

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 365/TT/2018

Coram:

**Shri I. S. Jha, Member
Shri Arun Goyal, Member
Shri P. K. Singh, Member**

Date of Order: 16.02.2023

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-Extension of 220 kV Navsari (GIS) Sub-station: 2 Nos. line Bays and Asset 2-Extension of 400 kV Vadodara (GIS) Sub-station: 3 Nos. of Bays (2 Nos. Line Bays & 1 No. Bus Reactor Bay) including 1x125 MVAR, 400 kV Bus Reactor under "Transmission System associated with DGEN (1200 MW) of Torrent Power Limited" in Western Region.

And in the matter of

Power Grid Corporation of India Limited,
"Saudamini", Plot No.2,
Sector-29, Gurgaon -122001.

.... Petitioner

Versus

1. Madhya Pradesh Power Management Company Limited,
Shakti Bhawan, Rampur,
Jabalpur- 482008.
2. Madhya Pradesh Power Transmission Company Limited,
Shakti Bhawan, Rampur,
Jabalpur- 482008.
3. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,
3/54, Press Complex, Agra-Bombay Road,
Indore-452008.
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor,
M.G. Road, Fort, Mumbai-400001
5. Maharashtra State Electricity Transmission Company Limited,
Prakashganga, 6th Floor, Plot No. C-19, E-Block,



Bandra Kurla Complex, Bandra (East) Mumbai-400051.

6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390007.
7. Gujarat Energy Transmission Corporation Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390007.
8. Electricity Department,
Government of Goa, Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403001.
9. Electricity Department,
Administration of Daman & Diu,
Daman-396210.
10. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T. Silvassa-396230.
11. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur,
Chhattisgarh-492013
12. Chhattisgarh State Power Transmission Company Limited,
State Load Despatch Building,
Dangania, Raipur-492013.
13. Chhattisgarh State Power Distribution Company Limited,
P.O. Sunder Nagar, Dangania,
Raipur-492013, Chhattisgarh.
14. Torrent Power Limited,
Samanvay, 600, Tapovan, Ambavadi,
Ahmedabad, Gujarat-380015.
15. DGEN Transmission Company Limited,
Samanvay, 600, Tapovan, Ambavadi,
Ahmedabad, Gujarat-380015.

.... Respondent(s)

For Petitioner: Ms. Suparna Srivastava, Advocate, PGCIL
Ms. Soumya Singh, Advocate, PGCIL
Shri Tushar Mathur, Advocate, PGCIL
Shri S. S. Raju, PGCIL
Shri D.K. Biswal, PGCIL
Shri Ved Prakash Rastogi, PGCIL
Shri A. K. Verma, PGCIL

For Respondent: Ms. Divya Chaturvedi, Advocate, TPL
Shri Saransh Shaw, Advocate, TPL



Ms. Anju Thomas, Advocate, TPL
Shri Partha Desai, TPL
Shri Anindya Khare, MPPMCL

ORDER

The present petition has been filed by Power Grid Corporation of India Limited for determination of transmission tariff from COD to 31.3.2019 in respect of Asset-1- Extension of 220 kV Navsari (GIS) Sub-station: 2 Nos. line Bays and Asset 2- Extension of 400 kV Vadodara (GIS) Sub-station: 3 Nos. of Bays (2 Nos. Line Bays & 1 No. Bus Reactor Bay) including 1x125 MVAR, 400 kV Bus Reactor (hereinafter referred to as “transmission assets”) under “Transmission System associated with DGEN (1200 MW) of Torrent Power Limited” (hereinafter referred to as “transmission project”) in Western Region under the 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:

- “1) Approve the Transmission Tariff for the tariff block 2014-19 block for the assets covered under this petition, as per para-9.2 above.*
- 2) Admit the capital cost as claimed in the Petition and approve the Additional Capitalisation incurred/ projected to be incurred.*
- 3) Tariff may be allowed on the estimated completion cost.*
- 4) 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.*
- 5) 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.*
- 6) 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;*



- 7) 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.
- 8) 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;
- 9) 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;
- 10) 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.

and pass such other relief as the Commission deems fit and appropriate under the circumstances of the case and in the interest of justice.”

Background

3. The brief facts of the case are as follows:

- a) The transmission project was discussed and agreed in the 32nd and 38th Standing Committee meeting of Western Region held on 13.5.2011 and 25.8.2015 respectively. The transmission project was later discussed and agreed for implementation in the 18th WRPC meeting held on 1.10.2011.
- b) The Investment Approval (IA) for the transmission project was accorded by Board of Directors of the Petitioner company in its 330th meeting held on 26.7.2016 at an estimated cost of ₹8068 lakh including IDC of ₹421 lakh based on April, 2016 price level (notified vide Memorandum No. C/CP/PA1617-07-IA003, dated 22.7.2016).
- c) The scope of the transmission project is as follows:

Sub-station

- a) Extension of 400 kV Vadodara Sub-station (GIS) : 3 numbers
(2 numbers line bays and 1 number Bus reactor bay)



