

**CENTRAL ELECTRICITY REGULATORY COMMISSION  
NEW DELHI**

**Petition No. 208/TT/2016**

**Coram:**

**Shri Gireesh B. Pradhan, Chairperson**

**Shri A.K. Singhal, Member**

**Shri A.S. Bakshi, Member**

**Dr. M.K. Iyer, Member**

**Date of Order : 19.12.2016**

**In the matter of:**

Approval of transmission tariff of **Asset-1**: 400 kV, 125 MVAR Bus Reactor with associated bays at Bina, (COD: 16.3.2016), **Asset-2**: 400 kV, 63 MVAR Switchable line Reactors at 400/220 kV Rajgarh Sub-station with associated bays for 400 kV D/C Rajgarh-Sardar Sarovar T/L Ckt.-1 and Ckt.-2, (Anticipated COD: 1.10.2016), **Asset-3**: 400/220 kV, 500 MVA ICT at Damoh Sub-station with associated bays, (Anticipated COD: 1.11.2016), **Asset-4**: 765/400 kV, 1500 MVA, ICT-2 at Raipur Pooling Station with associated bays and 765/400 kV, 1500 MVA, ICT-4 at Raigarh (Tamnar) Pooling Station with associated bays (Anticipated COD: 1.1.2017) and **Asset-5**: 400/220 kV, 500 MVA, 2 nos. ICTs at Vadodra GIS with associated bays (Anticipated COD: 1.2.2017) under "Installation of Bus Reactor and ICT in Western Region" in Western Region from actual COD to 31.3.2019 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

"Saudamini", Plot No.2,

Sector-29, Gurgaon -122 001

**.....Petitioner**

**Vs**

1. Madhya Pradesh Power Management Company Limited,  
Shakti Bhawan, Rampur,  
Jabalpur-482 008

2. Maharashtra State Electricity Distribution Company Limited,  
Hong Kong Bank Building, 3rd Floor,  
M.G. Road, Fort, Mumbai-400 001



3. Gujarat Urja Vikas Nigam Limited,  
Sardar Patel Vidyut Bhawan,  
Race Course Road, Vadodara-390 007
4. Electricity Department, Government of Goa,  
Vidyut Bhawan, Panaji,  
Near Mandvi Hotel, Goa-403 001
5. Electricity Department,  
Administration of Daman and Diu,  
Daman-396 210
6. Electricity Department,  
Administration of Dadra Nagar Haveli U.T.,  
Silvassa-396 230
7. Chhattisgarh State Electricity Board,  
P.O. Sunder Nagar, Dangania, Raipur  
Chhattisgarh-492 013
8. Madhya Pradesh Audyogik Kendra Vikas Nigam (Indore) Limited,  
3/54, Press Complex,  
Agra-Bombay Road, Indore-452 008

.....Respondents

**For petitioner** : Shri Rakesh Prasad, PGCIL  
Shri S.K. Venkatesan, PGCIL  
Shri M.M. Mondal, PGCIL  
Shri Jasbir Singh, 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 transmission assets under "Installation of Bus Reactor and ICT in Western Region" in Western 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 for allowing 90% of the Annual Fixed Charges claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

2. The details of the elements covered in the petition are as follows:-

Particulars	Name of the Asset	COD	COD as on the date of petition	Delay
		Scheduled	Anticipated/ actual	
Asset-1	400 kV, 125 MVAR Bus Reactor with associated bays at Bina	12.7.2016	16.3.2016 (actual)	No delay
Asset-2	400 kV, 63 MVAR Switchable line Reactors at 400/220 kV Rajgarh Sub-station with associated bays for 400 kV D/C Rajgarh-Sardar Sarovar T/L Ckt.-1 and Ckt.-2		1.10.2016 (Anticipated)	74 days
Asset-3	400/220 kV, 500 MVA ICT at Damoh Sub-station with associated bays		1.11.2016 (Anticipated)	105 days
Asset-4	765/400 kV, 1500 MVA, ICT-2 at Raipur Pooling Station with associated bays and 765/400 kV, 1500 MVA, ICT-4 at Raigarh (Tamnar) Pooling Station with associated bays		1.1.2017 (Anticipated)	166 days
Asset-5	400/220 kV, 500 MVA, 2 nos. ICTs at Vadodra GIS with associated bays		1.2.2017 (Anticipated)	197 days

