

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 142/TT/2015

Coram:

**Shri Gireesh B. Pradhan, Chairperson
Shri A. K. Singhal, Member
Shri A.S. Bakshi, Member**

**Date of Hearing: 18.06.2015
Date of Order : 02.07.2015**

In the matter of

Approval of transmission tariff for 1 no. 125 MVAR Bus Reactor and associated bays at 400 kV Rourkela Sub-station under Transmission System for "Eastern Region Strengthening Scheme-VIII" in Eastern Region for tariff block 2014-19 under Regulation-86 of Central Electricity Regulatory Commission (Conduct of Business) Regulations, 1999 and Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014

And in the matter of

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

.....Petitioner

Vs

1. Bihar State Power (Holding) Company Limited
(Formerly Bihar State Electricity Board- BSEB)
Vidyut Bhawan, Bailey Road
Patna- 800 001
2. West Bengal State Electricity Distribution Company Limited
Bidyut Bhawan, Bidhan Nagar
Block DJ, Sector-II, Salt Lake City
Calcutta- 700 091
3. Grid Corporation of Orissa Ltd.
Shahid Nagar, Bhubaneshwar- 751 007
4. Jharkhand State Electricity Board
In front of Main Secretariat
Doranda, Ranchi-834002



5. Damodar Valley Corporation
DVC Tower, Maniktala
Civic Centre, VIP Road, Calcutta- 700 054

6. Power Department
Govt. of Sikkim, Gangtok- 737 101

...Respondents

For petitioner : Shri S. S. Raju, PGCIL
Shri M. M. Mondal, PGCIL
Shri S.K. Venkatesan, PGCIL
Shri Rakesh Prasad, PGCIL

For respondents : None

ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed this petition for approval of the transmission tariff for 1 no. 125 MVAR Bus Reactor at Rourkela Sub-station (hereinafter the "Asset") under "Transmission System for Eastern Region Strengthening Scheme-VIII" in Eastern Region in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014 (hereinafter referred to as "the 2014 Tariff Regulations"). The petitioner has also prayed to allow 90% of the Annual Fixed Charges in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

2. The matter was heard on 18.6.2015 for consideration of the petitioner's prayer for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations. The representative of the petitioner submitted that, as per the Investment Approval (IA) dated 28.8.2013, the asset was scheduled to be



commissioned within 20 months from the date of approval of Board of Directors (27.8.2013), i.e. by 27.4.2015. The asset was commissioned on 2.2.2015. Thus, there is no time over-run. There is cost over-run in the instant case. He requested to allow tariff as claimed in the petition. He further prayed to allow 90% of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

3. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in PoC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses) Regulations, 2010. Regulation 7(2) of the 2014 Tariff Regulations provides that the application for tariff should be made in accordance with the Central Electricity Regulatory Commission (Procedure for making of application for determination of tariff, publication of the application and other related matters) Regulations, 2004 (hereinafter referred to as "2004 Regulations"). Regulation 7(4) of the 2014 Tariff Regulations provides that such an application shall be filed as per Annexure-I of these Regulations.

4. We have considered the submissions of the petitioner. The petitioner has made the applications as per Annexure-I of the 2014 Tariff Regulations. The petitioner has also complied with the requirements of 2004 Regulations, such as service of the copy of the application on the beneficiaries, publication of notice and web hosting of the application, etc.



5. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the cost over-run, which shall be looked into in detail at the time of issue of final tariff, the Commission has decided to allow tariff for the instant asset in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order for the years 2014-15 and 2015-16.

6. The details of the tariff claimed by the petitioner and tariff allowed by the Commission are as under:-

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

Particular	(₹ in lakh)				
	2014-15 (Pro-rata)	2015-16	2016-17	2017-18	2018-19
Asset	34.25	235.61	246.25	243.33	240.48

B. Annual transmission charges allowed are as follows:-

Particulars	(₹ in lakh)	
	2014-15 (pro-rata)	2015-16
Asset	27.46	188.93

7. The AFC allowed in this order shall be applicable from the date of commercial operation 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. Further, the transmission charges allowed in this order shall be subject to adjustment as per Regulation 7(7) of the 2014 Tariff Regulations.

8. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 30.7.2015:-

- a) RLDC Certificate for charging of asset.
- b) Single Line Diagram (SLD) and schematic of general arrangement (GA) of Rourkela Sub-station.
- c) Certificate of CEA under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010.
- d) Auditor's certificate for the actual capital expenditure incurred upto to actual COD duly reconciled with the Tariff forms;
- e) Revised Cost Estimate (RCE),if any;
- f) Repayment Schedule for the loans deployed (as per Form-9C) for the asset. Details of default, if any, in the interest payment on any loan;
- g) Computation of interest during construction (IDC) along with the editable soft copy in Excel format with links, for the period from the date of infusion of debt fund up to actual COD of the asset as per Regulation 11(A) of the 2014 Tariff Regulations;
- h) Detailed break-up of IDC and IEDC capitalized in the asset (i.e. building, civil work, sub-station, transmission line, PLCC, etc.);
- i) Form-9 (Details of allocation of corporate loans to various transmission elements), Form-9A (Details of project specific loan), and Form-15 (actual cash expenditure);



9. The petitioner is further directed to work out the tax on return on equity and the deferred tax liability for the period 2014-19 as per the observations made in order dated 15.4.2015 in Petition No. 532/TT/2014.

Sd/-
(A.S. Bakshi)
Member

Sd/-
(A.K. Singhal)
Member

Sd/-
(Gireesh B. Pradhan)
Chairperson

