the Parli area the commissioning works got delayed. The reasons for



time over-run submitted by the Petitioner are not supported by any documentary evidence. Therefore, in our view the time over-run of 24 days in commissioning of Asset-1A and Asset-1B were not beyond the control of the Petitioner and the same has been not condoned.

35. With regard to Asset-2, the Petitioner has submitted that all the construction activities were completed within the SCOD and the Petitioner applied for CEA clearance on 21.7.2018. The Petitioner has claimed COD as 2.8.2018 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Petitioner has not submitted any specific reasons for time over-run and hence, in our view the time over-run of 14 days was not beyond the control of the Petitioner and the same has been not condoned.

36. As regards Asset-3, the Petitioner has submitted that all the construction activities were completed within the SCOD and the asset could not be charged due to delay in associated downstream transmission line. The Petitioner has claimed the COD under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations. The Petitioner has submitted that the instant asset was ready but the same was not commissioned due to non-commissioning of the associated transmission system under the scope of MPPTCL. We have gone through the submissions of the Petitioner. The Petitioner has claimed the claimed the COD of the Asset-3 as 11.1.2019 under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations, 2014 after SCOD with a time over-run of 176 days. Therefore, the time overrun from 20.7.2018 (SOCD) to 11.1.2019 (176 days) on account of matching the downstream network of MPPTCL was a decision of the Petitioner and hence same is not condoned. However, for the period prior to 11.1.2019, the Petitioner is at liberty to



claim compensation in terms of LDs, IDC or IEDC from MPPTCL as per the arrangement/agreement entered into, if any.

37. Accordingly, the decision with regard to time over-run in respect of assets covered under the instant petition is summarized below:-

Asset name	COD**	Time over-run	Time over-run Condoned	Time over-run not Condoned
Asset-1A: 2 nos. 500 MVA, 400/220kV ICTs along with associated bays at Parli (Powergrid) Switching Station	12.8.2018	24 days	-	24 days
Asset-1B: 4 nos. 220kV line bays (for LILO of Parli - Harangul 220kV lines and ParliOsmanabad 220kV S/C line) at Parli S/S.	12.8.2018	24 days	-	24 days
Asset-2: 2 nos. 220kV line bays at Mapusa(Colvale) (Powergrid) Substation (for Mapusa-(Colvale)(Powergrid)-Tuem 220kV D/C line)	2.8.2018	14 days	-	14 days
Asset-3: 2 Nos. 400 kV line bays at Indore Substation (for Indore (Powergrid)-Ujjain 400 kV D/C Line.	11.1.2019	176 days	-	176 days

**approved under proviso (ii) of Regulation 4(3) of the 2014 Tariff Regulations

Interest During Construction (IDC)

38. The Petitioner has claimed Interest During Construction (IDC) for the instant assets and has submitted the Management Certificate in support of the same. The details of IDC claimed by the Petitioner in respect of the instant assets are as follows:-

Asset	IDC as per Auditor / Management Certificate	Undischarged IDC Liability as on COD	IDC discharged upto COD	IDC discharged year-wise	
				2018-19	2019-20
				1	2
Asset-1A	81.87	11.16	70.71	6.16	5.01
Asset-1B	21.40	0.28	21.12	0.12	0.17
Asset-2	5.83	3.23	2.60	3.23	0.00
Asset-3	52.26	4.81	47.45	0.78	4.03

39. The Petitioner has submitted the statement of IDC computation alongwith the year-wise its discharges in respect of instant assets. The loan portfolio as mentioned



in IDC computation statement and in Form 9C is not matching. The allowable IDC as on COD has been worked out considering loan details submitted in Form-9C for period 2014-19 and date of drawl submitted in IDC statement.

40. Accordingly, the IDC claimed and considered as on COD and summary of discharge of IDC liability upto COD and thereafter, for the purpose of tariff determination, subject to revision at the time of true up, are as under:-

(₹ in lakh)

Asset	IDC claimed	IDC admissible	IDC Discharged upto COD	Un-discharged IDC	IDC Discharged in 2018-19
	1	2	3	4=(2-3)	5
Asset-1A	81.87	67.72	55.03	12.68	12.68
Asset-1B	21.40	17.43	17.24	0.19	0.19
Asset-2	5.83	5.22	2.60	2.62	2.62
Asset-3	52.26	23.19	21.82	1.37	1.37

Incidental Expenditure During Construction (IEDC)

41. The Petitioner has claimed IEDC for the instant assets and submitted the Management Certificate in support of the same. The details of IEDC claimed and allowed is tabulated below which shall be reviewed at the time of truing up exercise:-