- b) Extension of 220 kV Navsari Sub-station (GIS) : 2 numbers
(2 numbers line bays)
- c) Installation of 1x125 MVA, 400 kV Bus Reactor at 765/400 kV Vadodara Sub-station
- d) The entire scope of work as per IA has been completed and is covered in the instant petition.
- e) As per IA, the transmission project was scheduled to be put into commercial operation by May, 2018, matching with the commissioning schedule of TEL (DGEN) TPS-Vadodara 400 kV D/C transmission line and Navsari (POWERGRID)-Bhestan (GETCO) 220 kV D/C transmission line to be implemented through TBCB route. Asset-I was put into commercial operation within time on 20.5.2018. However, there is a time over-run in the execution of Asset-II. The details of scheduled date of commercial operation (SCOD), date of commercial operation (COD) and time over-run with respect to the transmission assets covered in the transmission project are as follows:

Sl. No.	Asset	SCOD	COD	Time over-run
1	Asset-1	31.5.2018	20.5.2018	No Delay
2	Asset-2		27.8.2018	2 months & 27 days (88 days)

4. The Respondents are the distribution companies, electricity departments and transmission licensees, which are procuring transmission services from the Petitioner and are mainly beneficiaries of the Western Region.

5. The Petitioner has served the petition on the Respondents and notice of this petition has also been published in the newspapers in accordance with Section 64 of the Electricity Act, 2003. No suggestions and objections have been received from the general public in response to the aforesaid notices published in the newspapers by the Petitioner. Madhya Pradesh Power Management Company Limited (MPPMCL),



Respondent No. 1, *vide* affidavit dated 9.4.2019 has filed its reply and has raised the issues of time over-run, cost over-run, increased ACE and impact of wage revision on O&M expenditure etc. The Petitioner *vide* affidavit dated 8.5.2019 has filed its rejoinder to the reply of MPPMCL. Further, Torrent Power Limited (TPL), Respondent No. 14, filed reply *vide* affidavits dated 17.7.2020, 4.1.2022 and 19.3.2022 and has also filed its written submission in the matter reiterating that no liability for payment of transmission charges or relinquishment charges can be imposed on TPL. The Petitioner *vide* affidavit dated 27.1.2022 has filed its rejoinder to the reply of TPL and further clarified *vide* affidavit dated 3.8.2022. The submissions of the Petitioner and Respondents are discussed in relevant paragraphs of this order.

6. The hearing in this matter was held on 7.7.2022 through video conference and the order was reserved.

7. Having heard the representatives of the Petitioner and perused the material on record, we proceed to dispose of the petition.

Utilisation of the transmission assets

8. TPL has established 1196.85 MW (3x398.95 MW) gas based generating plant in the Dahej Special Economic Zone (DSEZ) area (“DGEN Project”), its associated transmission lines are to be developed under TBCB by DGENTCL and the associated sub-station bays are implemented by the Petitioner. The TBCB line was not implemented by DGENTCL and the Commission cancelled the license of DGENTCL. However, the DGEN plant and the sub-station bays in the Petitioner’s scope were implemented. Meanwhile, the BG of TBCB licensee was also encashed by TPL. Thereafter, the transmission assets were associated with other schemes for their proper utilisation at a much later date in 2022, i.e. about 4 years after the original schedule of 2018. Due to the above developments, the utilisation of the Petitioner’s



transmission assets and sharing of its transmission charges became an issue of contention between the Petitioner and TPL. The Petitioner has submitted that the transmission project was envisaged solely for evacuation of TPL's DGEN (1200 MW) power into ISTS and hence the transmission charges of the transmission assets for the unutilised period of about 4 years should be borne by TPL, who is the LTA holder. The Petitioner has also contended that TPL has already encashed the BG of TBCB licensee therefore, TPL should share the proceeds of BG for partially setting off the losses of Petitioner. In contravention, TPL has contended that they are not liable to pay charges to the Petitioner as the Petitioner's transmission assets were not put to "regular service" on their COD and the TBCB licensee has not completed the transmission lines under its scope and has abandoned its project. Thus, the Petitioner should settle the issue with the TBCB licensee or find alternate use of the transmission assets.

9. The brief chronology of events leading to implementation of the transmission assets is as follows:

(a) The transmission project was formulated in the 32nd meeting of Standing Committee on Power System Planning in Western Region held on 13.5.2011 and consisted of (i) TEL(DGEN)-Vadodara (PG) 400 kV D/C transmission line and (ii) Navsari (PG)-Bhestan (GETCO) 220 kV D/C transmission line. Subsequently, in the 37th meeting of Standing Committee on Power System Planning in Western Region held on 5.9.2014, it was agreed to install a 125 MVAR 400 kV Bus Reactor at Vadodara Sub-station.

(b) The above transmission lines were awarded to DGENTCL through the TBCB route with the commissioning schedule of May, 2018.



(c) The associated (i) 3 numbers 400 kV bays (2 numbers Line Bays and 1 number Bus Reactor Bay) including 1x125 MVAR, 400 kV Bus Reactor at Vadodara Sub-station and (ii) 2 numbers 220 kV Line Bays at Navsari Sub-station were under the scope of the Petitioner, whereas 220 kV Line Bays at Bhestan (GETCO) Sub-station were to be implemented by GETCO in matching time frame of TBCB schedule of May, 2018.