3. The details of capital cost claimed by the petitioner are as follows:-

							(₹ in lakh)
Particulars	Approved apportioned cost	Cost as on COD	Additional capital expenditure Incurred/projected			Total estimated completion cost	% age variation
			2016-17	2017-18	2018-19		
Asset-1	780.52	422.60	164.34	88.61	-	675.55	NIL
Asset-2	1708.46	1393.94	290.53	193.69	94.36	1972.52	15.45



Asset-3	2662.37	2270.30	305.84	458.76	94.62	3129.52	17.54
Asset-4	15906.06	10490.95	2685.00	3027.58	1509.66	17713.18	11.36
Asset-5	9249.44	7906.73	871.41	2158.63	247.98	11184.75	20.92
<b>Total</b>	<b>30306.85</b>	<b>22484.52</b>	<b>4317.12</b>	<b>5927.27</b>	<b>1946.62</b>	<b>34675.52</b>	<b>14.41</b>

4. During the hearing on 17.11.2016, the representative of the petitioner prayed for grant of Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations in respect of the instant assets.

5. We now consider the petitioner's prayer for grant of AFC under Regulation 7(7) of the 2014 Tariff Regulations. As per proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations, the Commission may grant tariff upto 90% of the AFC of the transmission system or element thereof for the purpose of inclusion in POC charges in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission charges and losses), Regulation, 2010. 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.

6. 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. However, it is observed that the downstream systems of Asset-3 and Asset-5 in the instant petition are not yet commissioned. This issue requires detailed examination and therefore, tariff for Asset-3 and Asset-5 has not been considered in this order.

7. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time and cost over-run in case of the instant assets, except Asset-1, 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 assets for 2016-17 and 2017-18 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 8 of this order.

8. 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:-

(₹ in lakh)				
Particulars	2015-16 (pro-rata)	2016-17	2017-18	2018-19
Asset-1	5.91	153.63	176.48	183.55
		<b>2016-17 (pro-rata)</b>		
Asset-2	-	198.58	437.57	458.88
Asset-3	-	259.52	687.03	728.93
Asset-4	-	588.53	2813.31	3142.04
Asset-5	-	304.60	2067.29	2251.08

B. Annual transmission charges allowed are as follows:-



(₹ in lakh)			
Particulars	2015-16 (pro-rata)	2016-17	2017-18
Asset-1	5.02	130.59	150.01
		<b>2016-17 (pro-rata)</b>	
Asset-2	-	137.60	303.19
Asset-4	-	422.78	2021.03

9. 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.

10. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 30.12.2016:-

- CEA certificate in support of commercial operation under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for the instant assets and status of commissioning of instant assets. Furnish Auditor/Management certificates with revised tariff forms, in case of change in COD of the instant assets alongwith revised tariff forms for Asset-2 to Asset-5;
- WRLDC Certificate for completion of trial operation for Asset-2 to Asset-5 as per 2014 Tariff Regulations;
- Detailed reasons for time over-run in commissioning of Assets-2 to 5 and chronology of the activities along with documentary evidence, as per the format overleaf:-



Asset	Activity	Period of activity				Reason(s) for delay along with reference to supporting document
		Planned		Achieved		
		From	To	From	To	

- d) Revised cost estimate, if any;
- e) Explain and reconcile the difference in loan amount as on COD as mentioned in Form-9C and Form-12B as on COD in respect of Asset-1;
- f) Details of decapitalised/replaced asset not put to use on commissioning of instant assets (i.e. date of capitalisation, gross block, accumulated depreciation till date of replacement for the assets decapitalized/replaced/asset not put to use) alongwith petition numbers in which tariff of the replaced assets were claimed;
- g) Documentary proof of interest rate for Bond LI;
- h) Details of undischarged liabilities as on COD and actual discharge of such liabilities by payments made during 2014-19 duly certified by Auditors for Asset-1;
- i) Year wise details of initial spares capitalised on accrual basis and year wise actual discharge of initial spares in case of Asset-1;
- j) Details of incidental expenditure incurred (IEDC) incurred during the period of delay i.e. from scheduled COD to actual COD in case of Asset-2, Asset-3, Asset-4 and Asset-5, alongwith details of liquidated damages recovered or recoverable, if any;
- k) Detailed break-up of IDC and IEDC capitalised amongst the elements i.e. buildings, civil works, sub-station, transmission line, PLCC etc. of all the respective assets;
11. The parties are directed to complete the pleadings by 27.1.2017. The matter shall be listed on 7.2.2017.

sd/-  
**(M.K. Iyer)**  
Member

sd/-  
**(A.S. Bakshi)**  
Member

sd/-  
**(A.K. Singhal)**  
Member

sd/-  
**(Gireesh B. Pradhan)**  
Chairperson

