

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 175/TT/2018

Coram:

**Shri P. K. Pujari, Chairperson
Dr. M. K. Iyer, Member
Shri I. S. Jha, Member**

Date of Order : 07.02.2019

In the matter of:

Approval of transmission tariff from COD to 31.3.2019 of 08 nos. of transmission assets under "North Eastern Region Strengthening Scheme-VII (NERSS-VII)" for 2014-19 Tariff Period in North-Eastern Region 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. Assam Electricity Grid Corporation Limited
Bijulee Bhawan, Paltan Bazar,
Guwahati-781001, Assam
2. Meghalaya Energy Corporation Limited
(Formerly Meghalaya State Electricity Board)
Short Round Road, "Lumjingshai"
Shillong-793001, Meghalaya
3. Government of Arunachal Pradesh
Vidyut Bhawan, Itanagar-791111,
Arunachal Pradesh



4. Power and Electricity Department
Government of Mizoram
Aizawl, Mizoram
5. Manipur State Power Distribution Company Limited
(Formerly Electricity Department, Govt. of Manipur)
Electricity Complex, Patta No. 1293 Under 87(2),
Khwai Bazar, Keishampat,
District-Imphal West, Manipur-795001
6. Department of Power
Government of Nagaland
Kohima, Nagaland
7. Tripura State Electricity Corporation Limited
Vidyut Bhawan, North Banamalipur,
Agartala, Tripura (W)-799001, Tripura

...Respondents

For petitioner : Shri Abhay Choudhary, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri Zafrul Hasan, PGCIL

For respondents : None

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff of Asset-1: Re-conductoring of Imphal (POWERGRID)–Yurembam (Imphal Sub-station-Manipur) 132 kV S/C line with high capacity conductor [HTLS of capacity equivalent to that of Single ACSR Moose: 798 A and Up-gradation/ modification of 132 kV line bay equipment for Imphal (POWERGRID)–Yurembam (Imphal S/S-Manipur) 132 kV S/C (HTLS) line-1 km, Asset-



2: 315 MVA, 400/132 kV, ICT-III alongwith associated bays in GIS bays at 400 kV Silchar Sub-station, Asset-3: 200 MVA, 400/132 kV Spare ICT at 400 kV Silchar Sub-station, Asset-4: 31.5 MVAR, 220 kV, Bus Reactor alongwith associated bay at Mokokchung (POWERGRID) Sub-station, Asset-5: 160 MVA, 220/132 kV, ICT (Spare) at Kopili Sub-station, Asset-6: 50 MVA, 132/33 kV, ICT (Spare) at Nirjuli Sub-station, Asset-7: 1X80 MVAR, 420 kV Reactor (Spare) and 1X63 MVAR 420 kV Reactor (Spare) at Bongaigaon Sub-station and Asset-8: 315 MVA, 400/220 kV, ICT (Spare) at Misa Sub-station under “North Eastern Region Strengthening Scheme-VII (NERSS-VII)” in North-Eastern Region for 2014-19 tariff period 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 of the petitioner’s Board of Directors on 20.7.2016, the instant assets were scheduled to be put into commercial operation on 19.7.2018. The petitioner vide affidavit dated 22.1.2019 has submitted that the actual COD of Assets-1, 2, 3, 4, 5, 6 and 7 was 18.7.2018, 18.7.2018, 24.7.2018, 1.12.2018, 29.6.2018, 29.6.2018 and 1.4.2018 respectively. As per the said affidavit, Assets-8 was charged on 31.12.2018. There is no time over-run in case of the instant assets except for Assets-3, 4 and 8.



3. The details of the capital cost claimed by the petitioner vide affidavit dated 22.1.2019 are as follows:-

Particulars	AppORTIONED approved FR Cost	Exp. Up to actual COD	Proposed Expenditure				Estimated Completion Cost	
			2017-18	2018-19	2019-20	2020-21		
Asset-1	195.01	67.65	0.00	30.36	17.98	0.00	115.99	
Asset-2	2823.29	1970.29	0.00	574.17	167.69	49.05	2761.20	
Asset-3	1499.87	1025.93	140.74	17.49	0.00	0.00	1184.16	
Asset-4	1371.63	1111.57	0.00	247.80	108.65	0.00	1468.02	
Asset-5 and 6	857.52	891.41	0.00	181.61	64.86	12.97	1150.85	
Asset-7	1709.57	1482.35	0.00	120.26	32.07	8.02	1642.70	
Asset-8	172.03	No details submitted						
TOTAL	8628.92	6549.20	140.74	1171.69	391.25	70.04	8322.92	

There is no cost over-run in case of the instant assets.

4. During the hearing on 24.1.2019, the representative of the petitioner submitted that the documents in support of COD, the instant assets and tariff forms based on the actual COD were submitted vide affidavit dated 22.1.2019. He requested to grant Annual Fixed Charges (AFC) in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations.

5. 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. 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.

7. After carrying out preliminary prudence check of the AFC claimed by the petitioner, the Commission has decided to allow tariff for Assets-1, 2 and 4 in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations as given in paragraph 8 of this order for inclusion in the PoC computation. Tariff for Assets-3, 5, 6, 7 and 8, which is a Spare ICT at Silchar Sub-station, Nirjuli Sub-station and Misa Sub-station shall be considered at the time of grant of final tariff.

8. The details of the tariff claimed by the petitioner and tariff awarded for the year 2018-19 are as under:-

(₹ in lakh)		
Assets	Tariff claimed (pro-rata)	Tariff allowed (pro-rata)
Asset-1	9.67	8.22
Asset-2	340.09	289.08
Asset-4	85.50	68.40



9. 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.

10. The petitioner is directed to submit the following information on affidavit with an advance copy to the beneficiaries by 22.2.2019:-

- (i) The Auditor's certificate based on actual COD. The Auditor certificate shall specify the name of the assets by clearly mentioning the no. of km and no. of ICTs and location for all the assets.
- (ii) Computation of Interest During Construction (IDC) for all the assets for the period up to actual COD in excel format.
- (iii) Form 5 for all the assets.
- (iv) Year-wise discharge of the initial spares for all the assets.
- (v) Documentary proof of Rate of Interest and repayment schedule of proposed loan (2017-18) – 7.90%, HDFC Loan, ICICI Loan and SBI Loan.
- (vi) Nature of spares, whether kept as a cold spare or hot spare. If kept as hot spare, the charging/commissioning certificate for the same.
- (vii) As per the Minutes of 5th SCM of NER at Imphal on 8.8.2015, it was observed "whether their transportation from other regions will be economical", the reply to the same may be provided.
- (viii) As per CEA letter dated 19.1.2016, in case of Asset-8, the 1X315 MVA ICT would be positioned at MISA Sub-station from Ballabgharh Sub-station. However, as per the project scope, one number 315 MVA transformer to be available at Narendra Sub-station after replacement with 500 MVA under



SRSS-XX shall be diverted to NER and kept as regional spare at MISA, clarify.

11. The respondents are directed to file their reply by 8.3.2019 with an advance copy to the petitioner who shall file its rejoinder, if any by 18.3.2019. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.

12. The next date of hearing will be intimated to the parties in due course of time.

sd/-
(I. S. Jha)
Member

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

sd/-
(P. K. Pujari)
Chairperson