(d) The TBCB licensee did not take up the implementation of the transmission system under its scope and subsequently the Commission *vide* order dated 11.6.2019 in Petition No. 9/SM/2018 cancelled the transmission license of DGENTCL.

(e) However, the Petitioner implemented its scope of work and declared 2 numbers of 220 kV Line Bays at Navsari Sub-station under commercial operation w.e.f. 20.5.2018 and 3 numbers 400 kV Bays (2 number Line Bays and 1 number Bus Reactor Bay) including 1x125 MVAR 400 kV Bus Reactor at Vadodara Sub-station under commercial operation w.e.f. 27.8.2018. Further, GETCO also implemented 2 numbers of 220 kV bays at Bheston (GETCO) 220 kV Sub-station under their scope.

(f) Thereafter, the Petitioner has filed the instant petition for determination of tariff of the transmission assets. The Commission in “Record of Proceedings” (RoP) of hearing dated 30.9.2021 directed the Petitioner, CTU, GETCO and TPL to discuss the usefulness and utilization of 400 kV line bays and 125 MVAR, 420 kV Bus Reactor already constructed at Vadodara and Navsari Sub-stations.



10. As directed by the Commission, utilization of assets was discussed in different forums and the details are as follows:

(I) Navsari-Bhestan 220 kV D/C transmission line

(a) Overloading and N-1 non-compliance of Navsari (PG)-Navsari (GETCO) 220 kV D/C transmission line has been reported on consistent basis. Overloading is also observed on the Vav-Bhestan/Sachin 220 kV transmission lines. GETCO *vide* letter dated 26.4.2019 has submitted that due to space constraints at Navsari/Sachin Sub-station it is not possible to plan an alternative scheme to Navsari-Bhestan 220 kV D/C transmission line which is an important STU-CTU inter-connection in the area to relieve the above-mentioned congested lines.

(b) Further, the matter was discussed in the 2nd meeting of WRSCT held on 21.5.2019 wherein it was decided to delink the line from the “Transmission System Associated with DGEN TPS (1200 MW) of Torrent Power Limited” and take up the implementation of Navsari (PG)-Bhestan 220 kV D/C transmission line as a separate ISTS scheme with minimum capacity of 400 MVA per circuit. The scheme is currently under implementation by the Petitioner.

(c) With the above scheme, 2 numbers of 220 kV line bays at Navsari Sub-station constructed by the Petitioner and 2 numbers 220 kV line bays at Bhestan Sub-station constructed by GETCO will get utilised.

(II) 2 numbers 400 kV Line Bays at Vadodara Sub-station

(a) In the 1st Joint Study meeting on Transmission Planning for WR held on 5.11.2021, 3rd 765/400 kV ICT was approved at Vadodara Sub-station for



which 1 number out of 2 numbers 400 kV line bays at Vadodara Sub-station will get utilised.

(b) Utilization of 2nd 400 kV line bay at Vadodara Sub-station will be explored based on system requirement in future.

(III) 1X125 MVAR, 400 kV Bus Reactor at Vadodara Sub-station along with associated 400 kV Bus Reactor Bay

(a) The issue of high voltage at Vadodara Sub-station was deliberated in the 2nd meeting of WRSCT held on 21.5.2019 as well as in the 1st WRPC (TP) meeting held on 11.1.2020 in view of persistent high voltage at 765 kV level of Vadodara Sub-station as reported in various operational feedback reports. The same translated into high voltages at 400 kV level of Vadodara Sub-station. The issue was also analysed for the months of April 2020 to June 2020 wherein the maximum and minimum voltages were observed as 425 kV and 402 kV respectively and voltages remained in the range of 410 kV to 420 kV for about 87% of the time. Whereas, during the month of August 2021 to November 2021 (18.11.2021) the maximum and minimum voltages were observed as 423 kV and 399 kV respectively and voltages remained in the range of 410 kV to 420 kV for about 53% of the time.

(b) Study reveals a voltage sensitivity of about 1.7 kV on switching of 125 MVAR reactor at 400 kV bus.

(c) Accordingly, based on the above facts it was agreed that the 125 MVAR, 400 kV Bus Reactor has been helping in containing high voltages to some extent at 400 kV bus of Vadodara (GIS) Sub-station from the date on which it was taken into service and the same may be continued to be kept in service.



(IV) Schemes agreed in 1st Joint Study Meeting on Transmission Planning for Western Region held on 5.11.2021 amongst CEA, CTU, POSOCO and GETCO to discuss Transmission Network Augmentation w.r.t. Gujarat

(a) GETCO *vide* letter dated 26.10.2021 had highlighted certain issues being faced in Gujarat which require ISTS system strengthening to increase ATC such as constraints observed on Vadodara 765/400 kV ICTs, Kala-Kudus 400 kV D/C transmission line and Banaskantha-Valoda (Sankhari) 400 kV D/C transmission line. Accordingly, system studies were conducted in the 1st Joint Study Meeting on Transmission Planning for Western Region held on 5.11.2021 amongst CEA, CTU, POSOCO and GETCO and the “Transmission network expansion in Gujarat to increase the ATC from ISTS (Part A)” was agreed among other transmission network expansion schemes w.r.t. Gujarat.

