CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI

Petition No. 147/TT/2018

Coram:

Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member

Date of Order : 13.09.2018

In the matter of:

Approval of transmission tariff from COD to 31.3.2019 for Aurangabad (POWERGRID)-Padghe (POWERGRID) 765 kV D/C line and Padghe (POWERGRID)-Padghe/kudus (MSETCL) 400 kV D/C (QUAD) line along with associated bays and Establishment of 765/400 kV 2x1500 MVA Padghe GIS Sub-station under System Strengthening in North/West Part of Western Region for IPP Projects in Chhattisgarh (IPP-E) 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. Madhya Pradesh Power Transmission Company Ltd.
   Shakti Bhawan, Rampur
   Jabalpur - 482 008

3. Madhya Pradesh Audyogik Kendra
   Vikas Nigam (Indore) Ltd.
   3/54, Press Complex, Agra-Bombay Road, Indore-452 008
4. Maharashtra State Electricity Distribution Company Limited,
Hongkong Bank Building, 3rd Floor
M.G. Road, Fort, mumbai-400 001.

5. Maharashtra State Electricity Transmission Co. Ltd.
Prakashganga, 6th Floor, Plot No. C-19, E-Block,
Bandra Kurla Complex, Bandra (East) Mumbai-400 051.

6. Gujarat Urja Vikas Nigam Limited,
Sardar Patel Vidyut Bhawan,
Race Course Road,
Vadodara-390 007.

7. Gujarat Energy Transmission Corporation Limited
Sardar Patel Vidyut Bhawan,
Race Course Road, Vadodara-390 007

8. Electricity Department,
Government of Goa,
Vidyut Bhawan, Panaji,
Near Mandvi Hotel, Goa-403 001.

9. Electricity Department,
Administration of Daman and Diu,
Daman-396 210.

10. Electricity Department,
Administration of Dadra Nagar Haveli,
U.T., Silvassa-396 230.

11. Chhattisgarh State Electricity Board,
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013.

12. Chhattisgarh State Power Transmission Co. Ltd.
State Load Despatch Building,
Dangania, Raipur – 492 013

13. Chhattisgarh State Power Distribution Co. Ltd.
P.O. Sunder Nagar, Dangania, Raipur
Chhattisgarh-492 013

…Respondents
ORDER

The petitioner, Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff from COD to 31.3.2019 for Aurangabad (POWERGRID)-Padghe (POWERGRID) 765 kV D/C line and Padghe (POWERGRID)-Padghe/kudus (MSETCL) 400 kV D/C (QUAD) line alongwith associated bays and Establishment of 765/400 kV 2x1500 MVA Padghe GIS Substation under System Strengthening in North/West Part of Western Region for IPP Projects in Chhattisgarh (IPP-E) (hereinafter referred to as “transmission assets”) 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 grant of 90% of the Annual Fixed Charges (AFC) claimed, in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for inclusion in PoC mechanism.

2. As per the Investment Approval dated 27.12.2011, the scheduled COD of the instant assets was 27.8.2014 and the actual COD was 31.12.2017. Thus, there is a time over-run of 40 months in case of the instant assets. The petitioner has claimed tariff based on actual/estimated expenditure incurred up to COD and additional capitalization
incurred from COD to 31.3.2019. The estimated completion cost of the instant assets is more than the RCE. The details of the capital cost claimed by the petitioner are as follows:

<table>
<thead>
<tr>
<th>Approved apportioned cost (FR)</th>
<th>Approved apportioned cost (RCE)</th>
<th>Expenditure incurred upto COD</th>
<th>Additional Capital Expenditure</th>
<th>Total estimated cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>161469.56</td>
<td>205535.94</td>
<td>204041.83</td>
<td>2632.28</td>
<td>11698.76</td>
</tr>
</tbody>
</table>

3. During the hearing on 11.9.2018, the representative of the petitioner requested for grant Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

4. 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. 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 and cost over-run in case of the instant assets, which will be considered at the time of grant of final tariff, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in paragraph 7 of this order. The issues raised by Madhya Pradesh Power Management Company Limited in its reply will also be considered at the time approval of final tariff.

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

A. Annual transmission charges claimed:

<table>
<thead>
<tr>
<th></th>
<th>2017-18 (pro-rata)</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ in lakh</td>
<td>9172.56</td>
<td>37289.33</td>
</tr>
</tbody>
</table>

B. Annual transmission charges allowed:

<table>
<thead>
<tr>
<th></th>
<th>2017-18 (pro-rata)</th>
<th>2018-19</th>
</tr>
</thead>
<tbody>
<tr>
<td>₹ in lakh</td>
<td>6906.68</td>
<td>28077.84</td>
</tr>
</tbody>
</table>
8. The tariff allowed in this order shall be applicable from the actual CODs of instant assets 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 petitioner is directed to submit the following information on affidavit with an advance copy to the beneficiaries by 5.10.2018:-

   a) Documents in support of Rate of Interest, Date of Drawl and Repayment Schedules (as per Form-9C) of SBI-Child-1, Bond-XLI Child-1, Bond XLIV Child 1, SBI 10000, HDFC 2017-18 (Q1) deployed for the asset. The details of default, if any, in interest payment on loan.

   b) The details of Incidental Expenditure During Construction (IEDC) during the period of delay in commissioning of the instant asset (i.e. from Scheduled COD to actual COD) along with the liquidated damages recovered or recoverable, if any.

10. The respondents are directed to file their reply by 18.10.2018 with an advance copy to the petitioner who shall file its rejoinder, if any by 29.10.2018. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

11. The next of hearing will be intimated in due course of time.

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

   sd/-
   (P. K. Pujari)
   Chairperson