(₹ in lakh)

Asset	IEDC claimed	IEDC Disallowed due to computational difference & Time Over-run	IEDC Allowed (as on COD)
Asset-1A	129.88	4.14	125.74
Asset-1B	11.22	0.36	10.86
Asset-2	15.68	0.30	15.38
Asset-3	184.04	104.66	62.75

42. The IEDC allowed for the instant assets will be reconsidered in the light of the directions of Appellate Tribunal for Electricity (APTEL) in judgment dated 2.12.2019 in Appeal Nos. 95 of 2018 and 140 of 2018 against Commission's orders dated 29.7.2016 and 5.10.2017 in Petition Nos. 46/TT/2014 and 2/RP/2017 respectively, at the time of truing up.

Initial Spares

43. This has been dealt in line with Regulation 13 of the 2014 Tariff Regulations. The Petitioner has claimed initial spares and submitted the Management Certificate in support of the same. The details of initial spares claimed by the Petitioner is as follows:-

Asset	Element	Plant and Machinery Cost excluding IDC, IEDC and Land Expenditure up to cut-off date	(₹ in lakh)
			Initial spares claimed
Asset-1A	Sub-Station (S/S)	5896.32	324.59
Asset-1B	Sub-Station (S/S)	497.42	23.35
Asset-2	Sub-Station (S/S)	512.43	27.82
Asset-3	Sub-Station (S/S)	1102.92	63.22

44. In addition to the above, the Petitioner vide affidavit dated 15.11.2019 has submitted following the discharge details in respect of initial spares for the instant assets:-

Asset	Element	Expenditure up to COD	Expenditure in FY 2018-19	(₹ in lakh)	
				2019-20 (Projected)	2019-20 (Projected)
Asset-1A	S/S	244.40	65.34	3.40	11.45
Asset-1B	S/S	17.19	5.86	0.30	0.00
Asset-2	S/S	26.04	1.61	0.17	0.00
Asset-3	S/S	49.06	6.92	7.24	0.00

45. We have considered the submissions made by the Petitioner, 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 31.3.2019, subject to true-up, are as under:-

(₹ in lakh)

Asset	Element	Plant and Machinery Cost excluding IDC, IEDC and Land expenditure (up to 31.3.2019)	Initial spares claimed	Initial spares admissible	Excess Initial spares	Initial spares Discharged as on COD	Un-discharged as on COD disallowed	Year-wise initial spares discharged		
								2018-19	2019-20	2020-21
Asset-1A	S/S	5309.75	324.59	318.20	6.39	244.40	73.80	65.34	3.40	5.06
Asset-1B	S/S	425.09	23.35	23.35	0.00	17.19	6.16	5.86	0.30	0.00
Asset-2	S/S	372.70	27.82	22.01	5.81	22.01	0.00	0.00	0.00	0.00
Asset-3	S/S	916.64	63.22	54.47	8.75	49.06	5.41	5.41	0.00	0.00

Capital cost as on COD

46. 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	IDC Disallowed due to computational difference & Time Overrun	Un-discharged IDC as on COD	IEDC Disallowed due to computational difference & Time Overrun	Excess Initial spares as on COD	Capital Cost considered as on COD
	1	2	3	4	5	6=(1-2-3-4-5)
Asset-1A	5291.86	14.15	12.68	4.14	6.39	5254.49
Asset-1B	474.92	3.97	0.19	0.36	0.00	470.40
Asset-2	335.94	0.61	2.62	0.3	5.81	326.61
Asset-3	1064.10	29.07	1.37	104.66	8.75	920.25

Additional Capital Expenditure (ACE)

47. As per Clause (13) of Regulation 3 of the 2014 Tariff Regulations, the cut-off date for Asset-1A, Asset-1B and Asset-2 is 31.3.2021 and 31.3.2022 for Asset-3. The Petitioner vide From-7 of the respective assets has claimed the following ACE on estimation basis in respect of the instant assets :-

(₹ in lakh)

Asset	Year	Work/ equipment proposed to be added after COD to cutoff date/ beyond cutoff date	Amount capitalized and proposed to be capitalized	Regulation under which covered
Asset-1A	2018-19	Accrual IDC	6.15	14(1)(i) & 14(1)(ii)
		Balance & Retention Payment	405.99	
		Total	412.14	
Asset-1B	2018-19	Accrual IDC	0.12	
		Balance & Retention Payment	82.67	
		Total	82.79	
Asset-2	2018-19	Accrual IDC	3.22	



		Balance & Retention Payment	178.76
		Total	181.9
Asset-3	2018-19	Accrual IDC	0.78
		Balance & Retention Payment	88.84
		Total	89.62

48. The Petitioner has also claimed ACE vide Management certificates for the FY 2019-20 and 2020-21 in respect of instant assets. However, as FY 2019-20 and 2020-21 falls beyond the tariff period 2014-19 and is not covered under the 2014 Tariff Regulation, the same has not been taken into consideration for the purpose of tariff and shall be dealt during the next tariff period as per extant tariff Regulations.