11. The Commission *vide* RoP of hearing dated 7.7.2022 directed TPL to file comprehensive written submissions highlighting the losses incurred by it and the encashment of BG. The gist of the submissions made by TPL is as follows:

(a) The transmission assets of the Petitioner cannot be said to have achieved COD in 2018 as they are not put to ‘regular service’. The conditions of COD are met by the instant assets as follows:

(i) Asset-1 has been utilised from 25.2.2022 after delinking the same from TPL’s DGEN transmission scheme. In this regard, the Petitioner has filed a separate tariff petition for WRSS-XXII before the Commission. Accordingly, the Petitioner has sought leave of the Commission to submit revised tariff forms based on actual COD;

(ii) The usage of Asset-2 has been proposed in the following 3 stages:

1) 1 number of 400 kV Bus Reactor at Vadodara Sub-station along with associated 400 kV Bus Reactor Bus Reactor Bay: The



element is said to be in use and providing service from proposed COD i.e. 27.8.2018 as claimed in the present petition.

- 2) 1 number of 400 kV line bay at Vadodara (GIS): The element has been utilised from 21.5.2022 (i.e. pursuant to relinquishment of LTA on 11.8.2020).
- 3) 1 number of line bay at Vadodara (GIS) Sub-station: The proposed COD of the element is claimed as 27.8.2018 under proviso (ii) of Regulation 14(3) of the 2014 Tariff Regulations and the Commission may pass appropriate orders to suitably compensate the Petitioner.

(b) In view of the various orders of the Hon'ble Supreme Court, APTEL and the Commission, the Petitioner is not entitled to recover any transmission charges from TPL when the transmission assets were neither put to regular service nor were they ready to be put to regular service.

(c) TPL encashed the CPG as per the provisions of TSA. The TSA provided for certain conditions which were required to be completed by DGENTCL (TBCB Licensee). In the event of failure of DGENTCL to satisfy such conditions subsequent, TPL had the right to terminate the TSA and invoke the CPG amounting to ₹10.35 crore. Since, the validity of the encashment of CPG by TPL is not a matter of dispute in the present petition, such dispute cannot be raised by the Petitioner, which was not a party to the TSA executed between TPL and DTCL.

(d) TPL was granted LTA and the operationalisation of the LTA was contingent on successful construction and COD of the downstream/upstream transmission lines by DTCL. On the basis of TSA executed between TPL and DTCL, TPL had made a sizeable investment of approximately ₹265 crore in constructing and commissioning the "connectivity line" and additional cost of



bays for DGEN-Vadodara line at DGEN Generating plant. As DGENTCL failed to complete the transmission lines, the investment made by TPL is stranded.

(e) The Petitioner cannot recover charges from TPL for non-execution of work by DGENTCL. Hence, in case, if the Petitioner has suffered any loss on account of the default of DGENTCL, then the Petitioner may seek damages from DGENTCL.

(f) TPL *vide* its letter dated 11.8.2020 has already relinquished the LTA granted to it due to abandonment of transmission arrangement by DGENTCL and consequent alteration of the identified transmission scheme recognised under the LTAA executed between TPL and the Petitioner and the subsequent amendments. TPL has also paid the relinquishment charges amounting to ₹2.43 crore raised by the Petitioner *vide* Notice dated 2.12.2020. Therefore, no additional liability of transmission charges can be imposed on TPL.

12. The Petitioner in its written submissions dated 3.8.2022 has made the following submissions:

(a) As the TBCB licensee had abandoned the project, Asset-1 was de-linked from the transmission project and is being implemented by the Petitioner as part of Western Region System Strengthening Scheme. As Asset-1 is being utilized since 25.2.2022 (with power flow), the Commission may allow the Petitioner to submit revised tariff forms based on actual COD. Further, 1X125 MVAr 400 kV Bus Reactor at Vadodara Sub-station of Asset-2 is in use and is providing service from proposed COD, i.e. 27.8.2018, therefore, the Commission may grant tariff for the element from the date of actual usage and, accordingly, the Petitioner may be allowed to submit revised tariff forms.



Further, 1 number of 400 kV line bay at Vadodara (GIS) is being utilized since 21.5.2022, the Petitioner may be allowed to submit revised tariff forms for the same based on actual COD. As regards the remaining 1 number of 400 kV line bay at Vadodara (GIS), the proposed COD of the element is being submitted as 27.8.2018 in terms of proviso (ii) of Regulation 14(3) of the 2014 Tariff Regulations, therefore, the Commission may pass orders to compensate the Petitioner.

(b) Irrespective of the relinquishment of the LTA, the connectivity of TPL continues till date due to the dedicated line constructed by TPL and the transmission assets constructed by the Petitioner are also in use.

(c) The transmission assets have been planned and implemented for evacuation of power from the generation project of TPL. However, owing to the abandonment of inter-connected transmission system by DGENTCL, alternate utilization of the transmission assets has been explored by the Petitioner under the directions of the Commission. Further, the transmission assets are implemented for evacuation of power from the generation project of TPL. Hence, abandonment of the transmission project by DGENTCL can neither take away the entitlement of the Petitioner to receive transmission tariff for the transmission assets from the COD, nor can it absolve TPL from its liability to service the transmission assets which were planned and implemented for evacuation of TPL's power.

