

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 242/TT/2018

Coram:

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

Date of Order : 08.01.2019

In the matter of:

Approval of transmission tariff from COD to 31.3.2019 for Asset-I: 2X80 MVAR, 400 kV Switchable Line Reactors for 400 kV D/C Agra-Sikar transmission line at Agra Sub-station, Asset-II: 63 MVAR Line Reactor (to be used as Bus Reactor) connected to 400 kV Lower Subansiri-BNC-I Line Bay alongwith associated bays at ± 800 kV Biswanath Chariali HVDC Converter terminal and Asset-III: 63 MVAR Line Reactor (to be used as Bus Reactor) connected to 400 kV Lower Subansiri-BNC-III Line Bay at ± 800 kV Biswanath Chariali HVDC Converter terminal under the transmission system associated with "North East-Northern/Western Interconnector-I Project" 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,
(Formerly Assam State Electricity Board)
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)
 8. Himachal Pradesh State Electricity Board,
Vidyut Bhawan, Shimla-171 004 (H.P.)
 9. Punjab State Power Corporation Limited,
Thermal Shed T-1A, Patiala.
(Punjab)
 10. Haryana Power Purchase Centre, IInd Floor,
Shakti Bhawan, Sector-6, Panchkula-134 109.
 11. Power Development Deptt.
Janipura Grid Station, Jammu (Tawi)-180 007.



12. Uttar Pradesh Power Corporation Limited,
10th Floor, Shakti Bhawan Extn.
14, Ashok Marg, Lucknow - 226 001.
(UP)
13. Delhi Transco Limited,
Shakti Sadan
Kotla Road (Near ITO), New Delhi.
14. Chandigarh Administration,
Sector-9, Chandigarh.
15. Uttarakhand Power Corporation Limited,
Urja Bhawan, Kanwali Road, Dehradun.
(Uttarakhand)
16. Rajasthan Power Procurement Centre,
Vidyut Bhawan, Janpath, Jaipur.
(Rajasthan)
17. Ajmer Vidyut Vitran Nigam Limited,
400 kV GSS Building,
Ajmer Road, Heerapura, Jaipur
(Rajasthan)
18. Jodhpur Vidyut Vitran Nigam Limited,
400 kV GSS Building, Ajmer Road,
Heerapura, Jaipur
(Rajasthan)
19. Jaipur Vidyut Vitran Nigam Limited,
400 kV GSS Building,
Ajmer Road, Heerapura, Jaipur
(Rajasthan)
20. Northern Central Railway,
Allahabad.
(UP)
21. BSES Yamuna Power Limited,
Shakti Kiran Building, Karkardooma,
Delhi-110092.



22. BSES Rajdhani Power Limited,
BSES Bhawan, Nehru Place,
New Delhi.
23. Tata Power Delhi Distribution Limited,
33 kV Sub-station, Building
Hudson Lane, Kingsway Camp
North Delhi-110009.
24. New Delhi Municipal Council,
Palika Kendra, Sansad Marg,
New Delhi-110002.

...Respondents

For petitioner : Shri Pankaj Sharma, PGCIL
Shri S. K. Venkatesan, PGCIL
Shri S. S. Raju, PGCIL
Shri Vivek Kumar Singh, PGCIL
Shri Zafrul Hasan, PGCIL

For respondents : Shri R. B. Sharma, Advocate, BRPL
Shri Mohit Mudgal, Advocate, BRPL

ORDER

Power Grid Corporation of India Limited (PGCIL) has filed the instant petition for determination of transmission tariff from COD to 31.3.2019 for Asset-I: 2X80 MVAR, 400 kV Switchable Line Reactors for 400 kV D/C Agra-Sikar transmission line at Agra Sub-station, Asset-II: 63 MVAR Line Reactor (to be used as Bus Reactor) connected to 400 kV Lower Subansiri-BNC-I Line Bay alongwith associated bays at \pm 800 kV Biswanath Chariali HVDC Converter terminal and Asset-III: 63 MVAR Line Reactor (to be used as Bus Reactor) connected to 400 kV Lower Subansiri-BNC-III Line Bay at



±800 kV Biswanath Chariali HVDC Converter terminal under the transmission system associated with “North East-Northern/Western Interconnector-I Project” 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 approval of the petitioner’s Board of Directors on 24.2.2009, the instant assets were scheduled to be put into commercial operation in 54 months for Part-A and in 48 months for Parts-B and C of the transmission system from the date of the investment approval. The petitioner has submitted that the actual COD of the Assets-I, II and III was 1.8.2017, 21.7.2017 and 11.12.2017 respectively. Thus, there is time over-run of 3 years 11 months and 20 days and 4 years, 4 months and 10 days in case of Assets-II and III.