49. 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-1A	Asset-1B	Asset-2	Asset-3
		2018-19	2018-19	2018-19	2018-19
ACE to the extent of Balance & Retention Payment	14 (1)(i)	405.99	82.67	178.76	88.84
IDC Discharged	14 (1)(i)	12.68	0.19	2.62	1.37
Total Add-Cap allowed for tariff		418.67	82.86	181.38	90.21

Capital cost for the tariff period 2014-19

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

(₹ in lakh)

Asset	Capital Cost allowed as on COD	Add Cap for 2018-19	Total Estimated Completion Cost up to 31.3.2019
Asset-1A	5254.49	418.67	5673.16
Asset-1B	470.40	82.86	553.26
Asset-2	326.61	181.38	507.98
Asset-3	920.25	90.21	1010.46

Debt-Equity Ratio

51. 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:-

Asset-1A		(₹ in lakh)		
Particular	Capital cost as on COD		Capital cost as on 31.3.2019	
	Amount	%	Amount	%
Debt	3678.15	70.00%	3971.22	70.00%
Equity	1576.35	30.00%	1701.95	30.00%
Total	3678.15	100.00%	5673.16	100.00%

Asset-1B				
Particular	Capital cost as on COD		Capital cost as on 31.3.2019	
	Amount	%	Amount	%
Debt	329.28	70.00%	387.29	70.00%
Equity	141.12	30.00%	165.98	30.00%
Total	470.40	100.00%	553.26	100.00%

Asset-2				
Particular	Capital cost as on COD		Capital cost as on 31.3.2019	
	Amount	%	Amount	%
Debt	228.63	70.00%	355.59	70.00%
Equity	97.98	30.00%	152.39	30.00%
Total	326.61	100.00%	507.98	100.00%

Asset-3				
Particular	Capital cost as on COD		Capital cost as on 31.3.2019	
	Amount	%	Amount	%
Debt	644.17	70.00%	707.32	70.00%
Equity	276.07	30.00%	303.14	30.00%
Total	920.25	100.00%	1010.46	100.00%

Return on Equity (ROE)

52. 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.

53. 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.

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

Particulars	(₹ in lakh)			
	Asset-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Opening Equity	1576.35	141.12	97.98	276.07
Addition due to Additional Capitalization	125.60	24.86	54.41	27.06
Closing Equity	1701.95	165.98	152.39	303.09
Average Equity	1639.15	153.55	125.19	289.56
Return on Equity (Base Rate)	15.50%	15.50%	15.50%	15.50%
MAT rate	20.961%	20.961%	20.961%	20.961%
Rate of Return on Equity (Pre-tax)	19.610%	19.610%	19.610%	19.610%
Return on Equity (Pre-tax)	204.31	19.14	16.28	12.45

Interest on Loan (IOL)

55. 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.

56. 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.

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

Particulars	(₹ in lakh)			
	Asset-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Gross Normative Loan	3678.15	329.28	228.63	644.17
Cumulative Repayment upto previous Year	0.00	0.00	0.00	0.00
Net Loan-Opening	3678.15	329.28	228.63	644.17
Addition due to Additional Capitalization	293.07	58.00	126.96	63.15
Repayment during the year	200.55	16.37	14.11	11.41
Net Loan-Closing	3770.67	370.91	341.48	695.96
Average Loan	3724.41	350.10	285.05	670.09
Weighted Average Rate of Interest on Loan	8.0659%	7.4341%	8.0250%	7.94%
Interest on Loan	190.94	16.54	15.17	11.66

Depreciation

58. Depreciation has been dealt with in line of Regulation 27 of 2014 Tariff Regulations. The instant assets were put under commercial operation during 2018-