(d) The Petitioner has invoked the provisions of Regulation 4(3) of the 2014 Tariff Regulations for grant of deemed COD in view of non-utilisation of the transmission assets under extant Regulations of the Commission which have been duly recognised by the Hon'ble Supreme Court and APTEL. The principle



contained in the orders passed by the Commission therein are only with respect to non-levy of transmission charges on the 'beneficiaries' of a transmission asset till it is put to 'regular use' and not the associated 'generating station'. TPL is not a 'beneficiary' of the transmission project implemented by the Petitioner but is rather the generating station for which the transmission project had been planned and implemented.

(e) The stated expenditure of ₹265 crore incurred by TPL has been on account of construction of its dedicated connectivity line and bays at the end of its generating station which are its own requirements for maintaining connectivity to the ISTS. This expenditure can never have any bearing on the entitlement of the Petitioner to receive transmission charges for servicing the transmission assets which have been planned and implemented for evacuation of power from TPLs generating stations and which have been successfully put into commercial operation by the Petitioner.

13. The Commission *vide* RoP of hearing dated 7.7.2022 directed CTU to formulate a proposal on the treatment of BG so that both the beneficiaries and the transmission company can be compensated to some extent. However, CTU is yet to submit its response as per the available records in the matter. Therefore, we are proceeding ahead on the basis of submissions made by the Petitioner and the Respondent(s).

14. MPPMCL in its reply, *vide* affidavit dated 9.4.2019, has raised issue of time over-run, cost over-run, increased ACE and impact of wage revision on O&M Expenses, etc. The Petitioner *vide* affidavit dated 8.5.2019 has filed its rejoinder to the reply of MPPMCL. The submissions of MPPMCL is primarily directed towards



prudence to be applied on the issues of time and cost over-run, justification of proposed ACE and impact of wage revision on the O&M Expenses.

Analysis and decision

15. We have considered the submissions of the Petitioner and TPL. Originally the transmission project was envisaged for evacuation of 1200 MW from DGEN Power Project developed by TPL. The associated transmission lines were awarded through TBCB route to DGENTCL and matching line bays/ sub-station extension work was assigned to the Petitioner. The TBCB line could not be implemented by DGENTCL, but the Petitioner completed the work under their scope. As such, transmission assets could not be put to use because the transmission lines to be constructed under TBCB route have been abandoned and the transmission licence granted to DGENTCL has been cancelled. As the TBCB licensee had abandoned the project, Asset-1 was de-linked from the transmission project and is being implemented by the Petitioner as part of Western Region System Strengthening Scheme. As regards Asset-2, the Commission vide RoP of the hearing dated 30.9.2021 observed as follows:

“5. The Commission observed that the consumers cannot be burdened with the charges for Navsari-Bhestan 220 kV D/C line without it being used effectively. The Commission directed the Petitioner, CTU, GETCO and TPL to discuss the usefulness and utilisation of Asset-2 and Navsari-Bhestan 220 kV D/C line and to submit a detailed report by 15.12.2021. The Commission further directed the Petitioner to file minutes of the meeting where Asset-2 was declared a part of the Western Region System Strengthening Scheme and other related information by 25.10.2021.”

16. In this connection, various studies were undertaken and discussions were held at several forums in the presence of WRPC, CEA, CTU, POSOCO, GETCO, TPL, the Petitioner, etc. and following alternate scheme emerged and subsequently, implemented:

(I) Navsari-Bhestan 220 kV D/C transmission line

- (i) In the 2nd meeting of WRSCT held on 21.5.2019, it was approved to delink the Navsari-Bhestan 220 kV D/C transmission line (originally proposed under



TBCB route) from the transmission project and take up the implementation of Navsari (PG)-Bhestan 220 kV D/C transmission line as a separate ISTS scheme with minimum capacity of 400 MVA per circuit. The relevant extracts of the minutes of the 2nd meeting of WRSCT is as follows:

***“20.5. Navsari (PG) – Bhestan/Popada (GETCO) 220 kV D/C line to be taken up as separate ISTS scheme on priority basis.*”**

“20.5.1. CEA stated that Navsari (PG) – Bhestan/Popada (GETCO) 220 kV D/C line was planned as a part of the transmission scheme “Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Ltd.” which was awarded to M/s instalaciones Inabensa through TBCB route. The implementation schedule of the scheme was 38 months i.e. May, 2018. M/s DGENTPL has not taken up the implementation of the scheme.

20.5.2. The issue of non-implementation of scheme by M/s DGENTPL has been deliberated in earlier standing committee meetings. In the 42nd meeting of SCPSPWR held on 17.11.2017, it was agreed that the Navsari (PG) – Bhestan 220 kV D/C line is required on an urgent basis. It was decided that a separate meeting among CEA, CTU, GETCO, M/s Torrent Energy Ltd and PFCCL (BPC) would be called to deliberate upon the following:

- i) Necessary action / procedure for cancellation of the transmission scheme as per TSA.*
- ii) Requirement of DGEN–Vadodara 400kV D/c line for evacuation of power from DGEN*
- iii) Mode of implementation of Navsari (PG)–Bhestan 220 kV D/C line and DGEN–Vadodara 400 kV D/C line (if required).*

In a meeting held on 23.01.2018 at CEA New Delhi, it was agreed that GETCO and CTU would explore scheme (apart from Navsari- Bhestan 220 kV D/C line) to reduce the overloading on the Vav-Popadiya/Sachin-Navsari (GETCO)- Navsari(PGCIL) 220 kV lines.