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

Name of the element	AppORTIONED Approved Cost (As per FR)	AppORTIONED Approved Cost (As per RCE)	Expenditure Up to COD	Proposed Expenditure		Estimated completion Cost
				(₹ in lakh)		
				2017-18	2018-19	
Asset-I	-*	1452.05	1308.94	69.82	55.56	1434.33
Asset-II	1169	2710.32	2420.64	57.69	207.15	2685.48
Asset-III	1169	2710.32	2444.45	8.50	233.28	2686.23

* included in the scope of the project in RCE



There is no cost over-run in case of the instant assets when compared to RCE.

4. During the hearing on 13.12.2018, 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.

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. It is observed that Asset-I (2X80 MVAR Reactors) has already replaced the existing 2x50 MVAR Reactors at Agra which have been shifted to Daltonganj Sub-station. The tariff for 2x50 MVAR reactors at Agra was trued up for the period 2009-14 and tariff for 2014-19 was allowed in Petition No. 64/TT/2018. In Petition No. 105/TT/2018, tariff has been granted under Regulation 7(7) of the 2014 Tariff Regulations for the said 2x50 MVAR after its transfer to Daltonganj. Therefore, tariff has been claimed and granted for the 2x50 MVAR in two petitions. The petitioner in the instant petition has made the following submissions:-

“Since the petitioner is entitled for tariff of the present asset and the tariff impact is very less after de-cap & add-cap adjustment, therefore, the petitioner seeks to submit that the tariff for 2x50 MVAR Reactors at Agra is to be continued in petition no. 64/TT/2018 under System Strengthening in NR for Sasan and Mundra UMPP and same shall be trued up at the end of 2014-19 tariff block /beginning of tariff block 2019-24. Further, it is prayed to Hon'ble Commission that, in the meanwhile, tariff of the 2x80MVAR new Reactors at Agra may be allowed as claimed in the instant petition. “

From the above submissions of the petitioner, it emerges that the petitioner wants to continue the tariff of 2x50 MVAR reactors at Agra till the end of the tariff period 2014-19 and at the same time has claimed the tariff for 2x50 MVAR reactors at Daltonganj Sub-station. As per the approved procedure, the asset under inter-unit transfer is required to be decapitalized in the books of account of the transmission system from where it is replaced and capitalized in the books of account of the transmission system where it is put into service after inter-unit transfer. The petitioner is directed to explain as to why the petitioner is claiming the tariff of the 2X50 MVAR Reactors at Agra as well as Daltonganj which results in double charging of tariff for the same assets. We are not



allowing tariff in case of Asset-I in this order and tariff of Asset-I will be allowed after proper decapitalization of the said asset at Agra and capitalization at Daltonganj.

8. The petitioner has submitted the COD letters, RLDC certificates, CMD certificates and CEA certificate and tariff forms in case of Assets-II and III. After carrying out preliminary prudence check of the AFC claimed by the petitioner for the assets, the Commission has decided to allow tariff in terms of proviso (i) of Regulation 7(7) of the 2014 Tariff Regulations for Assets-II and III as given in paragraph 8 of this order.

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

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

(₹ in lakh)		
Asset	2017-18 (pro-rata)	2018-19
Asset-I	138.84	216.35
Asset-II	310.82	466.83
Asset-III	135.60	465.89

B. Annual transmission charges allowed are given below:-

(₹ in lakh)		
Asset	2017-18 (pro-rata)	2018-19
Asset-II	248.66	373.46
Asset-III	108.48	372.71

10. 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.

11. The petitioner is directed to submit the details of time over-run and chronology of activities alongwith documentary evidence (asset wise) as per format given below on affidavit with an advance copy to the beneficiaries by 25.1.2018:-

Sl. No.	Activity	Schedule		Actual		Remarks if any
		From	to	From	to	
1	LOA					
2	Supplies					
3	Stringing					
4	Testing & commissioning					
5	Land acquisition					
6	Row issues					
7	Law & Order problem					
8	Forest clearance					
9	Monsoon and flash flood					
10	Strikes and bands					
11	Commissioning of generation at Lower Subansiri					
12	Any other activity					

12. The respondents are directed to file their reply by 4.2.2019 with an advance copy to the petitioner who shall file its rejoinder, if any, by 11.2.2019. The parties shall comply with the above directions within the due date mentioned above and no extension of time shall be granted.



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

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

sd/-
(P. K. Pujari)
Chairperson

