

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 29/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 Hearing: 29.03.2016
Date of Order : 05.04.2016**

In the matter of:

Approval of transmission tariff of Asset-I: 1 No. of 1X125 MVAR Bus Reactor and associated bay at 400 kV Maithon S/S, (Anticipated COD: 30.4.2016), Asset-II: Replacement of 1 No. of 1X315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (1st) at 400 kV Maithon S/S (Anticipated COD: 30.4.2016) and Asset-III: Replacement of 1 No. of 1X315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (2nd) at 400 kV Maithon S/S (Anticipated COD: 31.5.2016) under Transmission System for "Eastern Region System Strengthening Scheme-IX" in Eastern 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. Bihar State Electricity Board,
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,
Kolkata-700 091



3. Grid Corporation of Orissa Limited,
Shahid Nagar,
Bhubaneswar-751 007
4. Damodar Valley Corporation,
DVC Tower, Maniktala, Civil Centre,
VIP Road, Kolkata-700 054
5. Power Department,
Govt. of Sikkim, Gangtok-737 101
6. Jharkhand State Electricity Board,
In front of Main Secretariat,
Doranda, Ranchi-834 002

.....Respondents

For petitioner : Shri S.S. Raju, 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 transmission assets under Transmission System for “Eastern Region System Strengthening Scheme-IX” 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 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 and the elements covered in the petition are as follows:-



S. No.	Asset	Name of the Asset	Scheduled COD	Anticipated COD as on the date of petition
1	Asset-I	1 No. of 1X125 MVAR Bus Reactor and associated bay at 400 kV Maithon Sub-station	26.2.2016	30.4.2016
2	Asset-II	Replacement of 1 No. of 1X315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (1 st) at 400 kV Maithon Sub-station		30.4.2016
3	Asset-III	Replacement of 1 No. of 1X315 MVA, 400/220 kV ICT with 1x500 MVA, 400/220 kV ICT (2nd) at 400 kV Maithon S-ub-station		31.5.2016

3. During the hearing on 29.3.2016, 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.

4. 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.

5. 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.

6. After carrying out preliminary prudence check of the AFC claimed by the petitioner and taking into consideration the time over-run in case of the instant assets, 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 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in para 7 of this order.

7. 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:-

Assets	(₹ in lakh)		
	2016-17 (pro-rata)	2017-18	2018-19
Asset-I	194.65	245.52	260.33
Asset-II	236.66	293.85	303.14
Asset-III	157.80	220.68	231.96



B. Annual transmission charges allowed are as follows:-

Assets	(₹ in lakh)	
	2016-17 (pro-rata)	
Asset-I	155.72	
Asset-II	189.33	
Asset-III	126.24	

8. 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.

9. The Commission directed the petitioner to submit the following information on affidavit with a copy to the respondents by 29.4.2016:-

- a) CEA certificate under Regulation 43 of CEA (Measures Related to Safety & Electricity Supply) Regulations, 2010 for the instant assets;
- b) RLDC Certificate for charging of the instant assets;
- c) Details of time over-run and chronology of the activities along with documentary evidence, as there is a delay in completion of the instant assets, covered in this petition, as per the format as under:-

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



- d) In view of released ICTs to be used as regional spares, life of the ICTs and the Petition No. in which the same were claimed alongwith RPC approval for use of the ICTs as regional spares;
- e) Details of decapitalisation of 2x315 MVA transformer;
- f) List of regional spares of transformer already available region wise and its requirement;
- g) Status of commissioning of instant assets. Furnish Auditor/Management certificates with revised tariff forms, in case of change in COD of the instant assets. To clarify why the Management certificates have been submitted without signing dates in the original petition;
- h) Documents in support of date of drawl, interest rates and repayment schedule for proposed loan 2015-16 (8.40%) deployed (as per Form-9c) for instant assets alongwith complete details of default in interest payment on loan, if any;
- i) Form-4A "Statement of Capital Cost", Form-9 (Details of allocation of corporate loans to various transmission elements), Form-12A (IEDC) and Form-15 (Actual Cash Expenditure) in respect of the instant assets;
- j) Computation of interest during construction (IDC) along with editable soft copy in Excel format with links for the instant assets for the following time periods:-
 - (i) From the date of infusion of debt fund up to scheduled COD as per Regulation 11 (A) (1) of Tariff Regulation, 2014;
 - (ii) From scheduled COD to actual COD;
- k) Clarify whether, un-discharged portion of IDC/IEDC has been included in the projected add-cap claimed;
- l) Clarify whether entire liability pertaining to initial spares has been discharged as on COD, if no, year wise details of discharge separately for sub-station and transmission line for the instant assets alongwith confirmation if the claim for additional capitalisation already includes these initial spares; and
- m) Form-10B (Statement of De-capitalisation) for both Asset-I and Asset-II for replacement of 1x315 MVA, 400/220 kV ICT and clarify as to why the



replaced ICTs should not be considered as De-cap and Add-cap in the respective petitions depending on the earlier claim and the fresh claim for new installation, if any.

sd/-
(M.K. Iyer)
Member

sd/-
(A.S. Bakshi)
Member

sd/-
(A.K. Singhal)
Member

sd/-
(Gireesh B. Pradhan)
Chairperson