GETCO vide their letter dated 26.04.2019 has submitted due to space constraint at Navsari / Sachin substation, it is not possible to plan alternative scheme.

Further, Navsari- Bhestan 220 kV D/C line is very important STU-CTU interconnection in the area and its implementation would relieve following congested lines in the area viz:

- (i) Navsari (PGCIL)–Navsari (GETCO) 220 kV D/C*
- (ii) Vav – Bhestan 220 kV S/C*
- (iii) Vav – Sachin 220 kV S/C.*

20.5.3. GETCO stated that Navsari (PG) – Bhestan/Popada 220 kV D/C line may be dropped from DGEN scheme and needs to be taken-up on priority as a separate ISTS scheme.

20.5.4. CEA stated that in operational feedback by NLDC, overloading of Navsari (PG)-Navsari (GETCO) 220 kV D/c lines (loaded above 150MW/ckt most of the time and the system is not N-1 compliant, considering loading as 250MW per circuit) has been reported on consistent basis.

20.5.5. CTU stated that CERC vide its order dated 14.05.2019 has served notice to the Transmission Licensee (M/s DGENTPCL) of the transmission scheme “Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Ltd.” stating that its

license shall stand revoked w.e.f 15 days of the notice, if no response is received from the licensee.

20.5.6. In view of consistent overloading observed on Vav-Popadiya/Sachin-Navsari (GETCO)- Navsari (PGCIL) 220 kV lines, members agreed to delink the line from "Transmission System associated with DGEN TPS (1200 MW) of Torrent Power Ltd." and take up the implementation of Navsari (PG) – Bhestan 220 kV D/C line as a separate ISTS scheme with the following scope of works:

(i) Navsari (PG) – Bhestan 220 kV D/C line (with minimum capacity of 400MVA per circuit)

(ii) 2 nos. of 220 kV line bays at Navsari 400/220 kV (PGCIL) substation (already Implemented by PGCIL)

(iii) 2 nos. of 220 kV bays at Bhestan/Popadiya(GETCO) 220 kV substation (already implemented by GETCO)"

17. As per the approval of the 2nd WRSCT held on 21.5.2019, Navsari-Bhestan 220 kV D/C line was implemented by the Petitioner under WRSS-XXII and with its commissioning, the 2 numbers of 220 kV line bays at Navsari Sub-station constructed by the Petitioner (under instant Asset-1) and 2 numbers 220 kV line bays at Bhestan Sub-station constructed by GETCO were utilised w.e.f. 25.2.2022.

18. As the Asset-1 consisting of 2 numbers line bays at Navsari Sub-station has been utilised from 25.2.2022 as a separate ISTS scheme under WRSS-XXII, The Petitioner has proposed revised COD of Asset-1 w.e.f. 25.2.2022 and requested the Commission to allow IDC and IEDC of Asset-1 from 20.5.2018 (originally claimed COD) to 24.2.2022. Further, the Petitioner has sought leave of the Commission to submit revised tariff forms based on revised COD of 25.2.2022. We have considered the submission of Petitioner. Since, the proposed COD of 25.2.2022 falls in 2019-24 tariff period, we direct the Petitioner to file fresh petition under the 2019 Tariff Regulations for further consideration of the Commission.

(II) 2 numbers 400 kV Line Bays at Vadodara Sub-station

(i) In the 1st Joint Study Meeting on Transmission Planning for WR held on 5.11.2021, 3rd 765/400 kV ICT has been approved at Vadodara Sub-station due



to which 1 number 400 kV bay out of 2 numbers 400 kV line bays at Vadodara Sub-station will get utilised under the project **“Transmission Network Expansion in Gujarat to increase its ATC from ISTS (Part A)”**.

(ii) Accordingly, 1 number 400 kV bay at Vadodara Sub-station (under Asset-2) was put to used w.e.f. 21.5.2022.

(iii) Utilization of 2nd 400 kV line bay at Vadodara Sub-station shall be explored based on system requirement in future.

(iv) 1 number of 400 kV line bay at Vadodara (GIS) under Asset-2 has been utilised from 21.5.2022 after delinking the same from the transmission project and implementation of a separate ISTS scheme under “Transmission Network Expansion in Gujarat to increase its ATC from ISTS (Part A)”. Accordingly, the Petitioner has proposed revised COD of part of Asset-2 w.e.f. 21.5.2022 and requested the Commission to allow IDC and IEDC of part of Asset-2 from 27.8.2018 (originally claimed COD) to 20.5.2022. We have considered the submission of the Petitioner. Since, the proposed COD of 21.5.2022 falls in 2019-24 tariff period, we direct the Petitioner to file fresh petition under the 2019 Tariff Regulations for further consideration of the Commission.

