

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. TT/305/2013

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri M. Deena Dayalan, Member
Shri A. K. Singhal, Member**

**Date of Hearing: 03.12.2013
Date of Order: 16.12.2013**

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, 2009 of Transmission Tariff for 765/400 kV, 1x1500 MVA, ICT-2 at Dharmjaygarh S/S along with associated bays under Supplementary Transmission Scheme of upcoming IPP Projects in Chhattisgarh in Western Region for tariff block 2009-14 period

And in the matter of

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

Vs

.....**Petitioner**

1. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013
2. Madhya Pradesh Power Management Company Ltd.,
Shakti Bhawan, Rampur
Jabalpur-482 008.
3. Maharashtra State Electricity Distribution Company Limited,
Prakashgad, 4th floor
Andehri (East), Mumbai-400 052.
4. Gujarat Urja Vikas Nigam Ltd.,
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007



5. Electricity Department, Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001
 6. Electricity Department,
Administration of Daman and Diu,
Daman-396 210
 7. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230
 8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Ltd.,
3/54, Press Complex, Agra-Bombay Road
Indore -452 008
-Respondents

Counsel/Representative of the petitioner : Shri S.S. Raju, PGCIL
Shri Mohd. Mohsin, PGCIL
Shri M.M. Mondal, PGCIL

Counsel/Representative of the respondents: Nil

ORDER

In the instant petition the petitioner, Power Grid Corporation of India Limited (PGCIL) has sought approval for Transmission Tariff for 765/400 kV, 1x1500 MVA, ICT-2 at Dharmjaygarh S/S along with associated bays under Supplementary Transmission Scheme of upcoming IPP Projects in Chhattisgarh in Western Region for tariff block 2009-14 period, under Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 (hereinafter referred to as "2009 Tariff Regulations"). Further, the petitioner has requested for grant of provisional tariff as per the 2009 Tariff Regulations, pending determination of final tariff.

2. Regulation 5 of the 2009 Tariff Regulations provides as under:-

"Application for determination of tariff. (1) The generating company or the transmission licensee, as the case may be, may make an application for determination of tariff in accordance with Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004, as amended from time to time or any statutory re-enactment thereof, in respect of the units of the generating station or the transmission lines or sub-stations of the transmission system, completed or projected to be completed within six months from the date of application.

(2) The generating company or the transmission licensee, as the case may be, shall make an application as per **Appendix I** to these regulations, for determination of tariff based on capital expenditure incurred duly certified by the auditors or projected to be incurred up to the date of commercial operation and additional capital expenditure incurred duly certified by the auditors or projected to be incurred during the tariff period of the generating station or the transmission system:

Provided that in case of an existing project, the application shall be based on admitted capital cost including any additional capitalization already admitted up to 31.3.2009 and estimated additional capital expenditure for the respective years of the tariff period 2009-14:

Provided further that application shall contain details of underlying assumptions for projected capital cost and additional capital expenditure, where applicable.

x x x

(4) Where application for determination of tariff of an existing or a new project has been filed before the Commission in accordance with clauses (1) and (2) of this regulation, the Commission may consider in its discretion to grant provisional tariff upto 95% of the annual fixed cost of the project claimed in the application subject to adjustment as per proviso to clause (3) of this regulation after the final tariff order has been issued:

Provided that recovery of capacity charge and energy charge or transmission charge, as the case may be, in respect of the existing or new project for which provisional tariff has been granted shall be made in accordance with the relevant provisions of these regulations."

3. As per Regulation 5(4) of the 2009 Tariff Regulations, the Commission may in its discretion grant provisional tariff if an application has been filed under Regulation 5(1) and (2) of the 2009 Tariff Regulations. Regulation 5(1) of the 2009 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for

determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 5(2) of 2009 Tariff Regulations provides that the application shall be made as per Appendix to the 2009 Tariff Regulations.

4. The petitioner has made the application as per the Appendix to the 2009 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.

5. Reply to the petition has been filed by M.P. Power Management Company Limited (MPPMCL), Respondent No.2. MPPMCL has submitted, vide its affidavit dated 2.12.2013, that sufficient time has not been provided to study and file a detailed reply. MPPMCL has also submitted that tariff has been claimed on the basis of anticipated date of commercial operation and if the asset is not commissioned as anticipated and commissioned during the next tariff period, then it would require revision of the provisional tariff allowed herein. MPPMCL has submitted that the petition may be listed only after the instant asset is commissioned. As regards provisional tariff, MPPMCL has submitted that no irreparable damage would be caused to the petitioner if provisional tariff is not allowed at present.

6. The petition was heard on 3.12.2013 for consideration of the petitioner's prayer for allowing provisional tariff. During the hearing, the representative of the petitioner

submitted that the petitioner has complied with the requirements specified in Regulation 5 of the 2009 Tariff Regulations for granting provisional tariff and prayed that 95% of the Annual Transmission Charges claimed may be allowed as provisional tariff as provided in the said Regulation. He further submitted that the asset covered in the instant petition is anticipated to be commissioned within the scheduled time period and there is no time over-run. He also requested to allow additional Return on Equity of 0.5% as the asset was commissioned with the timeline specified in the 2009 Tariff Regulations.

7. We have considered the submissions made by the petitioner and the respondent. After carrying out a preliminary prudence check of the Annual Fixed Charges claimed and taking into consideration the cost over-run, which shall be looked into at the time of final tariff, the Commission has decided to grant the following provisional tariff to the petitioner. The petitioner's prayer for additional Return on Equity shall also be considered at the time of determination of final tariff, as it is claimed on the basis of anticipated date of commercial operation.

(₹ in lakh)			
Particulars	Anticipated DOCO/DOCO	Annual transmission charges claimed for the year 2013-14	Annual transmission charges allowed for the year 2013-14
765/400 kV, 1x1500 MVA, ICT-2 at Dharmjaygarh S/S along with associated bays	1.1.2014	381.83	324.55

8. The provisional tariff allowed in this order shall be applicable from the date of commercial operation (DOCO) of the transmission system 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.

9. The provisional transmission charges allowed in this order shall be subject to adjustment as per Regulation 5(3) of the 2009 Tariff Regulations.

(A. K. Singhal)
Member

(M. Deena Dayalan)
Member

(Gireesh B. Pradhan)
Chairperson