19. Accordingly, it will complete 12 years beyond the tariff period 2014-19. As such, 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-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Opening Gross Block	5254.49	470.40	326.61	920.25
Additional Capital expenditure	418.67	82.86	181.38	90.21
Closing Gross Block	5673.16	553.26	507.98	1010.46
Average Gross Block	5463.83	511.83	417.30	965.35
Rate of Depreciation	5.7746%	5.0334%	5.1001%	5.3913%
Depreciable Value	4645.44	460.65	372.70	868.82
Remaining Depreciable Value	4645.44	460.65	372.70	868.82
Depreciation	200.55	16.37	14.11	11.41

Operation and Maintenance Expenses (O&M Expenses)

59. Regulation 29(4) (a) of the 2014 tariff regulations specifies the norms for O&M expenses for the transmission system based on the type of sub-station and the transmission line. Norms specified in respect of the elements covered in the instant asset are as under:

(₹ in lakh)	
Element	2018-19
400 kV Sub-Station-in lakh/bay	68.71
220 kV Sub-Station-in lakh/bay	48.10

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

(₹ in lakh)	
Asset	2018-19
Asset-1A	148.50
Asset-1B	61.15
Asset-2	63.78
Asset-3	30.12

61. MPPMCL vide affidavit dated 28.9.2018 submitted that the increase in the employee cost, if any, due to wage revision must be taken care by improvement in

their productivity levels by the Petitioner company so that the beneficiaries are not unduly burdened over and above the provisions made in the Tariff Regulations, 2014.

62. In response, the Petitioner vide affidavit dated 2.1.2019 has submitted that the tariff period 2014-19 had been arrived at on the basis of normalized actual O&M Expenses during the period 2008-09 to 2012-13. The Petitioner has further submitted that the wage revision of the employees is due during 2014-19 and actual impact of wage hike effective from a future date has not been factored in fixation of the normative O&M rates specified for the tariff block 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.

63. We have considered the submissions made by the Petitioner and Respondent. The O&M Expenses have been worked out as per the norms of O&M Expenses specified in the 2014 Tariff Regulations. As regards the impact of wage revision, any application filed by the petitioner in this regard will be dealt with in accordance with the appropriate provisions of the 2014 Tariff Regulations. The petitioner has computed normative O&M Expenses as per sub-clause (a) of clause (4) of Regulation 29 of the 2014 tariff regulations. Accordingly, the O&M Expenses allowed for the year 2018-19 in respect of instant assets is given below:-

(₹ in lakh)

Asset	2018-19
Asset-1A	148.48
Asset-1B	61.14
Asset-2	63.78
Asset-3	30.11

Interest on Working Capital (IWC)

64. 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% of 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 (8.70%) as on 01.04.2018 Plus 350 Bps i.e. 12.20% has been considered as the rate of interest on working capital for the Assets.

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

Particulars	(₹ in lakh)			
	Asset-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Maintenance Spares	35.04	14.43	14.43	20.61
O&M expenses	19.47	8.02	8.02	11.45
Receivables	200.34	30.77	28.52	51.60
Total	254.85	53.21	50.97	83.66
Rate of Interest	12.20%	12.20%	12.20%	12.20%
Interest on working Capital	19.76	4.13	4.12	2.24

Annual Transmission charges

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



Particulars	(₹ in lakh)			
	Asset-1A 2018-19 (Pro-rata)	Asset-1B 2018-19 (Pro-rata)	Asset-2 2018-19 (Pro-rata)	Asset-3 2018-19 (Pro-rata)
Depreciation	200.55	16.37	14.11	11.41
Interest on Loan	190.94	16.54	15.17	11.66
Return on Equity	204.31	19.14	16.28	12.45
Interest on Working Capital	19.76	4.13	4.12	2.24
O&M Expenses	148.48	61.14	63.78	30.11
Total	764.04	117.33	113.46	67.86

Filing fee and the publication expenses

67. 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

68. 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

69. 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

70. In case of Assets-1A, 1B and Asset-2, the transmission charges from their COD, i.e. 12.8.2018, 12.8.2018 and 2.8.2018 respectively upto the COD of downstream transmission system under the scope of MSETCL shall be borne by MSETCL and the transmission charges for Asset-3 from 11.1.2019 up to the COD of downstream transmission system under the scope of MPPTCL shall be borne by MPPTCL and thereafter, the transmission charges allowed in this order, as provided in Regulation 43 of the 2014 Tariff Regulations, shall be shared by the beneficiaries and long term transmission customers in terms of the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 as amended from time to time.

71. This order disposes of Petition No.266/TT/2018.

Sd/-
(I. S. Jha)
Member

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

Sd/-
(P. K. Pujari)
Chairperson