(v) However, the other 1 number of 400 kV line bay at Vadodara (GIS) under Asset-2 could neither be utilised till date nor its utilisation is foreseeable in the near future. Further, the said element cannot be shifted as the same has been attached to a GIS Sub-station. Therefore, the Petitioner has requested the Commission to allow it to approach the Commission as and when the asset gets utilised with a claim for extension of SCOD till the utilisation or in the alternative, to allow IDC and IEDC of the said element (1 number 400 kV line bay at Vadodara Sub-station) till the date of its actual utilisation. We have considered the



submission of the Petitioner. Since, the utilisation of part of Asset-2 is uncertain, we direct the Petitioner to approach the Commission with a fresh petition as and when the asset gets utilised for further consideration of the Commission.

(III) 1X125 MVAR, 400 kV Bus Reactor at Vadodara Sub-station along with Associated 400 kV Bus Reactor Bay

(i) The issue of high voltages at Vadodara Sub-station was deliberated in the 1st WRTP, constituted by CTU, wherein, it was agreed that the 125 MVAR, 400 kV Bus Reactor has been helping in containing high voltages to some extent at 400 kV bus of Vadodara (GIS) Sub-station from the date on which it was taken into service and the same may be continued to be kept in service. The relevant extracts of the 1st WR (TP) meeting constituted by CTU is as follows:

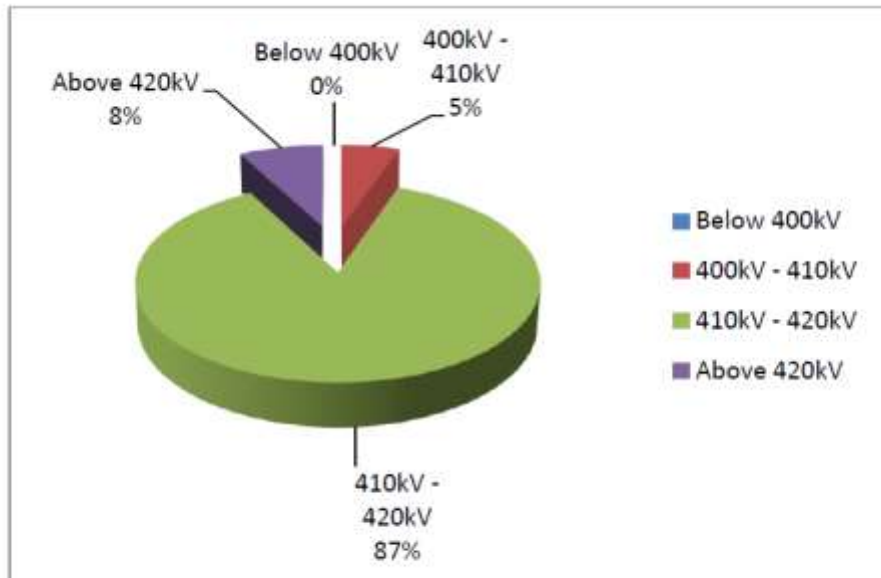
*“6.0 Utilization of assets implemented under “Transmission system associated with DGEN TPS (1200MW) of Torrent Power Ltd.” project.
1x125MVar, 400kV Bus Reactor at Vadodara S/s along with associated 400kV bus reactor bay*

xxx
xxx

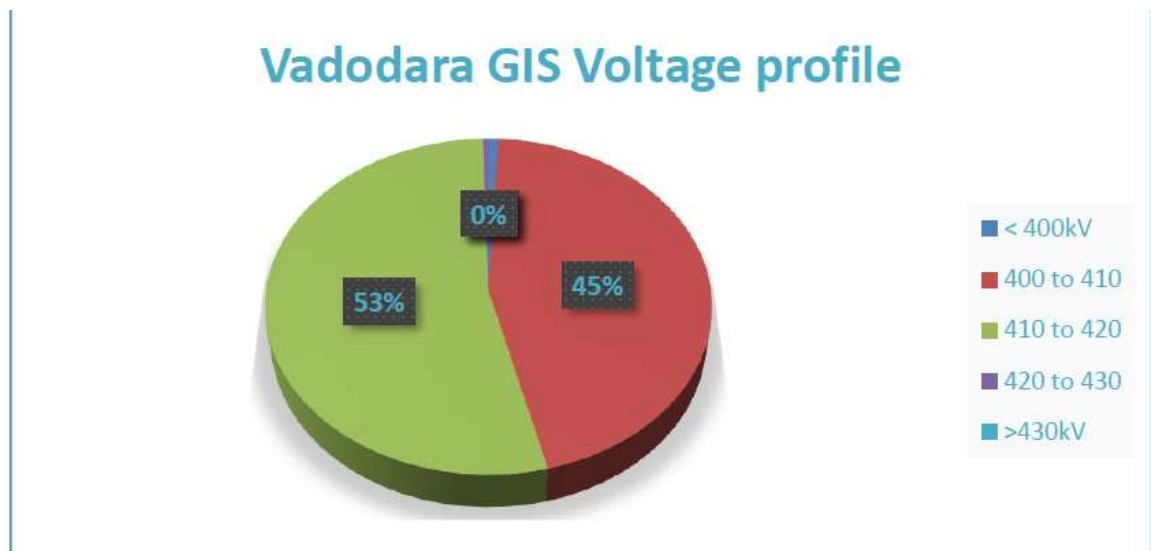
a) The issue of high voltages at Vadodara substation was deliberated in the 2nd meeting of WRSCT held on 21.05.2019 as well as in the 1st WRPC (TP) meeting held on 11.01.2020 in view of persistent high voltage at 765kV level of Vadodara S/s as reported in various operational feedback reports. The same translated into high voltages at 400kV level of Vadodara S/s. The issue was also analyzed for the months of:

- Apr’20 to Jun’20 wherein the maximum & minimum voltages were observed as 425kV and 402kV respectively and voltages remained in the range of 410kV to 420kV for about 87% of the time.*
- Aug’21 to Nov’21 (18.11.2021) wherein the maximum & minimum voltages were observed as 423kV and 399kV respectively and voltages remained in the range of 410kV to 420kV for about 53% of the time. The pie charts showing voltage profiles for above durations are given below:*





Voltage Profile at 400kV Bus of Vadodara (GIS) Substation for Apr'20, May'20 & Jun'20



Voltage Profile at 400kV Bus of Vadodara (GIS) Substation for Aug'21 to Nov'21

b) Study reveals a voltage sensitivity of about 1.7 kV on switching of 125MVAR reactor at 400kV Bus. Based on above facts, it was agreed that the 125MVAR, 400kV Bus Reactor has been helping in containing high voltages to some extent at 400kV bus of Vadodara (GIS) S/s from the date on which it was taken into service and the same may be continued to be kept in service.”

19. As per the minutes of 1st meeting of WRTP, the 125 MVAR Bus Reactor has been helping in containing high voltages at Vadodara Sub-station and, thus, has been utilized. Accordingly, the COD of the 125 MVAR Bus Reactor has been considered as the date of 1st WRTP meeting held on 29.11.2021.

20. In view of the above discussions, the following directions are issued in respect of the transmission assets:

Srl. No.	Asset	COD claimed in petition	COD claimed vide affidavit dated 27.2.2019	Revised COD proposed vide WS dated 3.8.2022	Directions
1	Asset-1: 02 numbers 220 kV Line bays at 220 kV Navsari Sub-station (GIS)	20.5.2018 (Actual)	28.5.2018 (Actual)	25.2.2022	Petitioner to file fresh petition as per revised COD of 25.2.2022 under the 2019 Tariff Regulations.
2	Asset-2 (part-a): 01 number 400 kV Line bay at 400 kV Vadodara (GIS) Sub-station	20.8.2018 (Anticipated)	27.8.2018 (Actual)	21.5.2022	Petitioner to file fresh petition as per revised COD of 21.5.2022 under the 2019 Tariff Regulations.
3	Asset-2 (part-b): 01 numbers 400 kV Line bay at 400 kV Vadodara (GIS) Sub-station	20.8.2018 (Anticipated)	27.8.2018 (Actual)	Yet to be put into use	Petitioner to approach the Commission with a fresh petition as and when the asset is put to use for further consideration of the Commission.
4	Asset-2 (part-c): 01 number 400 kV Bus Reactor bay incl. installation of 1x125 MVAR, 400 kV Bus Reactor at 400 kV Vadodara (GIS) Sub-station	20.8.2018 (Anticipated)	27.8.2018 (Actual)	29.11.2021	Petitioner to file a fresh petition with updated cost and other details as per provisions of the 2019 Tariff Regulations.

Treatment of Bank Guarantee

21. In a response to a query of the Commission during the hearing on 7.7.2022, the learned counsel for the Petitioner submitted that because of the failure of the TBCB project, BG was invoked by TPL.

22. PGCIL has submitted that the contract performance guarantee ("CPG") of ₹10.35 crore was encashed by TPL in terms of the Transmission Service Agreement



("TSA") executed by it with DTCL and that should be utilised for paying the tariff of the transmission covered in the present Petition.

23. TPL has submitted that PGCIL in the present petition did not claim any relief for adjudication of dispute between TPL and PGCIL and/or DTCL. The Bank Guarantee issued by the transmission licensee, DTCL, to TPL has been invoked and encashed as per the applicable terms of TSA.

24. We have considered the submissions of the Petitioner and TPL. The CTUIL is directed to submit the list of cases where Commission has revoked the transmission license and Bank guarantee has been encashed by the concerned LTTC in terms of TSA. The CTUIL is directed to submit modalities regarding the treatment of encashing the Bank Guarantee in cases where license granted by the Commission has been revoked in terms of TSA. Based on the submissions of the CTU, the Commission will deal with the BG issue in the tariff petition(s) to be filed by PGCIL.

25. The Commission shall deliberate the issues of sharing of charges of the transmission assets, treatment of relinquishment charges paid by TPL and BG encashed by TPL etc. while dealing with the fresh petition(s) to be filed by the Petitioner for determination of the tariff of the transmission assets as above. Further, the submissions made by MPPMCL shall also be considered at the time of determination of transmission charges in those petitions.

26. This order disposes of Petition No. 365/TT/2018.

sd/-
(P. K. Singh)
Member

sd/-
(Arun Goyal)
Member

sd/-
(I. S. Jha)
Member

